

Private Health Insurance Ombudsman
State of the Health Funds Report 2012

Relating to the financial year 2011–12



Australian Government

Private Health Insurance Ombudsman





**Report published by the
Private Health Insurance Ombudsman**

This work is copyright. Apart from any use permitted under the *Copyright Act 1968*, no part may be reproduced without written permission. Requests concerning reproduction and rights should be addressed to the Private Health Insurance Ombudsman, Suite 2, Level 22, 580 George St, Sydney NSW 2000.
© Commonwealth of Australia 2013.

Design and production by Surveillance (www.surveillance.net.au)

Photography by Joan Vicent Cantó Roig, Fred Froese, Mercè Bellera, Amanda Rohde, Ni Qin, Adam Kazmierski, Juanmonino, Ugurhan Betin and Zurijeta.

Private Health Insurance Ombudsman

State of the Health Funds Report 2012

Relating to the financial year 2011–12

Report required by 238-5(c) of the Private Health Insurance Act 2007

Foreword:

“Australia’s leading source
of advice about private
health insurance.”

PrivateHealth.gov.au

1300 737 299

SAMANTHA GAVEL — OMBUDSMAN

I am pleased to present the ninth annual *State of the Health Funds Report* relating to the financial year 2011–2012. The *Private Health Insurance Act 2007* requires the Private Health Insurance Ombudsman (PHIO) to publish the *State of the Health Funds Report* after the end of each financial year, to provide comparative information on the performance and service delivery of all health funds during that financial year.

The main aim of publishing the report is to give consumers some extra information to help them make decisions about private health insurance. For existing fund members, the report provides information that will assist them to compare the performance of their fund with all other health funds. For those considering taking out private health insurance, it provides an indication of the services available from each fund and a comparison of some service and performance indicators at the fund level.

The information in the report supplements information available on the consumer website www.privatehealth.gov.au, which was developed and is maintained by the PHIO. The website provides a range of information to assist consumers’ understanding of private health insurance and select or update their private health insurance policy. The information on the website, together with the *State of the Health Funds Report*, greatly increases the information available to consumers

about private health insurance. This makes it easier for consumers to choose health insurance policies that better meet their individual needs.

The range of issues and performance information in this year’s report is the same as previous reports, and has been chosen after taking into account the availability of reliable data and whether the information is reasonably comparable across funds. The information included in the report is based on data collected by the Private Health Insurance Administration Council (PHIAC), as part of their role in statistical reporting and monitoring of the financial management of health funds.

I would like to acknowledge the significant contributions of PHIO staff members, David McGregor, Henny Oentojo and Alison Leung in the production of the report. I would also like to thank PHIAC for its assistance and advice in relation to the report.



Samantha Gavel
Private Health Insurance Ombudsman

March 2013

Contents:

Introduction	2
Key Consumer Issues and Developments	4
Health Fund Listing and Contact Details	8
Service Performance	10
Hospital Cover	13
Medical Gap Cover	15
General Treatment (Extras) Cover	17
Finances and Costs	21
Health Fund Operations by State or Territory	24
About The Private Health Insurance Ombudsman	32
Your Health Insurance Checklist	33

Introduction:

Using this Report to compare funds

You can use the information contained in this report either to identify possible funds to join or to assess your current fund's performance.

No single indicator should be used as an indicator of overall fund performance. In most cases, a seemingly poor performance on one indicator will be offset by a good performance on other factors.

The State of the Health Funds Report

The *State of the Health Funds Report (SOHFR)* compares the performance of health funds in the following aspects:

- Service Performance
- Hospital Cover
- Medical Gap Cover
- General Treatment (Extras) Cover
- Financial Management
- Health Fund Operations

Consumers can use the information contained in this report either to identify possible funds to join or to assess their existing fund's performance as part of a review of their health insurance needs.

It is intended that consumers should use the range of indicators included in this report as a menu to choose the factors that may be of importance to them.

For instance, some consumers may prefer to do business with a health fund in person and so will consider the availability of branch offices to be an important consideration. For consumers wishing to do as much of their business as possible over the internet, the range of services available through the funds' websites will be more important than the branches.

Some advice on why particular indicators might be more relevant to particular consumers is provided in the explanations preceding each of the tables in this report.

For consumers who are considering taking out private health insurance for the first time, it is suggested that the report be used to identify a number of funds (preferably at least three) for further investigation.

None of the indicators used in this report should be relied on solely as an indicator of fund performance.

In most cases, a seemingly poor performance on one indicator will be offset by a good performance on other factors. Some advice on factors to consider when assessing

performance on particular indicators is also provided in the explanations preceding each table.

The publication *Insure, Not Sure*, produced by the Private Health Insurance Administration Council, provides independent information to help consumers decide whether they want to take out private health insurance.

The PHIO brochure 'Health Insurance Choice: Selecting a Health Insurance Policy' includes important advice on what to consider and what questions to ask when selecting a hospital cover policy. It also includes information on government incentives relating to hospital cover such as the 'Medicare Levy Surcharge Exemption' and 'Lifetime Health Cover'.

These brochures can be found on www.phio.org.au or obtained on request from the Ombudsman's office.

The report does not include detailed information on price and benefits for particular health insurance policies. Information on these is available from the consumer website www.privatehealth.gov.au, managed by the Ombudsman's office.

Disclaimer: Nothing contained in this report should be taken as a recommendation by the Private Health Insurance Ombudsman in favour of any particular health fund or health insurance policy.

Fund names

Throughout this report health funds are referred to by an abbreviation of their registered name, rather than any brand name that they might use. This abbreviated name appears on the left side of the heading for each fund in the Health Fund Listing section. Some open membership funds use several different brand names.

Current and recent brand names

BRAND NAME	FUND
Australian Country Health	Medibank-AHM
Country Health	Medibank-AHM
CY Health	Healthguard
Druids	GMHBA
Federation Health	Latrobe
Frank, FIT	GMHBA
GMF Health	Healthguard
Goldfields	Healthguard
Government Employees	Medibank-AHM
Grant United	Australian Unity
HBA	BUPA

BRAND NAME	FUND
Illawarra Health Fund	Medibank-AHM
IOOF	NIB
IOR	HCF
MBF	BUPA
Mutual Community	BUPA
Mutual Health	Medibank-AHM
NRMA Health	BUPA
SGIC (SA)	BUPA
SGIO (WA)	BUPA
Union Shopper	QLD Teachers

About the data used in this Report

The information used in the Report in order to compare health funds is based on data collected for regulatory purposes. This information is the most appropriate, independent and reliable data available.

The Report is intended to help you to decide which health funds to consider, though it won't necessarily indicate which of the fund's policies to purchase. Virtually all funds offer more expensive policies that can be expected to provide better than average benefits as well as cheaper policies that provide less.

Restricted access health funds

Not all health funds are available to all consumers. Membership of some funds is restricted to employees of certain companies or occupations or members of particular organisations.

All registered health funds are included in the tables for each indicator. Open and restricted access funds are listed separately in each of the tables, with restricted access funds listed in italics and after open funds.

State-based differences

Most of the information contained in this report is based on national data. However, the market for health insurance is largely state based. Some funds have little presence in most states but may have a large market share in one State or Territory; some funds offer different policies and prices in different States and some funds use different brand names in different States and Territories.

Separate tables are therefore provided for each State/Territory with information on the extent of each fund's business in each state, as well as other relevant state-based information such as the number of retail offices and agencies operated by each fund.

Information about policies

The information included in the report on fund contributions and benefits indicates the average outcomes across all of a fund's policies and should not be taken as an indicator of the price or benefit levels that can be expected for any particular policy. Virtually all funds offer more expensive policies that can be expected to provide better than average benefits and most also offer cheaper policies that provide less.

The website www.privatehealth.gov.au enables consumers to view standard information outlining the main features of their health insurance policy. They are also able to compare standard information statements for other policies available for purchase. The website is a good source of information about particular policies available for sale, including the level of cover, excess and price. In addition, the website is a good resource of independent and reliable information about private health insurance.

The Report is intended to help consumers in deciding which health funds to consider but won't necessarily help them to decide which of the funds' policies to purchase.

Data collection

The need to obtain independent, reliable data has been a key consideration in putting together the report. The data collected by the industry regulator, the Private Health Insurance Administration Council (PHIAC), was chosen as the most appropriate data available.

Funds report to PHIAC for regulatory purposes and not all of the data is publicly available. Some of this information is useful to consumers and is therefore reproduced in this report. This data is collected primarily for regulatory purposes and not for the purposes of the *State of the Health Funds Report*. Accordingly, it is important that the accompanying text explaining the data is read in conjunction with the tables.

As funds differ in size, most of the statistical information is presented as percentages or dollar amounts per membership, for easier comparison. No attempt has been made to weight the importance of various indicators, as these are subjective judgements very much dependent on the particular circumstances, preferences and priorities of individual consumers. For this reason, it would not be valid to average all the scores indicated to obtain some form of consolidated performance or service delivery score.

The report provides consumers with additional information about the benefits that were paid by each fund over the last year. The report also provides information about the extent of cover provided for hospital, medical and ancillary treatment and any state-based differences in coverage. The selection of indicators used in this report is not intended to represent the full range of factors that should be considered when comparing the performance of health funds. The range of indicators has been limited to those for which there is reliable comparative information available.

Key Consumer Issues and Developments:

Complaints to the Private Health Insurance Ombudsman (PHIO) remained steady during 2011–12, with a similar number of complaints overall (2,995) to the 3,070 received the previous year.

Private health insurance was very much ‘front of mind’ for consumers during the reporting period, due to the introduction of income testing of the Australian Government Rebate on private health insurance from 1 July 2012 and the associated publicity campaign to inform members about the changes. This in turn increased the demand for PHIO’s information and advice services, with the consumer website www.privatehealth.gov.au receiving the highest number of unique visits in July 2012 since it went live in April 2007.

During 2011–12, higher levels of complaints were recorded in the categories of ‘Information Oral’, ‘Benefit—Hospital Exclusion/Restriction’ and ‘Waiting Period—Pre-Existing Conditions’. Complaints declined in the categories of ‘Delay in Payment’, ‘Rate Increase’, ‘Informed Financial Consent’ and ‘Rule Change’.

Introduction

PHIO is the statutory government agency tasked with protecting the interests of consumers in relation to private health insurance. PHIO carries out this role through its independent complaints handling service, its education and advice services for consumers and its advice to industry and government about issues of concern to consumers.

A key priority for PHIO is to assist consumers to make good decisions about their private health insurance needs. This *State of the Health Funds Report* (the Report) provides consumers with comparative service and performance information about all 35 Australian registered health funds.¹ This allows consumers to assess information relating to the performance of their own fund and compare it with other funds, across a range of indicators.

PHIO’s complaints handling service is a key factor in its ability to provide information and insights to government

and industry about issues of concern to consumers. PHIO’s role in complaints handling is not only to assist the individual member to resolve their complaint, but also identify broader, systemic issues causing concern, as well as trends in complaints within individual funds and across the industry as a whole.

PHIO uses the information gained from its complaint handling activities to inform its work in other areas, such as consumer information and advice.

Complaint issues

In 2011–12, the issues that caused the most complaints to PHIO were oral information (advice given to members in retail branches or over the telephone); restrictions and exclusions on hospital policies and pre-existing condition waiting periods.

As has been observed in previous reports, those funds that focus on providing good communication and advice to their members, through their written material such as letters and brochures and through the advice provided by staff in their branches and call centres, have fewer complaints about these issues.

Other issues causing higher levels of complaints included customer service advice, complex fund rules, delays in payment and premium payment problems.

