

Quarterly Update: 1 April to 30 June 2022

The Office of the Commonwealth Ombudsman (the Office), as the Private Health Insurance Ombudsman, protects the interests of private health insurance consumers. We do this in many ways, including:

- assisting health insurance consumers to resolve complaints through our independent complaint-handling service
- identifying underlying problems with private health insurers or health care providers
- reporting and providing advice and recommendations to industry and government about private health insurance, including the performance of the sector and the nature of complaints
- managing PrivateHealth.gov.au, a comprehensive source of independent information about private health insurance for consumers.

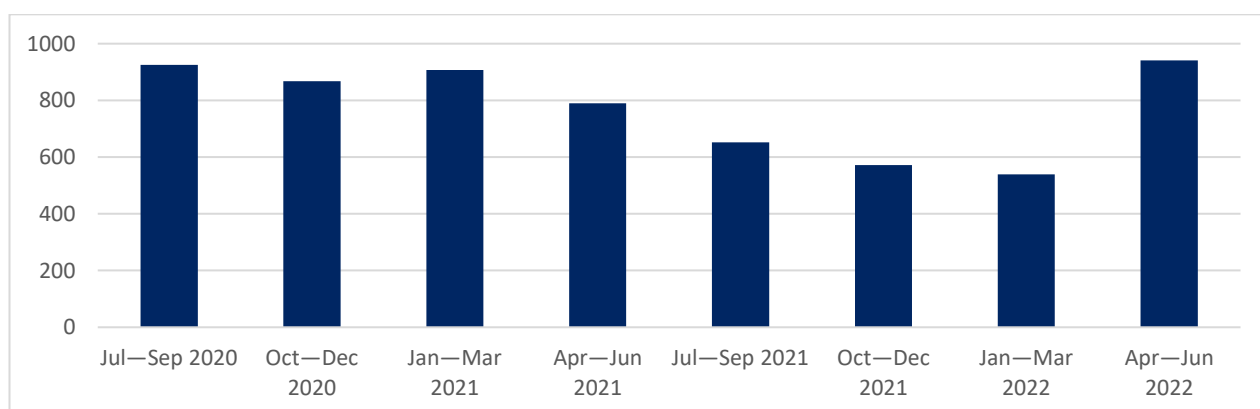
During this quarter, the Office received 941 complaints in its capacity as the Private Health Insurance Ombudsman.¹ This was an increase of 19.1 per cent compared to the same period last year and an increase of 76.9 per cent on the previous quarter. During the previous 3 quarters, the Office received the lowest numbers of private health insurance complaints in any quarter since 2012.

The increase in complaints this quarter is attributable to 354 complaints made about Peoplecare Overseas Visitors Student Health Cover, which is administered by Allianz Care Australia. See below for more information.

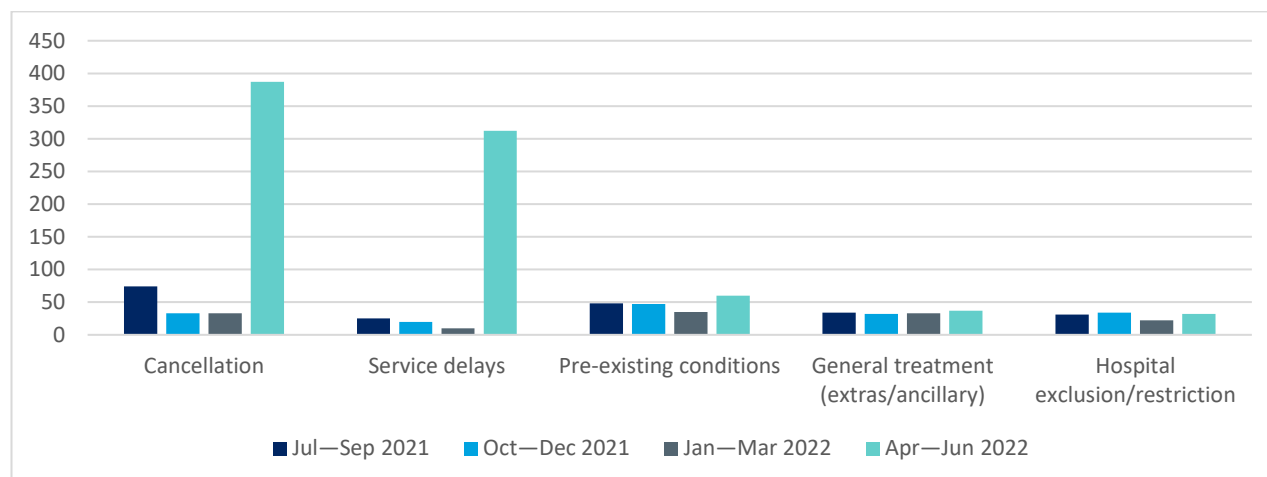
Overall, however, other complaints to the Office continued to decline in 2021–22. The Office received 2,704 total complaints in 2021–22 compared to 3,496 the year before – a decrease of 22.7 per cent.

