

Quarterly Update: 1 July–30 September 2021

During this quarter, the Office of the Commonwealth Ombudsman (the Office) received 648 complaints in its capacity as the Private Health Insurance Ombudsman.¹ This was a decrease of 29.9 per cent compared to the same period last year and was the lowest number of private health insurance complaints in any quarter since 2012.

The decrease in complaints may be attributed to some consumers not using their health insurance, as they may not have accessed planned hospital treatments and routine general treatment services due to restrictions associated with COVID-19.

Figure 1: Complaints received by quarter

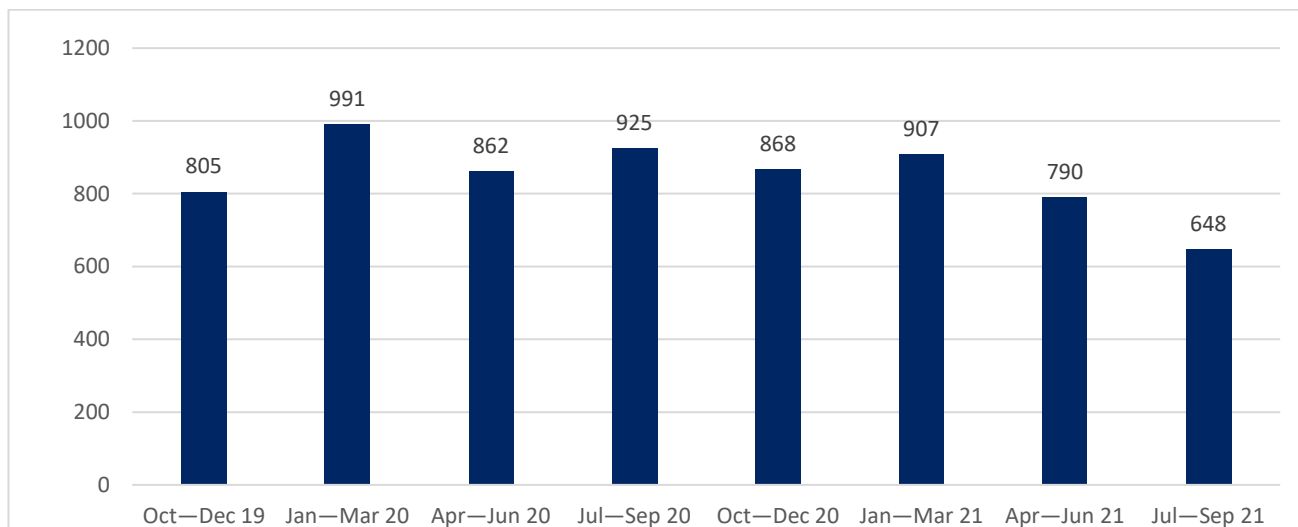
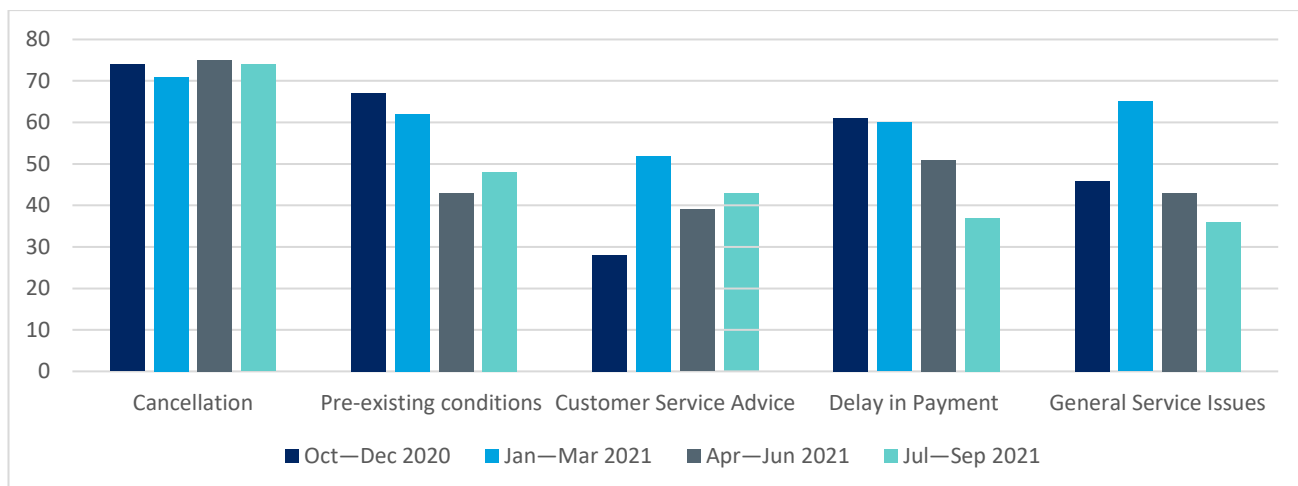