The level of complaints to PHIO is not high compared with complaints to other industry Ombudsman schemes such as the Telecommunications Ombudsman. Complaints to PHIO are, however, good indicators of issues of concern to consumers, either within a particular fund or the industry more broadly. Although complaint numbers to PHIO are relatively small, they are a representative sample of the much larger number of complaints that funds receive from their members.

There are significant consumer protections in the *Private Health Insurance Act 2007*, including community rating, portability, waiting periods and policy requirements, which assist in reducing consumer complaints about private health insurance. Most health funds also have good internal complaint handling systems and work to ensure that they respond effectively to complaints from their members. In addition, PHIO works with health funds to assist them to improve their internal complaints handling practices and reduce complaints from their members.

¹ *Operations of the Private Health Insurers Report 2011–12*, Private Health Insurance Administration Council (PHIAC), page 7.

Changes to the Australian Government Rebate

Income testing of the Australian Government Rebate on private health insurance was introduced from 1 July 2012. This change meant that there was a significant increase in demand for PHIO's information and advice services, particularly in mid-2012.

A number of people affected by the changes chose to pre-pay their premiums in advance, in order to retain their current level of rebate. The number of people seeking information about the changes and to pay their premiums in advance meant it was a very busy time for health funds and indeed for PHIO. Despite this, most people who wished to pay in advance were able to do so and were also able to access information about their options so they could make an informed choice.

It is important that consumers take into account the impact of the Medicare Levy Surcharge and any possible Lifetime Health Cover loading when making decisions about their health insurance. Good communication by funds with their members about these issues will continue to be paramount, to ensure people are able to fully assess their options and make the best decisions in relation to their health insurance, for themselves and their families.

Exclusions and restrictions

The issues that caused the highest number of complaints to PHIO in 2011–12 were Oral Information (261 complaints); Hospital Exclusion/Restriction (215 complaints and Pre-Existing Condition Waiting Periods (207 complaints). An analysis of complaints to PHIO about restrictions and exclusions in the past eighteen months reveals there are a number of issues that lead to complaints from consumers in relation to these policies, including the following:

1. **Policy Definitions and Terminology:** Some of the terms used by funds to describe restrictions and exclusions, as well as inclusions on policies, are not well explained in fund literature. Explanations need to inform members of exactly what a restriction or exclusion means in non-medical terms, because terms such as 'plastic and reconstructive surgery', 'obesity related surgery', 'major eye surgery' and 'minor gynaecological procedures' are not fully understood by most consumers.
2. **Policy Complexity:** Some restricted policies are unnecessarily complex, or structured in ways that don't conform to the way hospital care is provided. This is particularly the case with more basic policies that only cover a small number of services. For example:
 - policies that cover investigative/diagnostic surgery, but not the subsequent treating surgery. For example, a cardiac investigation may be covered, but not the cardiac procedure that is carried out immediately if a problem is revealed;
 - policies that cover treatments for specific conditions such as appendicitis, that can present with symptoms

that are similar to conditions that are not covered under the policy. For example, PHIO has received complaints from members who were admitted to hospital for what appeared to be appendicitis, but were ultimately diagnosed with a different condition such as an ovarian cyst or ectopic pregnancy;

- policies that cover day-only surgery, but not overnight stays; and
- policies that cover treatment in cases of accidents and/or emergencies only, but don't clearly define accident or emergency.

These policies can make it difficult for consumers, hospitals and even fund staff to determine what is and isn't covered under the policy.

3. **Policy Downgrades:** Removing benefits from existing policies causes long-term problems. Even if full information about the change has been supplied by letter and follow-up information campaigns, members often don't realise the new restriction exists until they need the service. It is not unusual for PHIO to receive complaints from members about removal of benefits for certain treatments that occurred some years previously. In 2011–12, fewer funds imposed new restrictions or exclusions on existing policies, so there was a decline in complaints about this issue to the office.

Recent complaints to PHIO have raised concerns about whether the information provided to consumers in policy documentation and on fund websites in relation to some policies with restrictions and exclusions is sufficient. This is particularly the case with very basic policies that include only five or six services, and restrict or exclude all other services and treatments.

In PHIO's view, if a policy has a restriction or exclusion, it is incumbent on the fund to ensure members are aware of what the restriction or exclusion means. This applies not only when the member is seeking treatment, but also when the member purchases the policy. Ideally, comprehensive policy information should be available on a fund's website, so that members can easily obtain up to date information on benefits relating to their policy when they are considering their treatment options.

In addition, if the complexity of a restriction or exclusion is such that it is difficult for fund staff to clarify its meaning when a member calls, PHIO recommends that the fund review and either remove or simplify the restriction or limitation.

PHIO will continue to raise issues identified by complaints about restrictions and exclusions with individual funds and request clarification of information that appears to be confusing or difficult for consumers to understand. PHIO will also be encouraging funds to provide clearer and more transparent information about benefit entitlements, including the relevant Medicare item numbers and descriptions for procedures that are covered under restricted policies, on their websites.

Portability

The ability to transfer between health funds without having to re-serve waiting periods is an important consumer right and one which is provided for in legislation. It allows consumers to leave a fund if they are not satisfied with the service or performance of their fund, or the features of their policy. This encourages funds to focus on their customer service and product design without becoming complacent about the needs of their existing members.

It is generally more cost effective for funds to focus on retaining their current members than to seek to attract new members, because of the costs associated with membership and marketing campaigns.

In practice, only a small percentage of members transfer between funds in any given year. Reasons given by members for transferring to a new fund include the desire to shop around, financial constraints and perceived poor value of their current policy.² This Report lists Membership Retention figures for each fund, which is a good indicator of member satisfaction with the fund. As Table 2A on page 11 of this Report shows, retention rates do vary between funds. Those funds whose members are more satisfied have higher membership retention figures than other funds. This reflects their members' views of their fund's service performance, as well as the quality and perceived value for money of its products.

An issue for consumers when transferring between funds is the administrative problems that can arise. In order for portability to work effectively, the process needs to be as seamless as possible and should not require the member to be chasing up their old or new fund to ensure the transfer has occurred.

Unfortunately, complaints to PHIO show that transfers do not always proceed smoothly. In order for a member to receive continuity of membership when they transfer between funds, they need to provide their new fund with a 'clearance' or 'transfer' certificate from their old fund. If the new fund doesn't receive the transfer certificate within 7 days of the new member becoming insured, the new fund is required under legislation to request a transfer certificate from the old fund. The old fund must provide the certificate to the new fund within 14 days of receiving the request.

This requirement can be the source of frustration for both consumers and funds if the certificate is not despatched by the old fund or received and actioned by the new fund in a timely manner. PHIO received 89 complaints about clearance certificate delays in 2011–12, which was similar to the 95 complaints received the previous year.

Failure by funds to comply with the requirement to request and provide certificates within the required timeframes has caused significant inconvenience to members and other funds, as well as causing complaints to PHIO over the years.

During 2012, the private health insurance industry, under the guidance of its Code Compliance Committee and its representative bodies Private Healthcare Australia (PHA) and the Health Insurance Restricted Membership Association of Australia (HIRMAA), undertook to address the problems with timely receipt of clearance certificates. The subsequent initiatives included changes to the Industry Code of Conduct, which came into effect on 1 July 2012. These changes require funds to provide for fund to fund transmission of transfer certificate requests within 14 days of a request from a member to transfer their membership from one fund to another.

In addition, a new clearance certificate has been developed by an industry working party, which is available to download from Private Healthcare Australia's website. There is agreement in the industry that the new form will be acceptable as proof of a valid request to transfer membership whether it is received by email, fax, or post.

These initiatives should significantly improve members' experience with portability, by eliminating problems caused by funds not recognising each other's transfer requests. PHIO will continue to monitor complaints about portability issues and assess whether these measures will be sufficient, or whether there may be a need for additional measures to be implemented.

Informed Financial Consent

Another important consumer right is Informed Financial Consent (IFC)—the right to know the cost of a service before treatment occurs. Consumers need financial, as well as clinical information in order to make informed decisions about their treatment options.

Complaints to PHIO about failure to obtain IFC by hospitals and medical practitioners have been declining for a number of years. This reflects the initiatives by medical organisations, including the Australian Medical Association (AMA), to improve rates of IFC by medical practitioners. For example, the Australian Society of Anaesthetists (ASA) has undertaken considerable work in this area, which is reflected in lower levels of complaint about failure to obtain IFC by anaesthetists. It also reflects PHIO's work with private and public hospitals to ensure membership eligibility checking occurs, where practicable, for all hospital admissions and cost information is provided to patients.

PHIO received 31 complaints about failure to obtain IFC by doctors in 2011–12 and 54 complaints about failure to obtain IFC by hospitals. An analysis of these complaints reveals that in the cases where PHIO's investigation concluded that IFC had not been obtained, they were mainly related to more difficult situations, such as when urgent treatment was required. It is now relatively rare for PHIO to receive an IFC complaint about a doctor or hospital in relation to a pre-booked admission for elective surgery.

In this context, however, it is important to note that consumers may still be reluctant to ask their doctors about

² *Healthcare and Insurance Australia* report, by Ipsos Australia, 2011. The Ipsos report is copyright and available only to subscribers.

fees and even more reluctant to damage their relationship with their doctor or hospital by complaining to a third party about failure to obtain IFC. Consumer surveys report higher rates of failure to obtain IFC than complaints to PHIO would suggest.³

Other positive news for consumers in relation to IFC for medical gaps is that the percentage of medical services provided without a gap, or with a known gap, continues to increase. PHIAC statistics show that in June 2012, 88.3% of medical services were provided with no gap, compared with 85.9% in June 2010.⁴

Even though the percentage of medical services provided without a gap has been increasing at a slow but steady rate since PHIAC began collecting these statistics, when a gap is charged, it can be significant. The most recent Ipsos survey indicated that consumers are prepared to pay some gap, but gaps over \$400 understandably cause consumers to question the value of their private health insurance.⁵

PHIO believes it is in the interests of a strong private health sector that gaps for consumers are minimised. For this reason, PHIO encourages consumers to ask their doctors whether they will consider using their fund's gap scheme and encourages doctors to do so.

The Consumers Health Forum of Australia (CHF) is currently undertaking a project to review IFC processes, consulting with consumers about IFC issues and identifying areas for improvement. The most recent information on consumers' views and experience of IFC in the private system is contained in the *Healthcare and Insurance Reports in 2009 and 2011* by Ipsos⁶ and the Ipsos Consumer Survey in conducted in 2007 for the Department of Health and Ageing on IFC specifically.⁷ This new project by CHF will provide a valuable and up-to-date resource on this issue.

Consumer advice services

PHIO is responsible for managing the consumer website www.privatehealth.gov.au, which provides consumers with independent and reliable information and advice about private health insurance. The site allows consumers to download a Standard Information Statement (SIS), which sets out the main features of their health insurance policy, as well as other policies they may be interested in purchasing. The site also has a comparison feature, which allows consumers to search for and compare health insurance policies for all Australian health funds.

Although there are many thousands of health insurance policies on the market, the individual consumer will have

a much smaller sub-set of policies from which to choose an appropriate policy. This is because at least one third of policies are not available for sale, as they are closed to new members. For those policies that are available for sale, most will be available in a number of variations such as for each State and Territory, for families, singles, and couples and different levels of excess and co-payments, across the 35 insurers. This means that a single person looking for a policy in a particular state may only have 50–100 policies to compare, depending on the excess and level of cover they wish to purchase.

The comparison feature on www.privatehealth.gov.au allows genuine comparisons to be made between Hospital and General Treatment policies on a range of key features including waiting periods, benefits, restrictions and exclusions, excesses and price. Unlike commercial comparison sites, it allows consumers to compare policies from all insurers.