The Office continues to analyse complaint data to identify trends or themes that may also be associated with this decrease. See below for more information.

Figure 1: Complaints received by quarter



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](#).

Figure 2: Top complaint issues in April-June 2022 quarter, compared to previous 3 quarters**Table 1: Complaints by provider or organisation type, this quarter compared to 3 previous quarters**

Provider or organisation type	Sept 2021 quarter	Dec 2021 quarter	Mar 2022 quarter	Jun 2022 quarter
Health insurers	567	508	467	533
Overseas visitors and overseas student health insurers	60	45	54	400
Brokers and comparison services	7	4	2	1
Doctors, dentists and other medical providers	1	3	2	0
Hospitals and area health services	2	1	7	1
Other (e.g. legislation, ambulance services, industry peak bodies)	15	11	7	6
<i>Total</i>	<i>652</i>	<i>572</i>	<i>539</i>	<i>941</i>

Peoplecare/Allianz overseas student health cover refund complaints

The Office received 308 complaints from students experiencing cancellation problems with Peoplecare Health Limited Overseas Student Health Cover (OSHC) Policies administered by Allianz Care Australia (Allianz) in the June 2022 quarter. Most of these complaints involved delays in accessing refunds for unused OSHC.

Affected policy holders had not utilised some or all of their policy due to border closures which prevented or delayed their travel. Policy holders had sought a refund from Allianz and provided the necessary documentation, however their enquiries and refund applications were not responded to in a timely manner or, in some instances, not at all.

The Office saw examples of automated responses provided to policy holders with timeframes for refunds which were clearly not being met for the vast majority of applicants.

With involvement from the Office, Allianz has identified the issues affecting processing of refunds and worked towards a solution. One of the key solutions was to increase communication with consumers to advise of processing delays and to provide realistic information how long it will take.

To date the Office has assisted complainants with receiving more than \$199,500 in refunds from Allianz. Individual refunds ranged from several hundred to several thousand dollars. The Office is continuing to work with Allianz to resolve complaints about this issue.

The large number of complaints received about this issue in this quarter is reflected in **Figure 2**, showing the increase in complaints about cancellations and service delays, and in **Table 1**, comparing the complaints made about overseas visitors and overseas student insurers to complaints against other respondents.

Case Study – refund delays

Geraldine purchased a year of OSHC from Allianz in December 2019, ahead of her studies in Australia from March 2020 to March 2021. However, her flight to Australia in February 2020 was cancelled due to COVID-19 travel restrictions and she was unable to enter Australia for the entirety of her OSHC cover period. After travel restrictions were lifted, Geraldine arrived in Australia and contacted Allianz to request a refund of her unused policy.

Allianz emailed her on 14 April 2022, asking her to complete a refund form and to provide supporting documentation. Geraldine provided the form and documentation to Allianz on the same day but did not receive a response or acknowledgement from Allianz. She followed up with Allianz by email on 22 April, 25 April and 2 May, but did not receive a response.

Geraldine eventually lodged a complaint with our Office on 10 May 2022 as she had not been contacted by Allianz despite following up on several occasions.

The Office referred the complaint directly to Allianz for further resolution and Allianz provided her with a refund for her unused policy totalling \$529.00.

Hospital and health insurer contract negotiations

In its role as the Private Health Insurance Ombudsman, the Office seeks to protect the interests of people who are covered by private health insurance. Recently, Bupa and Ramsay Health Care (Ramsay) were unable to reach a new agreement about cover for Bupa members accessing Ramsay facilities prior to the expiration of their contract. In the interests of protecting consumers, the Office was in discussions with the parties from May 2022 and eventually mediation was organised to assist Bupa and Ramsay to reach a new agreement and minimise the impact of any changes on consumers.

In the end, formal mediation was not required as Bupa and Ramsay signed a new 3-year agreement about cover for Bupa members accessing Ramsay facilities. This means Bupa members will continue to be covered at Ramsay facilities without new out-of-pocket costs.