Figure 2: Top complaint issues, October 2020 to September 2021



¹ Includes complaints about private health insurers, hospitals, practitioners and brokers. Refer to [Private Health Insurance - Commonwealth Ombudsman](#) for definitions of complaints, issues and other terms. Our data is dynamic and regularly updated. This means there may be minor differences when compared to the last quarterly update. Previous quarterly updates are available on the Ombudsman's [website](#).

Advice on Lifetime Health Cover rules for 491 and 494 Regional Working Visas holders

Our Office received queries from 491 and 494 Regional Working Visa holders about the Lifetime Health Cover (LHC) loading that applies to their policies. The LHC loading is added to the cost of an Australian resident's hospital cover and increases with the insured person's age. We saw instances where a LHC loading was incorrectly applied to visa holders who take out resident's cover.

Insurers can contact the [Department of Health](#) for further advice about the LHC rules for 491 and 494 Regional Working Visas.

Case Study

A 491 Regional Working Visa (temporary resident visa) holder contacted our Office to query whether the LHC loading applied to their hospital insurance was correct.

The person explained they were granted a 491 visa and could enrol for full Medicare benefits. In addition to Medicare, the person purchased Australian residents' private hospital insurance.

Shortly after joining, the insurer added a LHC loading to the cost of the hospital cover because the person was aged over 31 and did not provide the insurer with the letter confirming the date they registered for Medicare. Usually, for a new migrant aged over 31, the loading can be removed if they prove they commenced private hospital cover within one year of being registered for full Medicare benefits.

Based on our advice, the person requested a letter from Medicare to confirm the LHC loading does not apply to them because, even though they *enrolled* for Medicare benefits they are not considered to be *registered* for Medicare. The complainant then provided the letter to the insurer and it removed the loading and refunded the excess premiums.

Verbal Advice

Most complaints to our Office about verbal advice concern advice given by over the phone or at a retail centre, where there are no written records of the information provided. When considering these complaints, our case officers can access the insurer's membership records and/or the relevant call recording to make an independent assessment of the quality of the information provided.

Case Study

A person telephoned their insurer to add their partner to their policy. As their partner had not held health insurance before, the person asked whether they would have to serve waiting periods.

The insurer explained that waiting periods generally do apply to newly insured people but, in some cases, the 2 month waiting period for services covered under the general treatment cover could be waived. The insurer advised the person it would confirm the applicable waiting periods once it processed the change in cover.

After the change in cover was processed, the person contacted the insurer online to ask if waiting periods would apply to their partner. The person told us they did not receive a response to their enquiry from the insurer.

Shortly after joining the health insurance policy, the partner required emergency ambulance transport and the person attempted to claim the cost of the ambulance from the insurer. However, the insurer refused the claim because the partner was still within a 2 month waiting period.

The person complained to the insurer because they did not feel they were given clear advice about any waiting periods that would apply to their partner. The person also noted they had not received any policy documents from the insurer to confirm the insurance policy or advise it would apply waiting periods.

The person contacted our Office after the insurer reviewed the complaint and decided to decline the claim. The insurer explained that, in its view, waiting periods were discussed clearly with the person during the initial contact.