Pleasingly, visits to the website continue to increase each year. This reflects PHIO's initiatives to promote the site, as well as the increasing use of the internet by consumers. In addition, during mid-2012, publicity about changes to the Australian Government Rebate on private health insurance resulted in a significant increase in visits to the site, as people sought information about the changes so they could consider the options available to them.

The most popular pages on the website are the 'Compare Policies' feature, the fund details and information pages and fund listing page.

The website also contains a wealth of other useful information for consumers, including general information about how health insurance works, an 'Agreement Hospital' locator, that enables members to check whether there is a hospital agreement between their fund and the hospital they would like to attend, as well as tutorial videos that explain health insurance and assist people to use the 'Compare Policies' feature.

PHIO also produces a range of Fact Sheets and brochures to assist consumers to understand private health insurance. These can be downloaded from the PHIO website at www.phio.org.au.

For consumers who don't have access to the internet, PHIO brochures and publications are available by contacting the office on 1800 640 695. In addition, consumers can contact PHIO's website hotline on 1300 737 299 to request printing and mailing of Standard Information Statements and other material from the website, as well as having any general questions about private health insurance answered.

Two of PHIO's most popular brochures have been translated into community languages and are also available for download from www.phio.org.au and by contacting the office on 1800 640 695. Further brochure translations will be made available during 2013.

PHIO is currently investigating social media options, for providing information to consumers who prefer to use these methods of communication.

3 See for example, the *Healthcare and Insurance Australia* report, by Ipsos Australia, 2011. This Report is copyright and available only to subscribers.

4 Quarterly Gap Payment and Medical Benefits Statistics, PHIAC, available on the PHIAC [website](http://www.phiac.gov.au).

5 *Healthcare and Insurance Australia* report, by Ipsos Australia, 2011. This report is copyright and available only to subscribers.

6 These reports are available to subscribers only.

7 Available for viewing [here](http://www.phio.org.au).

Health Fund Listing and Contact Details:

The following tables list all Australian registered health funds. The 'open' membership funds provide policies to the general public. The 'restricted' funds provide policies only through specific employment groups, professional associations or unions.

Table 1A: Open membership health funds

ABBREVIATION	FULL NAME OR OTHER NAMES	PHONE NUMBER	WEBSITE
AHM	Australian Health Management Pty Ltd	134 246	www.ahm.com.au
AU	Australian Unity Health Ltd	132 939	www.australianunity.com.au
BUPA	Bupa Australia Pty Ltd	134 135	www.bupa.com.au
CDH	CDH Benefits Fund Ltd	02 4990 1385	www.cdhbf.com.au
CUA Health	CUA Health Ltd	1300 499 260	www.cuahealth.com.au
GMHBA	GMHBA Ltd, Frank, FIT, RACT	1300 446 422	www.gmhba.com.au
GU Corporate	Grand United Corporate Health	1800 249 966	www.guhealth.com.au
HBF	HBF Health Ltd	133 423	www.hbf.com.au
HCF	Hospitals Contribution Fund of Australia	131 334	www.hcf.com.au
Health.com.au	Health.com.au	1300 199 802	www.health.com.au
Healthguard	GMF Health, Central West Health Cover	1300 653 099, 132 206	www.healthguard.com.au ; www.gmfhealth.com.au
Health Partners	Health Partners Ltd	1300 113 113	www.healthpartners.com.au
HIF	Health Insurance Fund of Australia Ltd	1300 134 060	www.hif.com.au
Latrobe	Latrobe Health Services	1300 362 144	www.latrobehealth.com.au
Medibank	Medibank Private Ltd	132 331	www.medibank.com.au
Mildura	Mildura District Hospital Fund Ltd	03 5021 7099	www.mdhf.com.au
NIB	NIB Health Funds Ltd	131 463	www.nib.com.au
Onemedifund	National Health Benefits Fund Australia Pty Ltd	1800 148 626	www.onemedifund.com.au
Peoplecare	Lysaght Peoplecare Limited	1800 808 690	www.peoplecare.com.au
QCH	Queensland Country Health Fund Ltd	1800 813 415	www.qldcountryhealth.com.au
St Lukes	St. Lukes Health	1300 651 988	www.stlukes.com.au
Westfund	Westfund Health Insurance	1300 937 838	www.westfund.com.au

Table 1B: Restricted access health funds

ABBREVIATION	FULL NAME OR OTHER NAMES	PHONE NUMBER	WEBSITE
ACA	ACA Health Benefits Fund	1300 368 390	www.acahealth.com.au
CBHS	CBHS Health Fund Ltd	1300 654 123	www.cbhs.com.au
Defence Health	Defence Health Ltd	1800 335 425	www.defencehealth.com.au
Doctors' Health	The Doctors' Health Fund	1800 226 126	www.doctorshealthfund.com.au
HCI	Health Care Insurance Ltd	1800 804 950	www.hcilt.com.au
Navy	Navy Health Ltd	1300 306 289	www.navyhealth.com.au
Phoenix	Phoenix Health Fund	1800 028 817	www.phoenixhealthfund.com.au
Police Health	Police Health	1800 603 603	www.policehealth.com.au
RT Health Fund	Railway and Transport Health Fund Ltd	1300 886 123	www.rthealthfund.com.au
Reserve Bank	Reserve Bank Health Society Ltd	1800 027 299	www.myrbhs.com.au
Teachers Health	Teachers Health Fund	1300 728 188	www.teachershealth.com.au
Transport	Transport Health Pty Ltd	1300 806 808	www.transporthealth.com.au
TUH	QLD Teachers' Union Health Fund	1300 360 701	www.tuh.com.au

Service Performance:

The level of complaints that the PHIO receives about a fund (relevant to its market share) is a reasonable indicator of the service performance of most funds.

Whether a fund can attract new members and more importantly, retain members is also an indicator of member satisfaction.

Member retention

The member retention indicator is used as one measure of the comparative effectiveness of health funds and is a measure of member satisfaction. This indicator measures what percentage of fund members (hospital memberships only) have remained with the fund for two years or more. Figures are not adjusted for policies that lapse when a member dies, as these are not reported to PHIAC.

Most restricted membership funds rate well on this measure compared to open membership funds. This may be due to the particular features of restricted membership funds, especially their links with employment.

Membership change

The membership change indicator shows the change in the number of policy holders over the year from 30 June 2011 to 30 June 2012. Both the percentage change and number are included. Negative figures indicate that the fund has experienced a net reduction in membership over the period. As indicated above, member deaths would account for some of this figure.

PHIO complaints in context

The number of complaints received by the Private Health Insurance Ombudsman (PHIO) is very small compared to fund membership.

There are a number of factors (other than service performance) that can influence the level of complaints the PHIO receives about a fund. These include the information provided to fund members about the PHIO through general publicity or by the fund and the effectiveness of the fund's own complaint handling.

Complaints percentage compared to market share percentage

Table 2A includes all funds with a national market share of 0.5% or more.

In that table each fund's market share (as at 30 June 2012) is shown in the shaded column. Subsequent columns show the percentage of PHIO complaints in various categories that each fund accounts for. These percentages should be compared with the market share percentage.

If a fund has a higher complaints percentage than their percentage market share, it indicates that members of that fund are more likely to complain (about that issue) than the average of all fund members.

Benefits complaints include problems of non-payment, delayed payment, the level of benefit paid or the level of gap needing to be paid by the member.

Service complaints are about the general quality of service provided by fund staff, the quality of oral and written advice and premium payment problems.

All Complaints takes account of all complaints received by PHIO about the fund. All Complaints includes complaints investigated as well as complaints that were finalised without the need for investigation.

Complaints investigated

Most complaints to the Ombudsman can be finalised by referral of the matter to fund staff to resolve, or by PHIO staff providing information about the rules applying to health insurance. Complaints which fund staff have not been able to resolve to a member's satisfaction are investigated by the Ombudsman's office.

The rating on complaints investigated is an indicator of the effectiveness of each fund's own internal complaints handling.

Smaller funds (less than 0.5% national market share)

For these smaller funds, it is not practical to show percentage of complaints in each of the above categories, because of the very small numbers of complaints.

Table 2B therefore shows the actual number of all complaints received and the number of complaints investigated, as well as an indicator of whether the number is below the number expected based on the fund's market share.

While these funds have a very low national market share, many are nonetheless very significant in a particular state or region.

Code of Conduct

A self-regulatory code for health funds was introduced in 2005, dealing with the quality of advice provided to consumers. It sets standards for training of health fund staff and others responsible for advising consumers about private health insurance. It also requires funds to have effective complaint handling procedures.

Funds that have completed the compliance processes for becoming a signatory to the code are indicated in the table (as at January 2013).

Table 2A: Member retention and complaints

Open membership health funds

FUND NAME (ABBREVIATED)	MEMBER RETENTION (HOSPITAL COVER)	MEMBERSHIP CHANGE ¹ % (NUMBER)	COMPLAINTS % COMPARED TO MARKET SHARE %				COMPLAINTS INVESTIGATED	CODE OF CONDUCT MEMBER
			MARKET SHARE	BENEFITS	SERVICE	ALL COMPLAINTS		
AHM	83.0%	4.7% (7,856)	3.0%	3.7%	5.5%	4.7%	6.0%	Yes
AU	86.0%	6.1% (10,936)	3.2%	3.8%	5.9%	4.6%	5.7%	Yes
BUPA	89.0%	3.0% (46,015)	26.7%	17.4%	20.4%	24.3%	21.1%	Yes
GMHBA	85.6%	8.6% (8,458)	1.8%	2.2%	1.0%	1.9%	2.3%	Yes
HBF	86.0%	2.8% (12,401)	7.6%	3.1%	2.2%	3.3%	2.3%	Yes
HCF	89.0%	6.2% (36,994)	10.7%	11.7%	13.5%	11.5%	9.0%	Yes
HIF	87.0%	12.8% (4,052)	0.6%	0.4%	0.4%	0.5%	1.0%	Yes
Healthguard	84.6%	3.5% (1,048)	0.5%	0.2%	0.4%	0.3%	0.4%	Yes
Health Partners	90.0%	1.3% (475)	0.6%	0.5%	0.6%	0.7%	0.6%	Yes
Latrobe	79.0%	3.9% (1,588)	0.7%	0.9%	0.8%	0.8%	0.6%	Yes
Medibank	86.0%	1.5% (23,668)	27.1%	38.4%	36.3%	32.3%	33.7%	Yes
NIB	86.0%	4.7% (20,474)	7.6%	6.8%	7.6%	6.3%	7.8%	Yes
Westfund	92.0%	-0.2% (-93)	0.8%	1.5%	0.2%	1.1%	1.8%	Yes

¹ The industry experienced a growth of 3.7% or 209,094 memberships overall.

Restricted membership health funds

FUND NAME (ABBREVIATED)	MEMBER RETENTION (HOSPITAL COVER)	MEMBERSHIP CHANGE ² % (NUMBER)	COMPLAINTS % COMPARED TO MARKET SHARE %				COMPLAINTS INVESTIGATED	CODE OF CONDUCT MEMBER
			MARKET SHARE	BENEFITS	SERVICE	ALL COMPLAINTS		
CBHS	94.0%	4.7% (3,457)	1.3%	1.1%	0.8%	0.8%	0.6%	Yes
Defence Health	91.0%	6.8% (6,071)	1.6%	1.3%	1.0%	1.0%	0.6%	Yes
Teachers Health	94.0%	5.8% (5,926)	1.8%	3.2%	1.6%	2.5%	2.5%	Yes

² The industry experienced a growth of 3.7% or 209,094 memberships overall.