Consumers expecting a hospital admission can contact [Bupa](#) and [Ramsay](#) for further information about their benefits and out-of-pocket costs.

To assist consumers the Office has developed a factsheet with general advice about private health insurers and hospital agreements, and the options for consumers if their hospital and insurer terminate their agreement. The factsheet is available at [Ombudsman.gov.au](https://ombudsman.gov.au)

Table 4: Complaints by health insurer market share, 1 April–30 June 2022²

Name of insurer	No further action	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%	2	0.4%	1	2.9%	0.3%
Australian Unity	3	8.8%	29	6.2%	0	0.0%	2.5%
BUPA	10	29.4%	114	24.5%	7	20.6%	24.8%
CBHS	1	2.9%	11	2.4%	3	8.8%	1.5%
CBHS Corporate Health	0	0.0%	0	0.0%	0	0.0%	<0.1%
CDH (Hunter Health Insurance)	0	0.0%	1	0.2%	0	0.0%	<0.1%
CUA Health	1	2.9%	1	0.2%	0	0.0%	0.6%
Defence Health	1	2.9%	5	1.1%	2	5.9%	2.1%
Doctors' Health Fund	0	0.0%	1	0.2%	0	0.0%	0.4%
GMHBA (incl. Health.com.au)	0	0.0%	17	3.7%	0	0.0%	2.5%
HBF Health & GMF/Healthguard	2	5.9%	21	4.5%	1	2.9%	7.3%
HCF (Hospitals Contribution Fund)	3	8.8%	76	16.3%	9	26.5%	11.9%
HCI (Health Care Insurance)	0	0.0%	1	0.2%	0	0.0%	<0.1%
Health Partners	0	0.0%	2	0.4%	0	0.0%	0.7%
HIF (Health Insurance Fund of Aus.)	0	0.0%	5	1.1%	0	0.0%	0.7%
Latrobe Health	0	0.0%	10	2.2%	0	0.0%	0.7%
Medibank Private & AHM	8	23.5%	95	20.4%	3	8.8%	27.3%
Mildura District Hospital Fund	0	0.0%	0	0.0%	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%	3	0.6%	1	2.9%	0.4%
NIB Health & GU Corporate Health	3	8.8%	51	11.0%	2	5.9%	9.3%
Nurses and Midwives Pty Ltd	0	0.0%	1	0.2%	0	0.0%	<0.1%
Peoplecare	0	0.0%	0	0.0%	0	0.0%	0.5%
Phoenix Health Fund	0	0.0%	1	0.2%	0	0.0%	0.2%
Police Health	0	0.0%	0	0.0%	1	2.9%	0.4%
QLD Country Health Fund	0	0.0%	2	0.4%	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%	1	0.2%	1	2.9%	0.6%
Teachers Health	2	5.9%	7	1.5%	1	2.9%	2.5%
Transport Health	0	0.0%	2	0.4%	1	2.9%	<0.1%
TUH	0	0.0%	1	0.2%	0	0.0%	0.6%
Westfund	0	0.0%	3	0.6%	1	2.9%	0.9%
Total for Health Insurers	34	100.0%	465	100.0%	34	100.0%	

² This table shows complaints regarding Australian registered health insurers. This table excludes complaints regarding Overseas Visitors Health Cover and Overseas Student Health Cover insurers, and other bodies. Table updated 4 October 2022.

³ Investigations required the intervention of the Ombudsman and the health insurer.