After considering the complaint, it was our view the insurer did not provide the person with clear advice about the waiting periods that would apply to the partner. We also noted the insurer only sent the person the policy document which confirmed ambulance waiting periods after the partner was taken to hospital.

In the absence of clear advice about waiting periods, we concluded the person had a reasonable expectation the ambulance fee would be covered by the insurer. In response to the Office's views, the insurer agreed to pay the outstanding claim.

Changes to this quarterly update

We recently simplified the format of our Quarterly Updates and removed some figures that were included in previous reports. This new format focuses on key complaint issues and complaints received and closed during the quarter. We will continue to provide an expanded summary of complaints figures, issues and additional information at the end of each financial year.

We want to ensure that this reporting is useful to consumers, industry and stakeholders. We welcome feedback about these changes to phi@ombudsman.gov.au

Table 1: Complaints by health insurer market share, 1 July–30 September 2021

Name of insurer	No further action ²	Percentage of no further action	Referrals	Percentage of referrals	Investigations ³	Percentage of investigations	Market share ⁴
ACA Health Benefits	0	0.0%	0	0.0%	0	0.0%	<0.1%
AIA Health (myOwn)	0	0.0%	7	1.3%	0	0.0%	0.3%
Australian Unity	0	0.0%	13	2.4%	2	7.7%	2.5%
BUPA	1	16.7%	138	26.0%	4	15.4%	24.8%
CBHS	0	0.0%	11	2.1%	2	7.7%	1.5%
CBHS Corporate Health	0	0.0%	0	0.0%	0	0.0%	<0.1%
CDH (Hunter Health Insurance)	0	0.0%	0	0.0%	0	0.0%	<0.1%
CUA Health	0	0.0%	2	0.4%	0	0.0%	0.6%
Defence Health	0	0.0%	12	2.3%	0	0.0%	2.1%
Doctors' Health Fund	0	0.0%	4	0.8%	0	0.0%	0.4%
GMHBA	0	0.0%	17	3.2%	1	3.8%	2.1%
HBF Health & GMF/Healthguard	1	16.7%	25	4.7%	2	7.7%	7.3%
HCF (Hospitals Contribution Fund)	1	16.7%	110	20.7%	8	30.8%	11.9%
HCI (Health Care Insurance)	0	0.0%	1	0.2%	0	0.0%	<0.1%
Health Partners	0	0.0%	5	0.9%	0	0.0%	0.7%
Health.com.au	0	0.0%	0	0.0%	0	0.0%	0.4%
HIF (Health Insurance Fund of Aus.)	0	0.0%	9	1.7%	2	7.7%	0.7%
Latrobe Health	0	0.0%	5	0.9%	1	3.8%	0.7%
Medibank Private & AHM	0	0.0%	92	17.3%	3	11.5%	27.3%
Mildura District Hospital Fund	0	0.0%	1	0.2%	0	0.0%	0.3%
National Health Benefits Aust.	0	0.0%	0	0.0%	0	0.0%	<0.1%
Navy Health	0	0.0%	0	0.0%	1	3.8%	0.4%
NIB Health & GU Corporate Health	3	50.0%	44	8.3%	0	0.0%	9.3%
Nurses and Midwives Pty Ltd	0	0.0%	0	0.0%	0	0.0%	<0.1%
Peoplecare	0	0.0%	1	0.2%	0	0.0%	0.5%
Phoenix Health Fund	0	0.0%	1	0.2%	0	0.0%	0.2%
Police Health	0	0.0%	1	0.2%	0	0.0%	0.4%
QLD Country Health Fund	0	0.0%	0	0.0%	0	0.0%	0.4%
Railway & Transport Health	0	0.0%	2	0.4%	0	0.0%	0.3%
Reserve Bank Health	0	0.0%	0	0.0%	0	0.0%	<0.1%
St Lukes Health	0	0.0%	2	0.4%	0	0.0%	0.6%
Teachers Health	0	0.0%	19	3.6%	0	0.0%	2.5%
Transport Health	0	0.0%	2	0.4%	0	0.0%	<0.1%
TUH	0	0.0%	2	0.4%	0	0.0%	0.6%
Westfund	0	0.0%	5	0.9%	0	0.0%	0.9%
Total for Health Insurers	6	100%	531	100%	26	100%	

² This table shows complaints regarding Australian registered health insurers. This table excludes complaints regarding OVHC and OSHC insurers, and other bodies.