Table 2B: Smaller funds (less than 0.5% national market share)

Open membership health funds

FUND NAME (ABBREVIATED)	MEMBER RETENTION (HOSPITAL COVER)	MEMBERSHIP GROWTH ³ %	NUMBER COMPLAINTS RECEIVED	BELOW MARKET SHARE?	NUMBER COMPLAINTS INVESTIGATED	BELOW MARKET SHARE?	CODE OF CONDUCT MEMBER
CDH	90.0%	0.1% (2)	1	Yes	0	Yes	–
CUA Health	85.0%	8.3% (2,020)	13	Yes	4	No	Yes
GU Corporate	71.0%	16.7% (3,619)	19	No	3	No	Yes
Health.com.au	0.0%	N/A (3,456)	0	Yes	0	Yes	–
Mildura	90.0%	-1.0% (-149)	6	Yes	1	Yes	–
Onemedifund	99.0%	8.3% (390)	0	Yes	0	Yes	–
Peoplecare	89.0%	15.7% (3,840)	12	No	1	Yes	Yes
QCH	88.0%	10.0% (1,448)	6	Yes	1	Yes	Yes
St. Luke's	89.0%	2.2% (479)	1	Yes	0	Yes	Yes

³ The industry experienced a growth of 3.7% or 209,094 memberships overall.

Restricted membership health funds

FUND NAME (ABBREVIATED)	MEMBER RETENTION (HOSPITAL COVER)	MEMBERSHIP GROWTH ⁴ %	NUMBER COMPLAINTS RECEIVED	BELOW MARKET SHARE?	NUMBER COMPLAINTS INVESTIGATED	BELOW MARKET SHARE?	CODE OF CONDUCT MEMBER
ACA	94.0%	0.5% (23)	0	Yes	0	Yes	Yes
Doctors' Health	91.0%	29.8% (2,230)	3	Yes	1	Yes	Yes
HCI	94.0%	2.6% (99)	0	Yes	0	Yes	Yes
Navy Health	92.0%	4.2% (603)	2	Yes	1	Yes	Yes
Phoenix	93.0%	2.9% (184)	0	Yes	0	Yes	Yes
Police Health	91.0%	5.3% (908)	5	Yes	1	Yes	Yes
RT Health Fund	87.0%	-2.7% (-636)	10	Yes	3	No	Yes
Reserve Bank	100.0%	1.7% (36)	1	Yes	0	Yes	Yes
Transport	85.0%	5.1% (213)	0	Yes	0	Yes	Yes
TUH	93.0%	4.1% (1,003)	10	Yes	1	Yes	Yes

⁴ The industry experienced a growth of 3.7% or 209,094 memberships overall.

Hospital Cover:

Table 3 allows a general comparison of health insurance for private hospital treatment. A higher percentage indicates that, on average, the fund's members are covered for a higher proportion of hospital charges.

It's important to remember most funds offer a choice of different policies—the percentages indicated in this table aren't indicative of any single policy, but are an average of all policies offered by the fund.

Hospital cover

This table contains information allowing a general comparison of health insurance for private hospital treatment (hospital cover) provided by each fund.

Hospital cover provides benefits to cover or partly cover:

- hospital fees for accommodation, operating theatre charges and other charges by private hospitals (or public hospitals for treatment as a private patient);
- the costs of drugs or prostheses required for hospital treatment; and
- the fees charged by doctors (surgeons, anaesthetists etc) for in-hospital treatment of private patients.

Most funds offer a choice of different policies providing hospital cover. These policies may differ on the basis of the range of treatments that are covered in full or partly, the level of excess or co-payments required, price and discounts available.

Hospital charges covered

This column indicates the proportion of total charges associated with treatment of private patients covered by each fund's benefits. This includes charges for hospital accommodation, theatre costs, prostheses and specialist fees (not including the Medicare benefit), excesses or co-payments and associated benefits.

The figures shown are average outcomes across all of each fund's hospital policies. Higher cost policies will generally cover a greater proportion of charges than indicated by this average. Cheaper policies, including those with higher excesses or co-payments, may cover less.

The use of an average figure applying across all of each fund's policies will mean that funds with a high proportion of their membership in lower cost/reduced cover policies will have a lower average figure.

Information is not provided for some funds in some states, as there are insufficient numbers reported to PHIAC for states in which the fund does not have a large enough membership.

The information provided in this table presents the position taking account of all of each fund's policies. It is not indicative of any individual policy offered by the fund but is an average for the total fund membership.

Additional information

The separate 'Health fund operations by state or territory' tables in this Report include information on the number of 'agreement' hospitals under contract to each fund in each state.

For additional information on the medical gap cover provided through hospital covers refer to the separate Medical Gap Cover section.

The PHIO brochure 'Health Insurance Choice: Selecting a Health Insurance Policy' includes important advice on what to consider and what questions to ask when selecting a hospital cover policy. It also includes information on government incentives relating to hospital cover such as the 'Medicare Levy Surcharge Exemption' and 'Lifetime Health Cover'. The brochure is available on www.phio.org.au or by phoning 1800 640 695.

PHIO consumer website

The www.privatehealth.gov.au website provides information about all private health insurance policies available in Australia, including benefits, prices and which hospitals a health fund has agreements with.

Table 3: Hospital cover

Open membership health funds

FUND NAME (ABBREVIATED)	% HOSPITAL RELATED CHARGES COVERED ¹							
	NSW	VIC	QLD	WA	SA	TAS	ACT	NT
AHM	88.0%	88.1%	88.0%	87.2%	92.2%	92.0%	80.6%	84.6%
AU	86.9%	91.4%	89.0%	85.3%	90.6%	88.5%	78.1%	83.5%
BUPA	87.0%	93.3%	89.7%	87.1%	95.6%	92.2%	79.8%	86.6%
CDH	95.8%	94.6%	93.6%	81.7%	94.3%	86.8%	49.7%	0.0%
CUA Health	90.5%	92.5%	92.1%	89.8%	94.7%	91.9%	89.3%	69.0%
GMHBA	84.2%	92.2%	86.8%	88.2%	90.9%	85.3%	78.7%	84.7%
GU Corporate	83.1%	88.5%	84.1%	81.5%	93.0%	81.3%	74.3%	83.6%
HBF	88.6%	91.7%	89.6%	94.3%	95.2%	92.4%	87.0%	93.3%
HCF	91.6%	96.3%	94.3%	92.3%	97.8%	94.1%	83.7%	83.3%
Health.com.au	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Healthguard	92.0%	95.7%	95.4%	92.7%	98.5%	92.5%	81.7%	94.8%
Health Partners	87.3%	93.0%	91.2%	90.0%	95.7%	94.7%	83.4%	93.8%
HIF	88.3%	89.7%	92.3%	90.6%	88.3%	89.6%	83.2%	69.9%
Latrobe	85.9%	92.3%	85.9%	84.0%	91.1%	91.2%	76.0%	89.8%
Medibank	89.2%	93.8%	91.1%	91.3%	94.4%	93.2%	81.9%	88.5%
Mildura	89.4%	91.0%	85.2%	88.6%	93.0%	93.3%	84.9%	82.9%
NIB	84.5%	83.2%	81.1%	80.6%	86.4%	84.8%	70.9%	81.7%
Onemedifund	90.2%	94.0%	93.8%	91.9%	95.7%	95.5%	55.9%	0.0%
Peoplecare	89.4%	92.6%	88.5%	86.8%	93.3%	93.3%	83.9%	94.6%
QCH	89.0%	82.7%	88.7%	91.5%	95.3%	79.8%	83.7%	75.0%
St. Luke's	91.7%	92.0%	83.4%	88.2%	95.4%	94.7%	87.1%	96.1%
Westfund	93.0%	96.9%	89.8%	95.2%	97.7%	94.3%	90.7%	97.5%

¹ Includes charges for hospital accommodation, theatre costs, prostheses and specialist fees (not including the Medicare benefit) and associated benefits (after any excesses and co-payments are deducted).

Restricted membership health funds

FUND NAME (ABBREVIATED)	% HOSPITAL RELATED CHARGES COVERED ²							
	NSW	VIC	QLD	WA	SA	TAS	ACT	NT
ACA	92.4%	94.2%	94.7%	92.5%	98.1%	94.5%	90.3%	83.8%
CBHS	89.4%	94.4%	92.2%	90.6%	96.1%	95.3%	81.3%	94.0%
Defence Health	89.7%	93.6%	91.6%	90.7%	94.5%	94.4%	84.3%	91.4%
Doctors' Health	94.7%	94.7%	94.0%	95.7%	93.0%	95.0%	91.4%	92.6%
HCI	94.3%	93.7%	96.2%	97.6%	89.6%	94.9%	100.0%	56.3%
Navy Health	89.9%	93.9%	91.6%	89.8%	96.1%	93.4%	85.5%	78.5%
Phoenix	96.2%	96.5%	93.5%	92.0%	98.8%	90.0%	65.8%	88.1%
Police Health	94.4%	89.5%	92.1%	90.1%	98.7%	95.3%	84.2%	93.8%
RT Health Fund	93.3%	93.9%	92.9%	87.2%	94.8%	91.8%	89.9%	80.4%
Reserve Bank	91.9%	97.6%	96.3%	95.6%	99.3%	98.7%	84.6%	100.0%
Teachers Health	91.4%	94.0%	94.4%	89.0%	95.8%	95.1%	86.7%	87.8%
Transport	76.5%	94.6%	93.3%	87.9%	99.2%	96.7%	0.0%	0.0%
TUH	93.9%	95.5%	91.6%	87.4%	95.9%	91.3%	76.0%	84.5%

² Includes charges for hospital accommodation, theatre costs, prostheses and specialist fees (not including the Medicare benefit) and associated benefits (after any excesses and co-payments are deducted).

Medical Gap Cover:

Medical gap schemes are designed to eliminate or reduce the out-of-pocket costs incurred by a patient for in-hospital medical services. No cost is incurred by the patient for a ‘no gap’ service. A reduced cost is incurred by the patient for a ‘known gap’ service.

If a health fund has a higher percentage of services covered at no gap than other funds, it is an indicator of a more effective gap scheme in that state. The figures provided are averages—it is no guarantee that a particular doctor will choose to use the fund’s gap scheme.

Fund gap schemes and agreements

Doctors are free to decide, for each individual patient, whether or not to use a particular fund’s gap cover arrangements. Factors that can affect the acceptance of the scheme by doctors include:

- whether the fund has a substantial share of the health insurance market in a particular state or region;
- the level of fund benefits paid under the gap arrangements (compared with the doctor’s desired fee); and
- the design of the fund’s gap cover arrangements, including any administrative burden for the doctor.

State-based differences

Information is provided on a state basis because the effectiveness of some funds’ gap schemes can differ between states and these differences are not apparent in the national figures.

In some states, funds are able to provide more effective coverage of gaps, because doctors charge less than the national average. In addition, where a doctor’s fee for an in-hospital service is at or below the MBS fee, there will be no gap to the fund member. In the main, this is due to the level of doctor’s fees, which vary significantly between different states in Australia, and between regional areas and capital cities.

If a health fund’s percentage of services with no gap is higher than that of a fund in another state, it does not necessarily mean the fund’s scheme is more effective, because state-based differences could be the cause.

Information is not provided for some funds in some states, as the numbers are not reported to PHIAC for states in which the fund does not have a large enough membership (in which case, these figures are counted in the state in which a fund has the largest number of members).

Comparing different gap schemes

If a health fund has a higher percentage of services covered at no gap (in the same state/territory) compared with another fund, it is an indicator of a more effective gap scheme in that state. Over the whole fund, it is more likely that a medical service can be provided at no cost to the consumer, but it is no guarantee that a particular doctor will choose to use the fund’s gap scheme.

