



## MEDIA RELEASE

31 March 2014

### REPORT OF PRIVATE HEALTH FUND SERVICE AND PERFORMANCE

The Private Health Insurance Ombudsman (PHIO) today published its annual *State of the Health Funds Report* (the Report), providing information on the comparative performance and service delivery of private health insurance funds in Australia.

The Report, which covers the period from 1 July 2012 - 30 June 2013, focuses on general performance and service delivery by health funds. The Report compares funds against a number of measures, including performance and service delivery, financial management and health fund operation. The Report is designed to give consumers additional information to help them make decisions about their 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 consumers who are considering taking out private health insurance, the Report provides an indication of the services available from each fund and a comparison of some service and performance indicators at the fund level.

There was a small decline in the number of complaints to the PHIO in 2012–13, with 2,955 complaints recorded, compared with 2,995 the previous year.

Private Health Insurance Ombudsman, Samantha Gavel, highlighted a 29% decline in the number of higher level complaints requiring investigation by PHIO, with 450 higher level complaints recorded in 2012–13, compared with 630 in the previous year as being particularly pleasing.

“A 29% decline in the number of higher level complaints is a significant positive achievement.

“This continued the downward trend in higher level complaints and reflects both the work of health funds in improving their own internal complaints handling practices and PHIO’s work to assist health funds to identify and address systemic issues causing complaints,” Ms Gavel said.

Ms Gavel stated that measurements of service performance such as member retention and the level of complaints that the PHIO receives about a fund, relative to its market share, were also reasonable indicators 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 and in FY12/13 the industry experienced a growth of 3.1% or 181,691 memberships overall.

“This positive health fund membership growth and retention was on top of a similar level of increase for 2011-12, with a 3.7% growth in membership and fund membership retention figures ranging from 70% to over 90% during the reporting period.”

Ms Gavel urged consumers who already have private health insurance or are returning to private health cover, as well as those who are considering private health insurance for the very first time to read the Report and assess information on the performance of funds.

“We know from dealing with complaints that the best private health insurance outcomes result from access to the best information. This Report is the most comprehensive body of information available to consumers for all the private health insurance funds in Australia.

“By using this Report, consumers can gain valuable insights into how their current or potential fund performs on measures such as membership retention, complaints, the effectiveness of its Gap Scheme in reducing out-of-pocket medical costs and the percentage of Hospital and General Treatment related charges covered.

“As consumers, we owe it to ourselves to be diligent on own behalf when it comes to private health insurance,” Ms Gavel said.

To this end, Ms Gavel pointed out that there was a clear trend in consumers seeking information relating to private health insurance online with an ever-increasing number of consumers using the Ombudsman’s consumer website (621,865 unique visitors in 2012-13) – [Privatehealth.gov.au](http://Privatehealth.gov.au).

“In FY12/13, we saw a 55% increase in the use of the Ombudsman’s consumer website, which is on top of a similar significant increase in FY11/12 of 41% (485,923 unique visitors.

“This growth in the number of unique visitors to the PrivateHealth.gov.au website is encouraging as it is Australia's leading source of independent information relating to private health insurance policies available in Australia and includes a range of tools to assist consumers such as the Lifetime Health Cover calculator, an Agreement Hospitals Locator and information about the average cost of the most common dental procedures.”

For Australian consumers seeking information in relation to private health insurance, the PHIO produces a range of Fact Sheets and Brochures, which are available from its [www.phio.org.au](http://www.phio.org.au) website.

The State of the Health Fund Report can be viewed on the PHIO website at [www.phio.org.au](http://www.phio.org.au). The Report is available free of charge to consumers. The Ombudsman’s office can be reached on 1800 640 695.

**ENDS**

**Media enquiries: mobile: 0499 988 606**