³ This refers to investigations that required the intervention of the Ombudsman and the health insurer.

⁴ Source: Australian Prudential Regulation Authority, Market Share, All Policies, 30 June 2021.

Table 2: Complaint issues and sub-issues 1 July–30 September 2021

ISSUE Sub issue	Dec 20	Mar 21	Jun 21	Sep 21	ISSUE Sub issue	Dec 20	Mar 21	Jun 21	Sep 21
BENEFIT					INFORMED FINANCIAL CONSENT				
Accident and emergency	6	8	3	2	Doctors	4	0	2	0
Accrued benefits	0	2	1	0	Hospitals	0	1	4	1
Ambulance	6	8	10	11	Other	0	1	0	1
Amount	5	12	12	6	MEMBERSHIP				
Delay in payment	61	60	51	37	Adult dependents	6	5	11	13
Excess	10	11	7	8	Arrears	7	6	2	3
Gap—Hospital	6	13	22	15	Authority over membership	2	4	3	2
Gap—Medical	12	22	15	12	Cancellation	74	71	75	74
General treatment (extras/ancillary)	54	50	39	34	Clearance certificates	25	34	33	34
High cost drugs	4	1	0	1	Continuity	23	19	13	9
Hospital exclusion/restriction	38	43	54	31	Rate and benefit protection	1	0	9	1
Insurer rule	23	32	24	27	Suspension	17	17	10	15
Limit reached	5	1	1	5	SERVICE				
New baby	2	0	4	0	Customer service advice	28	52	39	43
Non-health insurance	1	2	2	0	General service issues	46	65	43	36
Non-health insurance—overseas benefits	0	0	0	0	Premium payment problems	34	31	45	23
Non-recognised other practitioner	5	0	0	1	Service delays	60	57	21	25
Non-recognised podiatry	5	2	2	1	WAITING PERIOD				
Other compensation	1	0	2	2	Benefit limitation period	0	0	0	0
Out of pocket not elsewhere covered	3	2	4	0	General	12	17	21	14
Out of time	3	2	2	2	Obstetric	16	7	10	3
Preferred provider schemes	11	5	5	2	Other	3	3	8	7
Prostheses	4	1	3	3	Pre-existing conditions	67	62	43	48
Workers compensation	1	0	0	0	OTHER				
CONTRACT					Access	8	5	2	14
Hospitals	1	1	0	3	Acute care and type C certificates	4	2	1	1
Preferred provider schemes	5	0	1	1	Community rating	1	0	1	1
Second tier default benefit	3	0	0	1	Complaint not elsewhere covered	2	5	3	1
COST					Confidentiality and privacy	2	2	1	0
Dual charging	5	4	9	0	Demutualisation/sale of health insurers	0	0	1	0
Rate increase	14	36	16	5	Discrimination	0	0	1	0
INCENTIVES					Medibank sale	0	0	0	0
Lifetime Health Cover	31	40	39	28	Non-English speaking background	0	0	0	0
Medicare Levy Surcharge	2	1	0	1	Non-Medicare patient	0	1	1	0
Private health insurance reforms	1	1	1	0	Private patient election	2	1	0	0
Rebate	5	1	5	4	Rule change	29	15	14	5
Rebate tiers and surcharge changes	0	2	0	1					
INFORMATION									
Brochures and websites	4	3	8	2					
Lack of notification	12	7	9	13					
Radio and television	0	0	0	0					
Standard Information Statement	1	1	0	1					
Verbal advice	43	46	16	21					
Written advice	3	1	3	2					