It is also worth noting that gap schemes are funded by membership premiums, and any increases in coverage of medical gaps may place pressure on premiums for all members of that health fund.

Percentage of medical services with no gaps (Table 4A)—The percentage indicated is the proportion of services for which a gap is not payable by the patient after the impact of fund benefits, schemes and agreements.

Percentage of medical services with no gap or where Known Gap payment made (Table 4B)—This table includes both the percentage of no gap services and what is called ‘Known Gap’ services. Known gap schemes are an arrangement where the fund pays an additional benefit on the understanding that the provider advises the patient of costs upfront.

These tables present the position taking into account all of the fund’s policies. It is not indicative of any individual policy offered by the fund but is an average for the total fund membership.

'Access Gap' participants

The Access Gap scheme is the gap cover scheme operated by the Australian Health Services Alliance (AHSA) for its member funds. Because the scheme operates in the same way for all of these participant funds, the effectiveness measures are reported for the Access Gap arrangements as a whole. The measures also take account of any MPPAs established by the AHSA for participant funds.

ACCESS GAP PARTICIPANTS		
ACA	Health.com.au	Police Health
AU	Healthguard	QCH
CBHS	Health Partners	Reserve Bank
CUA Health	HIF	RT Health Fund
Defence Health	Navy	Teachers Fed
Doctors Health	Onemedifund	Transport
GU Corporate	Peoplecare	TUH
HCI	Phoenix	Westfund

Table 4A: Medical services with no gap

FUND OR GAP SCHEME	% OF SERVICES WITH NO GAP							
	NSW	VIC	QLD	WA	SA	TAS	ACT	NT
AHM	89.3%	90.1%	89.2%	76.9%	93.1%	89.2%	80.9%	79.0%
BUPA	83.5%	89.9%	86.1%	74.1%	93.3%	90.3%	74.9%	76.8%
CDH	89.5%	71.4%	71.9%	30.0%	70.6%	50.0%	0.0%	0.0%
GMHBA	68.0%	82.5%	72.1%	63.0%	69.0%	71.2%	64.0%	66.7%
HBF	64.2%	58.4%	59.8%	80.4%	72.6%	71.3%	66.1%	67.2%
HCF	91.5%	97.0%	95.7%	91.2%	99.4%	97.6%	82.2%	94.3%
Latrobe	71.0%	82.0%	69.4%	38.2%	76.1%	79.6%	56.3%	65.6%
Medibank	88.7%	93.6%	91.0%	79.7%	93.9%	89.9%	81.1%	85.0%
Mildura	68.3%	71.4%	51.2%	60.6%	70.9%	80.0%	2.3%	41.7%
NIB	83.4%	76.0%	73.3%	67.6%	80.8%	86.5%	59.4%	67.4%
St Lukes	75.7%	74.3%	72.2%	62.0%	82.9%	87.0%	56.7%	88.9%
Access Gap Participants ¹	90.0%	93.6%	88.9%	76.6%	95.6%	89.4%	81.5%	86.6%
Total / Industry outcome	87.5%	91.2%	88.4%	79.4%	93.9%	89.6%	77.8%	81.4%

¹ Access Gap participants are listed above.

Table 4B: Medical services with no gap or where known gap payment made

FUND OR GAP SCHEME	% OF SERVICES WITH NO GAP OR WHERE KNOWN GAP PAYMENT MADE							
	NSW	VIC	QLD	WA	SA	TAS	ACT	NT
AHM	94.3%	96.7%	94.5%	84.7%	98.4%	97.7%	89.4%	92.1%
BUPA	85.3%	92.1%	87.5%	77.6%	95.3%	92.2%	76.8%	79.4%
CDH	98.5%	91.6%	92.0%	70.0%	91.2%	100.0%	0.0%	0.0%
GMHBA	78.6%	90.5%	79.0%	74.0%	81.4%	87.7%	70.4%	72.7%
HBF	80.1%	80.4%	79.9%	99.2%	84.2%	90.6%	84.6%	93.6%
HCF	91.5%	97.0%	95.7%	91.2%	99.4%	97.6%	82.2%	94.3%
Latrobe	94.1%	98.2%	92.9%	91.4%	97.8%	95.8%	89.3%	101.1%
Medibank	92.3%	97.5%	94.6%	87.1%	98.1%	97.8%	86.5%	94.4%
Mildura	90.9%	92.9%	72.3%	89.4%	91.7%	100.0%	67.4%	58.3%
NIB	83.4%	76.0%	73.3%	67.6%	80.8%	86.5%	59.4%	67.4%
St Lukes	79.2%	80.4%	76.5%	67.3%	87.0%	97.1%	60.8%	100.0%
Access Gap Participants ²	94.3%	97.4%	94.2%	85.5%	98.3%	97.1%	87.1%	92.6%
Total / Industry outcome	89.6%	95.1%	91.2%	93.7%	96.3%	95.3%	81.2%	87.6%

² Access Gap participants are listed above.

General Treatment (Extras) Cover:

General Treatment cover provides benefits towards a range of out-of-hospital health services. The most commonly covered services are dental, optical, physiotherapy and non-Pharmaceutical Benefits Scheme prescription medicines.

Table 5A shows the average proportion of service charges covered by each fund for all their policies and services. Table 5B shows the information according to the service being covered. Generally, higher cost policies cover a higher proportion of charges.

General treatment

General Treatment cover, also known as 'Ancillary' or 'Extras',¹ provides benefits towards a range of health related services not provided by a doctor including:

- Dental fees and charges;
- Optometry: costs of glasses and lenses;
- Physiotherapy, Chiropractic services and other therapies including natural and complementary therapies;
- Prescribed medicines not covered by the Pharmaceutical Benefits Scheme.

Percentage charges covered, all services, by state

This column indicates what proportion of total charges, associated with ancillary services, is covered by each fund's benefits. This averages outcomes across all of each fund's general treatment policies and all ancillary services. Higher cost policies will generally cover a greater proportion of charges than indicated by this average, while cheaper policies may cover less.

Ancillary (extras) cover (II)

Average costs covered for each service type

This additional table provides information on the proportion of the total charge for each service type covered by each fund on average (across all of the fund's ancillary policies).

This is intended to provide a broad comparative indicator of fund ancillary benefits to allow comparisons between funds and should not be regarded as an indicator of how much of a bill for any particular service will be covered.

In general this will understate the proportion of an ancillary bill that will be covered for the most common (lower cost services) and will overstate the proportion of the costs covered for some higher cost services.

Ambulance

Some funds do not provide ambulance cover through any of their general treatment policies but offer this as a component of hospital cover. These funds show as 'N/A' under the ambulance column. Most ambulance services in Queensland and Tasmania are provided free to residents of those states.

Preferred providers

Many funds establish 'preferred provider' or 'participating provider' arrangements with some suppliers of extras (general treatment) services. Those providers offer an agreed charge for fund members, resulting in lower out of pocket costs for members after fund benefits are taken into account. It is usually worth checking with your fund to see if a suitable preferred provider is available.

Fund dental and eyecare centres

In some states, some funds operate their own dental and optical centres. These are usually only located in capital cities or major population centres.

Consumers who choose to use a fund's own dental or optical centres will normally get services at a much lower out of pocket cost.

Additional information

The PHIO brochure 'Health Insurance Choice: Selecting a Health Insurance Policy' includes important advice on what to consider and what questions to ask when selecting a general treatment policy. The brochure is available on www.phio.org.au or by phoning 1800 640 695.

PHIO's consumer website www.privatehealth.gov.au website provides information about all private health insurance policies available in Australia, including benefits, prices and which hospitals a health fund has agreements with.

¹ Known as 'Essentials' cover in WA.

Table 5A: General treatment (extras) cover

Open membership health funds

FUND NAME (ABBREVIATED)	% GENERAL TREATMENT (EXTRAS) CHARGES COVERED							
	NSW	VIC	QLD	WA	SA	TAS	ACT	NT
AHM	48.0%	46.5%	47.4%	47.5%	49.8%	45.4%	42.9%	46.3%
AU	47.8%	52.5%	52.2%	50.7%	54.0%	48.1%	45.2%	48.3%
BUPA	47.7%	47.8%	48.9%	51.5%	52.0%	48.0%	41.9%	46.6%
CDH	41.6%	38.5%	42.9%	57.3%	40.4%	38.6%	30.6%	0.0%
CUA	53.8%	52.0%	50.3%	53.5%	54.6%	56.3%	46.9%	51.6%
GMHBA	48.4%	49.1%	50.3%	52.0%	52.5%	50.0%	46.9%	49.0%
GU Corporate	72.5%	74.0%	72.2%	76.0%	74.2%	74.2%	70.0%	75.8%
HBF	38.6%	42.6%	40.1%	51.4%	44.0%	40.4%	38.8%	43.0%
HCF	49.9%	52.7%	53.4%	49.2%	56.1%	46.1%	45.0%	45.4%
Health.com.au	60.2%	66.6%	66.6%	70.5%	68.0%	N/A	67.6%	54.4%
Healthguard	49.4%	51.2%	49.3%	48.8%	50.7%	49.6%	44.1%	49.2%
Health Partners	41.6%	47.0%	46.0%	44.1%	56.6%	44.3%	40.5%	50.0%
HIF	47.3%	46.6%	47.3%	46.8%	47.5%	45.1%	40.3%	47.2%
Latrobe	41.4%	37.7%	36.9%	36.1%	38.6%	30.9%	30.1%	34.0%
Medibank	51.2%	50.1%	52.0%	51.2%	55.2%	51.1%	43.7%	51.2%
Mildura	51.3%	52.2%	47.4%	47.6%	50.1%	41.8%	46.5%	43.8%
NIB	53.2%	61.3%	55.9%	59.8%	60.7%	55.3%	53.1%	56.0%
Onemedifund	47.5%	48.1%	48.7%	46.9%	53.4%	49.6%	34.7%	N/A
Peoplecare	54.1%	53.2%	51.4%	49.3%	54.0%	50.7%	49.3%	51.3%
QCH	51.1%	53.4%	54.0%	51.1%	56.6%	54.2%	44.1%	47.7%
St. Luke's	55.0%	49.1%	48.8%	47.9%	60.6%	48.3%	42.4%	45.5%
Westfund	49.0%	43.7%	45.6%	45.2%	46.0%	39.6%	42.0%	47.2%

Restricted membership health funds

FUND NAME (ABBREVIATED)	% GENERAL TREATMENT (EXTRAS) CHARGES COVERED							
	NSW	VIC	QLD	WA	SA	TAS	ACT	NT
ACA	61.7%	61.7%	61.7%	61.2%	67.3%	56.6%	56.6%	61.3%
CBHS	49.6%	52.5%	52.0%	50.6%	54.5%	49.9%	45.0%	42.2%
Defence Health	43.9%	47.3%	46.0%	45.1%	48.8%	42.7%	40.1%	43.9%
Doctors' Health	49.7%	49.9%	51.0%	53.3%	55.3%	63.9%	45.4%	43.9%
HCI	45.7%	51.6%	49.7%	48.6%	47.4%	48.8%	26.5%	55.7%
Navy Health	46.7%	51.5%	47.9%	46.3%	52.8%	48.7%	42.1%	43.4%
Phoenix	55.1%	55.9%	56.4%	54.3%	59.7%	54.8%	49.1%	50.8%
Police Health	67.9%	66.6%	69.3%	68.2%	72.5%	67.2%	65.1%	67.8%
RT Health Fund	51.4%	48.7%	50.0%	49.5%	53.6%	44.6%	42.2%	47.9%
Reserve Bank	74.9%	80.9%	78.2%	78.9%	82.8%	84.3%	64.9%	90.0%
Teachers Health	47.3%	49.8%	51.3%	51.3%	55.5%	50.8%	46.5%	47.0%
Transport	54.6%	63.3%	56.2%	54.1%	56.5%	49.8%	47.7%	58.2%
TUH	48.3%	47.2%	52.7%	49.5%	50.2%	50.8%	44.9%	49.2%