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

Table 5: Complaint issues and sub-issues, received 1 April–30 June 2022

ISSUE Sub-issue	Sep 21	Dec 21	Mar 22	Jun 22	ISSUE Sub-issue	Sep 21	Dec 21	Mar 22	Jun 22
BENEFIT					INFORMED FINANCIAL CONSENT				
Accident and emergency	2	8	13	6	Doctors	0	2	3	0
Accrued benefits	0	0	2	0	Hospitals	1	1	1	1
Ambulance	11	3	3	5	Other	1	0	1	0
Amount	6	15	17	20	MEMBERSHIP				
Delay in payment	37	24	23	21	Adult dependents	13	10	4	10
Excess	8	12	8	10	Arrears	3	1	7	7
Gap—Hospital	15	14	11	19	Authority over membership	2	2	1	2
Gap—Medical	12	15	14	14	Cancellation	74	33	33	387
General treatment (extras/ancillary)	34	32	33	37	Clearance certificates	34	10	14	28
High cost drugs	1	2	1	1	Continuity	9	12	15	20
Hospital exclusion/restriction	31	34	22	32	Rate and benefit protection	1	1	4	1
Insurer rule	27	27	16	26	Suspension	15	8	9	9
Limit reached	5	5	2	2	SERVICE				
New baby	0	1	0	2	Customer service advice	43	24	15	19
Non-health insurance	0	1	0	1	General service issues	36	29	23	22
Non-health insurance—overseas benefits	0	0	0	0	Premium payment problems	23	18	33	23
Non-recognised other practitioner	1	1	1	0	Service delays	25	20	10	312
Non-recognised podiatry	1	2	1	1	WAITING PERIOD				
Other compensation	2	4	1	1	Benefit limitation period	0	0	0	0
Out of pocket not elsewhere covered	0	1	6	5	General	14	11	7	16
Out of time	2	0	4	0	Obstetric	3	4	9	6
Preferred provider schemes	2	2	0	5	Other	7	1	4	3
Prostheses	3	2	1	0	Pre-existing conditions	48	47	35	60
Workers compensation	0	0	0	0	OTHER				
CONTRACT					Access	14	15	8	5
Hospitals	3	0	6	5	Acute care and type C certificates	1	1	0	0
Preferred provider schemes	1	4	0	3	Community rating	1	0	2	0
Second tier default benefit	1	1	0	0	Complaint not elsewhere covered	1	5	8	3
COST					Confidentiality and privacy	0	2	0	1
Dual charging	0	6	2	2	Demutualisation/sale of health insurers	0	0	0	0
Rate increase	5	4	7	18	Discrimination	0	0	0	0
INCENTIVES					Medibank sale	0	0	0	0
Lifetime Health Cover	28	20	19	20	Non-English speaking background	0	0	0	0
Medicare Levy Surcharge	1	0	0	3	Non-Medicare patient	0	0	0	1
Private health insurance reforms	0	0	0	0	Private patient election	0	0	0	0
Rebate	4	2	1	0	Rule change	5	40	2	3
Rebate tiers and surcharge changes	1	0	0	0					
INFORMATION									
Brochures and websites	2	7	2	4					
Lack of notification	13	10	3	12					
Radio and television	0	0	0	0					
Standard Information Statement	1	1	1	3					
Verbal advice	21	34	9	13					
Written advice	2	3	2	2					

Summary: 1 July 2021 to 30 June 2022

In 2021–22, we received 2,704 complaints. This represents a 22.7 per cent decrease in complaints compared to 2020–21 when we received 3,496 complaints.

The decline in complaints in 2021–22 continued a trend from the previous year and appears to be related to the following changes:

- The long-term positive impact of the private health insurance reforms⁵ that came into effect from 1 April 2020. The aim of these reforms, such as introducing industry-standard clinical categories and product tiers (including Gold, Silver, Bronze and Basic hospital tiers), was to respond to consumer sentiment that health insurance was too complex.
- More effective servicing of customers by several health insurers. This is evident from the reduction in complaints from some, but not all, health insurers compared to previous years. For example: Bupa complaints fell from 711 in 2020–21 to 508 in 2021–22 while Medibank complaints fell from 559 to 399. Service complaints across the industry (not including complaints against OVHC/OSHC insurers) fell from 581 in 2020–21 to 366 in 2021–22. The Office has worked consistently with health insurers to understand and respond to complaints, and in this way, the reduction in complaints should be seen as a positive change.
- More effective complaint handling by health insurers. This is evident from the reduction in instances where the Office intervenes to investigate a complaint. The percentage of complaints treated as investigations has fallen from 8.5 per cent to 5.6 per cent over the past two years. At the same time, the percentage of assisted referrals, where the insurer has been able to resolve the complaint increased from 78.1 per cent to 85.0 over the past two years. Again, this indicates that the fall in complaints can be seen as a positive change.
- Private health insurance activity fell during COVID-19 restrictions as people were not always able to attend private hospitals, dentists and other providers. The effect of restrictions seems to have been limited, however, as claims fell by only 2.8 per cent in the 12 months up to 31 March 2022 according to the latest figures⁶ released by the Australian Prudential Regulation Authority (APRA).

⁵ [Private health insurance reforms | Australian Government Department of Health and Aged Care](#)

⁶ APRA News: [APRA releases quarterly private health insurance statistics for March 2022](#)