Table SB: General treatment (extras) cover (II)—Average amount of costs covered by service

Open membership health funds

FUND	DENTAL ¹	OPTICAL ¹	PHYSIOTHERAPY	CHIROPRACTIC	PHARMACY	PODIATRY	NATURAL THERAPIES	AMBULANCE	ACUPUNCTURE	PSYCH/GROUP THERAPY	PREVENTATIVE HEALTH PRODUCTS	HEARING AIDS AND AUDIOLOGY	OCCUPATIONAL THERAPY
AHM	45%	67%	46%	53%	40%	49%	38%	100%	38%	34%	70%	32%	34%
AU	48%	66%	64%	51%	43%	53%	49%	N/A	45%	35%	67%	18%	52%
BUPA	50%	50%	52%	56%	38%	47%	38%	100%	47%	40%	27%	21%	44%
CDH	42%	45%	60%	49%	45%	40%	33%	100%	52%	27%	21%	N/A	35%
CUA Health	54%	57%	49%	50%	36%	51%	40%	100%	42%	45%	53%	49%	50%
GMHBA	50%	59%	43%	9%	35%	51%	37%	89%	39%	36%	29%	19%	41%
GU Corporate	75%	66%	79%	78%	54%	76%	78%	N/A	76%	76%	73%	22%	89%
HBF	54%	43%	46%	43%	41%	50%	38%	100%	N/A	39%	70%	29%	53%
HCF	54%	51%	47%	48%	41%	46%	34%	100%	37%	49%	50%	33%	50%
Health.com.au	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Healthguard	45%	68%	46%	40%	32%	61%	31%	100%	36%	31%	N/A	19%	42%
Health Partners	60%	53%	57%	45%	43%	42%	31%	100%	37%	41%	N/A	35%	44%
HIF	48%	46%	47%	44%	30%	43%	28%	99%	26%	39%	25%	34%	44%
Latrobe	32%	53%	40%	44%	25%	44%	29%	70%	45%	38%	31%	15%	44%
Medibank	50%	58%	47%	49%	34%	53%	50%	100%	54%	38%	74%	24%	40%
Mildura	55%	44%	53%	53%	N/A	47%	47%	80%	41%	21%	N/A	22%	N/A
NIB	56%	55%	60%	58%	34%	59%	53%	100%	55%	52%	50%	19%	53%
Onemedifund	49%	52%	50%	47%	41%	48%	39%	100%	39%	37%	65%	30%	47%
Peoplecare	51%	63%	50%	52%	42%	48%	46%	100%	51%	44%	75%	41%	50%
QCH	51%	57%	51%	70%	38%	69%	44%	N/A	55%	55%	58%	49%	41%
St. Luke's	47%	54%	50%	57%	38%	52%	45%	70%	42%	44%	53%	48%	50%
Westfund	48%	46%	39%	51%	41%	43%	43%	100%	42%	21%	36%	35%	72%

Note: All percentages based on health fund reporting to PHIAAC.

¹ For some funds, the data does not take account of discounts at some providers or fund Dental / Optical centres. Restricted Membership Health Funds

Table SB (continued): General treatment (extras) cover (II)—Average amount of costs covered by service
Restricted membership health funds

FUND	DENTAL ²	OPTICAL ²	PHYSIOTHERAPY	CHIROPRACTIC	PHARMACY	PODIATRY	NATURAL THERAPIES	AMBULANCE	ACUPUNCTURE	PSYCH/GROUP THERAPY	PREVENTATIVE HEALTH PRODUCTS	HEARING AIDS AND AUDIOLOGY	OCCUPATIONAL THERAPY
ACA	64%	71%	54%	60%	50%	73%	42%	100%	43%	33%	N/A	47%	66%
CBHS	49%	53%	58%	64%	49%	53%	48%	53%	51%	49%	32%	36%	43%
Defence Health	45%	46%	43%	48%	49%	44%	37%	100%	36%	35%	45%	28%	40%
Doctors' Health	52%	54%	47%	N/A	43%	55%	N/A	N/A	N/A	54%	N/A	22%	37%
HCI	48%	48%	49%	57%	50%	57%	49%	92%	46%	39%	74%	56%	55%
Navy Health	46%	45%	53%	61%	47%	52%	45%	100%	N/A	35%	N/A	28%	48%
Phoenix	60%	58%	56%	58%	45%	62%	32%	100%	44%	54%	51%	49%	59%
Police Health	70%	70%	75%	77%	39%	68%	44%	100%	73%	76%	N/A	27%	67%
RT Health Fund	46%	59%	55%	66%	43%	60%	43%	97%	64%	28%	N/A	35%	42%
Reserve Bank	76%	76%	78%	81%	57%	79%	81%	99%	79%	82%	N/A	78%	68%
Teachers Health	54%	49%	53%	64%	13%	60%	51%	100%	53%	40%	38%	38%	57%
Transport	69%	59%	54%	66%	41%	64%	44%	100%	47%	39%	60%	41%	43%
TUJH	55%	53%	51%	60%	26%	66%	50%	100%	50%	48%	52%	32%	46%

Note: All percentages based on health fund reporting to PHIA.

² For some funds, the data does not take account of discounts at some providers or fund Dental / Optical centres.

Finances and Costs:

All health funds are required to meet financial management standards to ensure their members' contributions are protected. Generally, funds aim to set premium levels so their income from contributions covers the expected cost of benefits plus the fund's administration costs.

The percentage of contribution income which goes towards administration and management expenses is a key measure of fund efficiency.

The regulation of health fund finances

The financial performance of health funds is closely regulated to ensure that funds remain financially viable and that contributors' funds are protected.

The *Private Health Insurance Act 2007* (the Act) specifies solvency and capital adequacy standards for funds to meet and outlines financial management and reporting requirements for all funds. The Act also establishes the Private Health Insurance Administration Council (PHIAC)—an independent organisation with responsibility for monitoring the financial performance of the funds and ensuring that they meet prudential requirements.

PHIAC produces an annual publication providing financial and operational statistics for the funds for each financial year.¹ Information included in Table 6 is drawn from data collected by PHIAC for that purpose.

Premium increases

Since the introduction of the *Private Health Insurance Act 2007*, health funds require the approval of the Minister for Health and Ageing before they can raise their premiums. This ensures there is rigorous scrutiny of all premium increase applications each year.

The Minister assesses premium applications to ensure proposed increases are kept to the minimum necessary. This takes into consideration fund solvency requirements, forecast benefit payments and prudential requirements, while also ensuring the affordability and value of private health insurance as a product.

Benefits as a percentage of contributions

This column shows the percentage of total contributions, received by the fund, returned to contributors in benefits. Funds will generally aim to set premium levels so that contribution income covers the expected costs of benefits plus the fund's administration costs.

A very high percentage of contributions returned as benefits may not necessarily be a positive factor for consumers, particularly if it means that the fund is making a loss on its health insurance business.

This indicator should therefore be considered in conjunction with other factors, such as the Surplus (–Loss) and Management Expenses ratings.

Management expenses

Management expenses are the costs of administering the fund. They include items such as rent, staff salaries, and marketing costs.

As a percentage of contribution income

This figure is regarded as a key measure of fund efficiency. In this table management expenses are shown as a proportion of total fund contributions.

Per person average policy

A comparison of the relative amount each fund spends on administration costs is also demonstrated through provision of information on the level of management expenses per membership by each fund.

On average, restricted membership funds have lower management expenses as a proportion of benefits paid than open membership funds. This is partially due to lower expenditure on marketing. However, unusually low management expenses by some restricted membership funds can also be the result of those funds receiving free or subsidised administrative services from the organisations with which they are associated.

¹ The *Operations of the Private Health Insurers* report is available on the PHIAC website: www.phiac.gov.au

Table 6: Finances and costs

Open membership health funds

FUND NAME (ABBREVIATED)	BENEFITS AS % CONTRIBUTIONS	MANAGEMENT EXPENSES		SURPLUS (–LOSS) FROM HEALTH INSURANCE	OVERALL PROFIT (–LOSS) AS % TOTAL REVENUE	NOT FOR PROFIT FUND
		AS % OF CONTRIBUTION INCOME	PER AVERAGE POLICY			
AHM	81.9%	10.5%	\$313	7.6%	7.3%	No
AU	82.4%	10.7%	\$301	6.9%	5.7%	No
BUPA	83.3%	9.5%	\$283	7.3%	6.6%	No
CDH	88.9%	10.8%	\$337	0.4%	5.4%	Yes
CUA Health	84.2%	10.9%	\$358	4.8%	7.6%	Yes
GMHBA	88.2%	10.8%	\$296	1.0%	4.6%	Yes
GU Corporate	76.7%	16.3%	\$722	7.0%	6.8%	No
HBF	86.2%	9.0%	\$222	4.7%	7.3%	Yes
HCF	90.7%	7.3%	\$222	2.0%	4.5%	Yes
Health.com.au	113.7%	80.3%	\$307	–93.9%	–7.5%	No
Healthguard	83.2%	11.6%	\$362	5.2%	10.0%	Yes
Health Partners	86.2%	8.9%	\$267	4.9%	8.0%	Yes
HIF	83.7%	11.7%	\$290	4.6%	9.5%	Yes
Latrobe	90.3%	9.5%	\$263	0.2%	6.5%	Yes
Medibank	86.7%	10.2%	\$282	3.1%	4.3%	No
Mildura	87.3%	7.2%	\$153	5.5%	15.2%	Yes
NIB	85.4%	8.6%	\$213	6.0%	5.7%	No
Onemedifund	77.5%	9.1%	\$358	13.4%	11.1%	No
Peoplecare	88.2%	8.8%	\$287	3.0%	5.4%	Yes
QCH	81.5%	11.1%	\$425	7.4%	12.2%	Yes
St. Luke's	80.9%	12.3%	\$395	6.7%	11.4%	Yes
Westfund	86.5%	9.2%	\$257	4.2%	9.7%	Yes

Restricted membership health funds

FUND NAME (ABBREVIATED)	BENEFITS AS % CONTRIBUTIONS	MANAGEMENT EXPENSES		SURPLUS (–LOSS) FROM HEALTH INSURANCE	OVERALL PROFIT (–LOSS) AS % TOTAL REVENUE	NOT FOR PROFIT FUND
		AS % OF CONTRIBUTION INCOME	PER AVERAGE POLICY			
ACA	91.4%	8.3%	\$339	0.2%	4.8%	Yes
CBHS	89.4%	5.7%	\$191	4.8%	7.4%	Yes
Defence Health	89.2%	5.6%	\$165	5.2%	8.6%	Yes
Doctors' Health	79.1%	12.1%	\$452	8.8%	14.3%	No
HCI	79.2%	12.8%	\$418	8.0%	12.9%	Yes
Navy Health	86.0%	10.4%	\$337	3.6%	8.3%	Yes
Phoenix	91.1%	8.8%	\$318	0.0%	3.9%	Yes
Police Health	83.4%	6.3%	\$278	10.4%	12.1%	Yes
RT Health Fund	81.1%	11.1%	\$423	7.8%	9.6%	Yes
Reserve Bank	82.0%	13.5%	\$639	4.4%	8.8%	Yes
Teachers Health	88.7%	6.9%	\$239	4.4%	8.0%	Yes
Transport	88.7%	9.0%	\$282	2.3%	5.9%	Yes
TUH	85.6%	8.7%	\$347	5.9%	7.6%	Yes

Surplus (–Loss) from health insurance

The surplus or loss (indicated as a negative figure) made by the fund in 2011–2012 from their health insurance business is expressed as a percentage of the fund's contribution income. This does not take account of additional income that the fund may derive from investment or other (non health insurance) activities.

All health funds maintain a sufficient level of reserves to cover losses from year to year. However funds with high or continuing losses might be expected to have to increase premiums by a relatively higher amount than other funds.

Overall Profit (–Loss) as a percentage of total revenue

The overall profit or loss (indicated as a negative figure) takes account of additional income made by the fund, mainly through investment. This is shown as a percentage of all revenue received by the fund to allow a comparison of performance between funds of differing sizes. Overall profit takes into account tax that is paid for a small amount of funds.

Not-for-profit fund

If a health fund is listed 'not-for-profit', this means it is a mutual organisation, with the premiums paid into the fund used to operate the business and cover benefits for members.

'For-profit' funds aim to return a profit to their owners (which may be another health fund or corporation) or shareholders. They are still required to maintain sufficient funds to operate the company and pay benefits to their members.

Health Fund Operations by State or Territory:

Only funds with a significant market share in a state or territory are listed in these tables. Every fund will still have agreements with hospitals throughout Australia even if they don't have a local branch network or a significant proportion of policy holders in each state.

Health fund operations by state or territory

Some funds have little presence in most states but may have a large market share in one state or territory. Some funds use different brand names or offer different policies in different states and territories. These separate tables for each state/territory are therefore provided to give an indication of the extent and importance of each fund's business in each state or territory. Only those funds with a significant operation in the state or territory are listed in the relevant table.

Most funds now have websites where members can view information, join or change their policy and submit claims. Links to all health fund websites are available at www.privatehealth.gov.au.

Percentage market share

This column indicates how much of the total health insurance business within each state or territory each fund accounts for. It is an indicator of the size and significance of each fund within each state.

Funds with a significant market share in the relevant state or territory can normally be expected to have more extensive networks of branch offices, agencies, agreement hospitals and preferred ancillary providers in those states/territories. They are also more likely to obtain the participation of doctors in their gap cover arrangements. However, funds participating in the Australian Health Services Alliance (AHSA) will generally have access to a wide range of agreement hospitals in all states. The Access Gap scheme operated by the AHSA also has a high level of acceptance from doctors in all states.

Percentage of fund's membership in state

This column indicates how much of each fund's health insurance membership is within each state. It is an indicator how significant that state is to each fund's health insurance business.

In general, funds can be expected to design their policies (benefits, conditions, contracts etc) to suit the arrangements applying in the States in which they do a significant proportion of business. However, some nationally based funds tailor their policies and prices to take account of different State arrangements.

Health fund costs differ from state to state, which accounts for the variation in premiums across states.

Agreement hospitals¹

All health funds establish agreements with some (or all) private hospitals and day hospitals for the treatment of their members. These agreements generally provide for the fund to meet all of the private hospital's charges for treatment of the fund's members. The member would then not be required to pay any amount to the hospital, other than any agreed excess or co-payment and any incidental charges that may apply for certain extra services (e.g. television rental).²

Where a fund has a comparatively low number of agreements with private hospitals or private day hospitals, this is an indicator that consumer choice (as to where to be treated) may be more limited. Treatment at a non-agreement hospital will mean a significantly higher out of pocket cost for the patient.

While funds do not have agreements with particular public hospitals, all funds will fully cover hospital costs for treatment as a private patient in a public hospital (unless the particular treatment is excluded under the individual's policy or there is an extra charge for a private room, etc).

¹ According to www.privatehealth.gov.au, 13 February 2013.

² These agreements do not apply to fees charged by private doctors for in-hospital treatment. However, such fees may be covered by a fund's medical gap scheme arrangements.

Fund outlets— Retail offices and agencies

Retail offices are full-service offices operated by health funds with staff employed by the fund. At retail offices, fund members (or prospective members) should expect to be able to:

- Receive advice about the range of policies and services provided by the fund;
- Obtain a quote for any of the fund's policies/services;
- Obtain and lodge an application to join any of the fund's tables/policies;
- Obtain a 'cover note' if necessary;

- Make a personal inquiry about their membership (contributions, payment arrangements, benefits);
- Make a claim for any ancillary benefits payable on a 'refund' basis and have that claim processed and/or paid.

Agencies are generally limited service outlets operated by the fund or under arrangements with pharmacies, credit unions, etc. At these agency outlets, members can obtain brochure material and make some transactions but generally can't have a personal inquiry about their membership finalised or have claims processed on the spot.

The table indicates whether the fund operates retail offices and/or agencies in the state or territory.

Table 7A: New South Wales health fund operations

Open membership health funds

FUND NAME (ABBREVIATED)	% FUND MARKET SHARE THIS STATE	% FUND'S MEMBERSHIP IN THIS STATE	AGREEMENT HOSPITALS		FUND OUTLETS	
			PRIVATE HOSPITALS	DAY HOSPITALS	RETAIL OFFICES	AGENCIES
AHM	3.9%	43.3%	79	74	Yes	–
AU	1.6%	15.8%	86	88	Yes	–
BUPA	23.9%	29.4%	79	75	Yes	–
CDH	0.1%	88.2%	73	50	Yes	–
GMHBA	0.4%	7.4%	83	76	–	–
GU Corporate	0.6%	42.4%	87	85	–	–
HCF	21.8%	66.7%	81	83	Yes	–
Healthguard	0.2%	11.5%	78	73	–	Yes
Medibank	21.7%	26.2%	78	70	Yes	Yes
Mildura	0.1%	10.8%	73	45	–	Yes
NIB	14.7%	63.5%	84	78	Yes	–
Peoplecare	0.7%	47.1%	81	74	Yes	–
Westfund	1.5%	64.1%	89	90	Yes	–

Restricted membership health funds

FUND NAME (ABBREVIATED)	% FUND MARKET SHARE THIS STATE	% FUND'S MEMBERSHIP IN THIS STATE	AGREEMENT HOSPITALS		FUND OUTLETS	
			PRIVATE HOSPITALS	DAY HOSPITALS	RETAIL OFFICES	AGENCIES
ACA	0.1%	59.3%	78	73	Yes	–
CBHS	1.7%	43.4%	87	74	Yes	–
Defence Health	0.9%	17.6%	88	83	–	Yes
Doctors' Health	0.2%	38.2%	78	73	Yes	–
Navy Health	0.3%	32.1%	82	82	–	–
Phoenix	0.2%	50.8%	78	73	Yes	–
RT Health Fund	0.6%	52.6%	82	83	Yes	–
Reserve Bank	0.1%	59.8%	81	83	Yes	–
Teachers Health	4.2%	75.4%	78	73	Yes	–

Table 7B: Victoria health fund operations

Open membership health funds

FUND NAME (ABBREVIATED)	% FUND MARKET SHARE THIS STATE	% FUND'S MEMBERSHIP IN THIS STATE	AGREEMENT HOSPITALS		FUND OUTLETS	
			PRIVATE HOSPITALS	DAY HOSPITALS	RETAIL OFFICES	AGENCIES
AHM	3.0%	23.4%	73	52	–	–
AU	9.1%	66.3%	75	69	Yes	–
BUPA	24.9%	21.8%	70	59	Yes	Yes
GMHBA	5.6%	72.2%	74	52	Yes	Yes
GU Corporate	0.3%	18.5%	74	71	–	–
HCF	6.5%	14.1%	69	48	Yes	–
Healthguard	0.7%	32.3%	73	52	–	–
Latrobe	2.7%	88.4%	74	55	Yes	Yes
Medibank	33.9%	29.2%	70	56	Yes	Yes
Mildura	0.9%	85.7%	70	56	Yes	Yes
NIB	5.4%	16.7%	68	50	Yes	–
Peoplecare	0.6%	30.3%	69	55	Yes	–
St Luke's	0.1%	4.3%	74	58	–	–

Restricted membership health funds

FUND NAME (ABBREVIATED)	% FUND MARKET SHARE THIS STATE	% FUND'S MEMBERSHIP IN THIS STATE	AGREEMENT HOSPITALS		FUND OUTLETS	
			PRIVATE HOSPITALS	DAY HOSPITALS	RETAIL OFFICES	AGENCIES
CBHS	1.5%	26.1%	74	72	–	–
Defence Health	2.1%	30.1%	76	70	Yes	Yes
Doctors' Health	0.2%	33.3%	74	52	–	–
Navy Health	0.3%	23.6%	74	63	Yes	–
Phoenix	0.1%	14.4%	73	52	–	–
RT Health Fund	0.2%	10.3%	75	65	–	–
Teachers Health	0.9%	12.0%	73	52	Yes	–
Transport	0.3%	90.2%	73	52	Yes	–

Table 7C: Queensland health fund operations

Open membership health funds

FUND NAME (ABBREVIATED)	% FUND MARKET SHARE THIS STATE	% FUND'S MEMBERSHIP IN THIS STATE	AGREEMENT HOSPITALS		FUND OUTLETS	
			PRIVATE HOSPITALS	DAY HOSPITALS	RETAIL OFFICES	AGENCIES
AHM	3.5%	21.5%	47	34	–	–
AU	1.9%	10.5%	49	44	Yes	–
BUPA	34.5%	23.2%	49	33	Yes	–
CUA Health	1.9%	76.7%	49	43	–	Yes
GMHBA	0.9%	9.0%	49	40	–	–
GU Corporate	0.4%	15.6%	50	42	–	–
HCF	6.4%	10.8%	48	36	Yes	–
Healthguard	0.2%	6.2%	47	36	–	–
Latrobe	0.1%	3.4%	39	27	–	–
Medibank	33.7%	22.3%	48	36	Yes	Yes
NIB	4.6%	10.8%	44	37	Yes	–
Peoplecare	0.3%	12.4%	47	39	–	–
QCH	1.4%	96.1%	49	40	Yes	Yes
St Lukes	0.1%	2.5%	40	29	–	–
Westfund	1.4%	33.3%	56	49	Yes	–

Restricted membership health funds

FUND NAME (ABBREVIATED)	% FUND MARKET SHARE THIS STATE	% FUND'S MEMBERSHIP IN THIS STATE	AGREEMENT HOSPITALS		FUND OUTLETS	
			PRIVATE HOSPITALS	DAY HOSPITALS	RETAIL OFFICES	AGENCIES
ACA	0.1%	17.9%	47	36	–	–
CBHS	1.2%	15.9%	50	42	–	–
Defence Health	2.6%	28.6%	49	43	–	Yes
Doctors' Health	0.2%	21.0%	47	36	–	–
Navy Health	0.3%	17.3%	49	43	–	–
Phoenix	0.1%	13.9%	47	36	–	–
Police Health	0.6%	35.6%	48	43	–	–
RT Health Fund	0.7%	34.1%	49	43	Yes	–
Teachers Health	0.3%	2.4%	47	36	–	–
TUH	2.3%	96.9%	47	36	Yes	–

Table 7D: Western Australia health fund operations

Open membership health funds

FUND NAME (ABBREVIATED)	% FUND MARKET SHARE THIS STATE	% FUND'S MEMBERSHIP IN THIS STATE	AGREEMENT HOSPITALS		FUND OUTLETS	
			PRIVATE HOSPITALS	DAY HOSPITALS	RETAIL OFFICES	AGENCIES
AHM	0.8%	3.3%	16	11	–	–
AU	0.5%	2.1%	17	22	–	–
BUPA	8.1%	4.0%	18	17	Yes	–
GMHBA	1.2%	8.4%	17	17	Yes	Yes
GU Corporate	0.6%	19.2%	21	18	–	–
HBF	57.2%	97.8%	20	18	Yes	Yes
HCF	1.7%	2.0%	11	5	–	–
Healthguard	1.9%	47.5%	16	11	Yes	Yes
HIF	4.2%	90.6%	17	18	Yes	Yes
Medibank	20.1%	9.7%	19	14	Yes	Yes
NIB	1.5%	2.5%	18	14	–	–
Peoplecare	0.1%	3.5%	16	14	–	–

Restricted membership health funds

FUND NAME (ABBREVIATED)	% FUND MARKET SHARE THIS STATE	% FUND'S MEMBERSHIP IN THIS STATE	AGREEMENT HOSPITALS		FUND OUTLETS	
			PRIVATE HOSPITALS	DAY HOSPITALS	RETAIL OFFICES	AGENCIES
CBHS	0.6%	6.3%	21	18	–	–
Defence Health	0.6%	4.6%	17	22	–	Yes
Navy Health	0.2%	8.9%	17	20	–	–
Police Health	0.3%	12.7%	17	20	–	–
Teachers Health	0.2%	1.6%	16	11	–	–

Table 7E: South Australia health fund operations

Open membership health funds

FUND NAME (ABBREVIATED)	% FUND MARKET SHARE THIS STATE	% FUND'S MEMBERSHIP IN THIS STATE	AGREEMENT HOSPITALS		FUND OUTLETS	
			PRIVATE HOSPITALS	DAY HOSPITALS	RETAIL OFFICES	AGENCIES
AHM	1.5%	3.9%	30	21	–	–
AU	1.6%	3.8%	30	23	–	–
BUPA	54.1%	16.0%	28	23	Yes	Yes
GMHBA	0.3%	1.2%	28	20	–	–
GU Corporate	0.1%	2.2%	29	24	–	–
HCF	4.2%	3.1%	27	18	Yes	–
Healthguard	0.1%	1.1%	30	20	–	–
Health Partners	7.7%	95.7%	30	23	Yes	Yes
Medibank	22.4%	6.5%	30	19	Yes	Yes
Mildura	0.1%	1.9%	21	13	–	–
NIB	1.5%	1.6%	28	19	Yes	–
Peoplecare	0.3%	4.9%	30	21	–	–
St. Lukes'	0.1%	1.6%	21	13	–	–

Restricted membership health funds

FUND NAME (ABBREVIATED)	% FUND MARKET SHARE THIS STATE	% FUND'S MEMBERSHIP IN THIS STATE	AGREEMENT HOSPITALS		FUND OUTLETS	
			PRIVATE HOSPITALS	DAY HOSPITALS	RETAIL OFFICES	AGENCIES
CBHS	0.8%	5.0%	29	24	–	–
Defence Health	1.8%	8.6%	30	23	–	Yes
Navy Health	0.2%	5.4%	30	22	–	–
Phoenix	0.2%	16.1%	30	20	–	–
Police Health	1.6%	40.6%	30	23	Yes	–
Teachers Health	1.1%	4.8%	30	20	–	–

Table 7F: Tasmania health fund operations

Open membership health funds

FUND NAME (ABBREVIATED)	% FUND MARKET SHARE THIS STATE	% FUND'S MEMBERSHIP IN THIS STATE	AGREEMENT HOSPITALS		FUND OUTLETS	
			PRIVATE HOSPITALS	DAY HOSPITALS	RETAIL OFFICES	AGENCIES
AHM	2.6%	1.9%	5	3	–	–
AU	0.8%	0.5%	5	3	–	–
BUPA	37.3%	3.0%	5	3	Yes	Yes
GMBHA	0.9%	1.1%	5	3	–	–
HCF	1.9%	0.4%	6	3	–	–
Medibank	32.8%	2.6%	5	2	Yes	Yes
NIB	1.0%	0.3%	5	2	–	–
St Luke's	15.5%	87.9%	5	4	Yes	Yes

Restricted membership health funds

FUND NAME (ABBREVIATED)	% FUND MARKET SHARE THIS STATE	% FUND'S MEMBERSHIP IN THIS STATE	AGREEMENT HOSPITALS		FUND OUTLETS	
			PRIVATE HOSPITALS	DAY HOSPITALS	RETAIL OFFICES	AGENCIES
CBHS	1.0%	1.7%	5	3	–	–
Defence Health	0.8%	1.0%	5	3	–	–
HCI	2.3%	75.9%	5	2	Yes	–
Navy Health	0.2%	1.4%	5	3	–	–
Police Health	0.4%	3.0%	5	3	–	–
Teachers Health	1.0%	1.2%	5	2	–	–

Table 7G: Australian Capital Territory health fund operations

Open membership health funds

FUND NAME (ABBREVIATED)	% FUND MARKET SHARE THIS STATE	% FUND'S MEMBERSHIP IN THIS STATE	AGREEMENT HOSPITALS		FUND OUTLETS	
			PRIVATE HOSPITALS	DAY HOSPITALS	RETAIL OFFICES	AGENCIES
AHM	2.9%	2.0%	4	8	–	–
BUPA	20.4%	1.5%	4	6	Yes	–
HCF	14.7%	2.8%	4	7	Yes	–
Medibank	30.6%	2.3%	3	5	Yes	–
NIB	16.8%	4.5%	5	8	Yes	–

Restricted membership health funds

FUND NAME (ABBREVIATED)	% FUND MARKET SHARE THIS STATE	% FUND'S MEMBERSHIP IN THIS STATE	AGREEMENT HOSPITALS		FUND OUTLETS	
			PRIVATE HOSPITALS	DAY HOSPITALS	RETAIL OFFICES	AGENCIES
Defence	6.2%	7.8%	4	10	–	Yes
Navy	1.3%	10.3%	3	9	–	–
Teachers Health	2.1%	2.3%	3	7	–	–

Table 7H: Northern Territory health fund operations

Open membership health funds

FUND NAME (ABBREVIATED)	% FUND MARKET SHARE THIS STATE	% FUND'S MEMBERSHIP IN THIS STATE	AGREEMENT HOSPITALS		FUND OUTLETS	
			PRIVATE HOSPITALS	DAY HOSPITALS	RETAIL OFFICES	AGENCIES
AHM	2.6%	0.6%	1	1	–	–
BUPA	38.2%	1.1%	1	1	Yes	Yes
GMHBA	0.3%	0.1%	1	1	–	–
HCF	3.6%	0.2%	1	1	–	–
Medibank	42.7%	1.2%	1	1	Yes	Yes
NIB	1.8%	0.2%	1	1	–	–

Restricted membership health funds

FUND NAME (ABBREVIATED)	% FUND MARKET SHARE THIS STATE	% FUND'S MEMBERSHIP IN THIS STATE	AGREEMENT HOSPITALS		FUND OUTLETS	
			PRIVATE HOSPITALS	DAY HOSPITALS	RETAIL OFFICES	AGENCIES
Defence Health	3.8%	1.7%	1	1	–	Yes
Navy Health	0.3%	0.9%	1	1	–	–
Police Health	2.8%	6.9%	1	1	–	–

About The Private Health Insurance Ombudsman:

The Private Health Insurance Ombudsman (PHIO) protects the interests of people who are covered by private health insurance. Our office is independent of the private health funds, private and public hospitals and health service providers.

PHIO deals with inquiries and complaints about any aspect of private health insurance. Generally, anyone can make a complaint as long as it relates to private health insurance.

The Private Health Insurance Ombudsman

The Private Health Insurance Ombudsman (PHIO) deals with inquiries and complaints about any aspect of private health insurance. Our office is independent of the private health funds, private and public hospitals and health service providers.

How do I make a complaint?

You should first contact your health fund or the organisation or provider you're complaining about—they may be able to resolve your complaint for you.

If your fund doesn't provide a satisfactory response, you can contact us in one of the following ways:

- **Call**—1800 640 695 (free call from any Australian land line; charges apply for mobile phones).
- **Write**—Private Health Insurance Ombudsman, Suite 2, Level 22, 580 George Street, Sydney NSW 2000
- **Fax**—(02) 8235 8778
- **Website**—www.phio.org.au
- **Email**—info@phio.org.au

Please include:

- A clear description of your complaint;
- The name of your health fund and your membership number; and
- What you think would resolve the matter for you.

We'll let you know if any other information is needed.

What happens after I make a complaint?

Many complaints result from misunderstandings. Your PHIO case officer may be able to resolve your complaint by explaining what has happened and why.

Otherwise, we'll contact your health fund or the body you are complaining about to get their explanation and any suggestions they have for fixing the problem. We deal with most complaints by phone, email and fax, and most can be settled quickly.

Where complaints are more complex, we will write to the health fund or other body, seeking further information or recommending a certain course of action. Your case officer will keep you regularly informed, usually by telephone. They will give you their name and contact number in case you need to contact them.

What if I just want some information about health insurance?

We can help with information about private health insurance arrangements:

- Call our Hotline on 1800 640 695;
- Email us at info@phio.org.au; or
- Check our websites www.phio.org.au and www.privatehealth.gov.au.

We also have brochures and publications about private health insurance arrangements which you can find on our website or which we can post on request.

Who can I contact if my complaint is about a medical issue or Medicare?

Complaints about the quality of service or clinical treatment provided by a health professional or a hospital should be directed to the health care complaints body for your state or territory. These are listed in the state government section of your telephone directory.

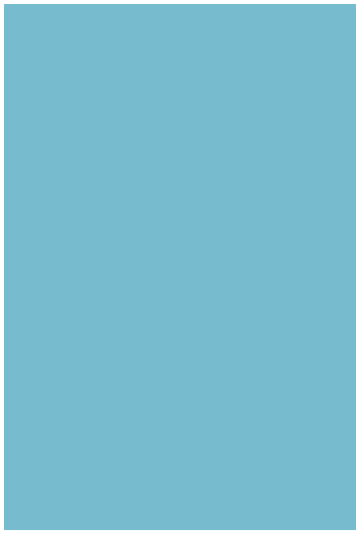
Complaints about Medicare should be directed to the Commonwealth Ombudsman on 1300 362 072.

Your Health Insurance Checklist:

Ten tips from the Private Health Insurance Ombudsman for avoiding health insurance problems.

- 1 Consider taking out the highest level of hospital cover you can afford and choosing a higher excess, rather than restrictions or exclusions, to save money on premiums.
- 2 Review your Standard Information Statement (SIS) every year. Think about whether your policy will continue to meet your needs over the coming year. This is particularly important if you are thinking about starting a family, or your health needs are changing as you grow older.
- 3 Read all of the information your fund sends you carefully. Important information about your cover will be sent in a personalised letter and should not be ignored.
- 4 Ensure your premiums are up to date. If you pay by direct debit, check your bank or credit card statements every month to ensure payments are being correctly deducted.
- 5 Tell your fund if you change address, add a partner, have a child, or any other circumstance which might affect your cover.
- 6 Make sure you understand any waiting periods, restrictions or limits applying to your cover.
- 7 Contact your fund before you go to hospital to check whether you will be covered and what costs you may need to pay yourself.
- 8 Talk to your doctors about their fees and ask whether they will bill you under your health fund's gap scheme.
- 9 If you decide to change funds, make sure you understand the difference in benefits before changing.
- 10 Visit www.privatehealth.gov.au for information and advice about private health insurance.

More information can be found in the 'Health Insurance Choice' and 'Ten Golden Rules' brochures, available at www.privatehealth.gov.au and www.phio.org.au or from the office of the Private Health Insurance Ombudsman.



‘Protecting the interests
of people covered by
private health insurance.’



Australian Government

Private Health Insurance Ombudsman