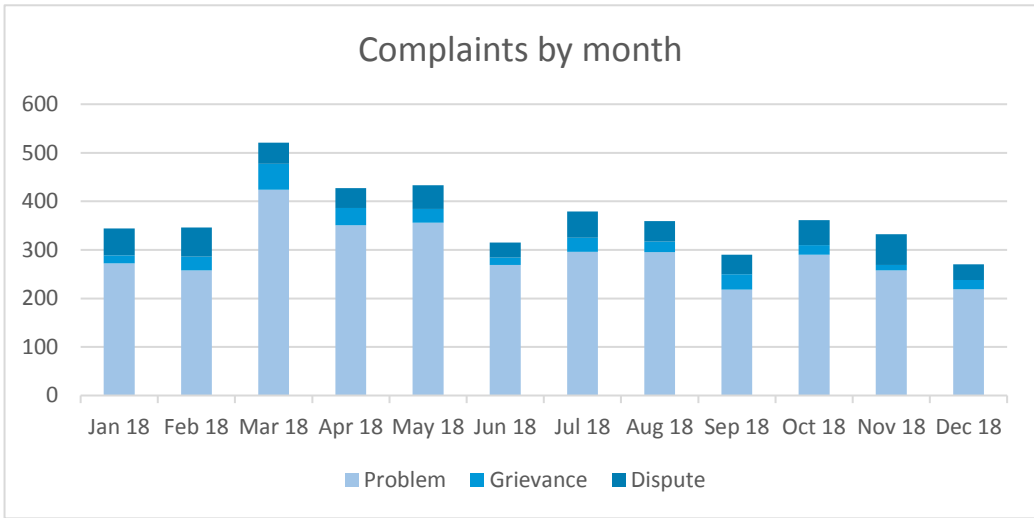
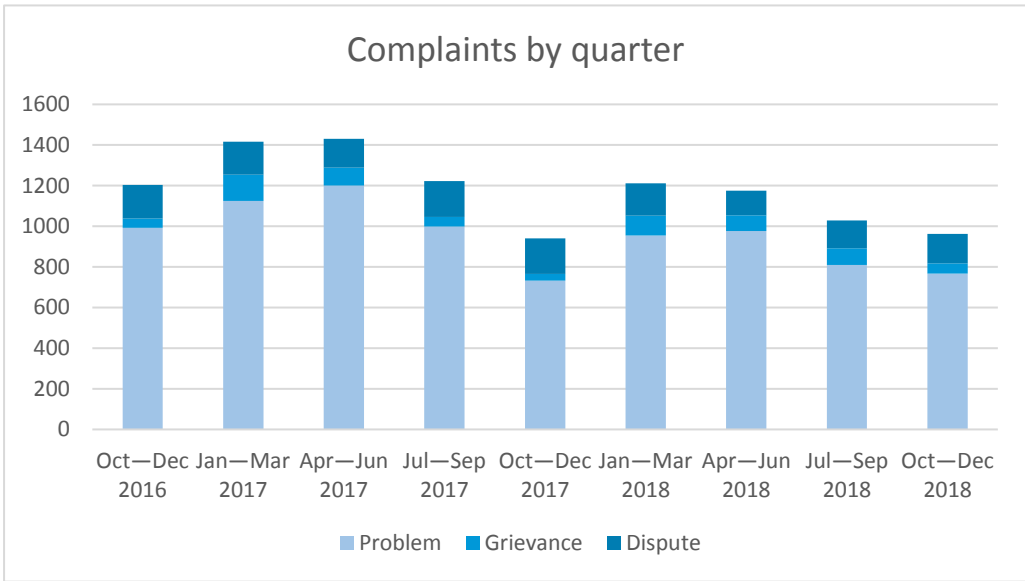
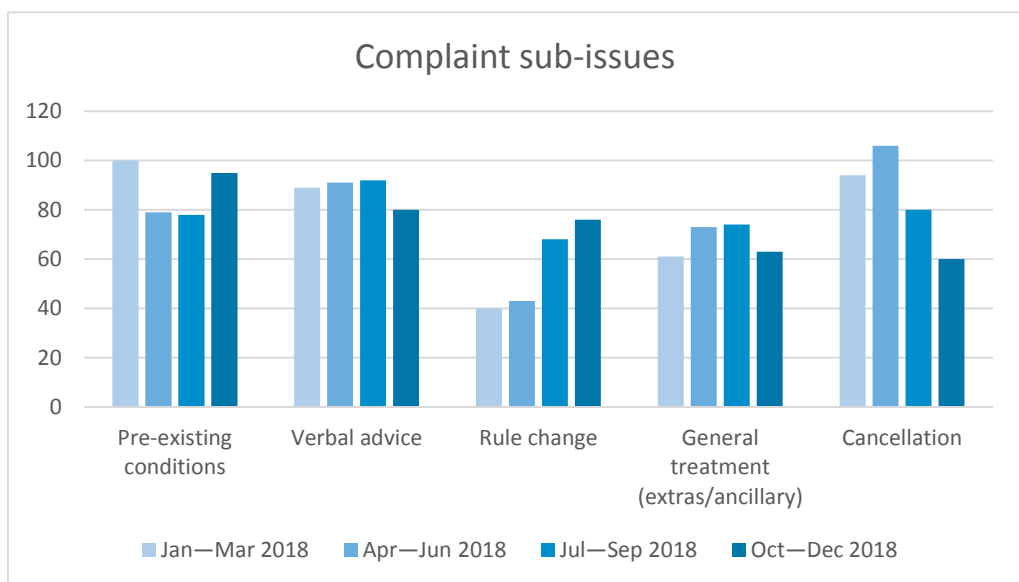
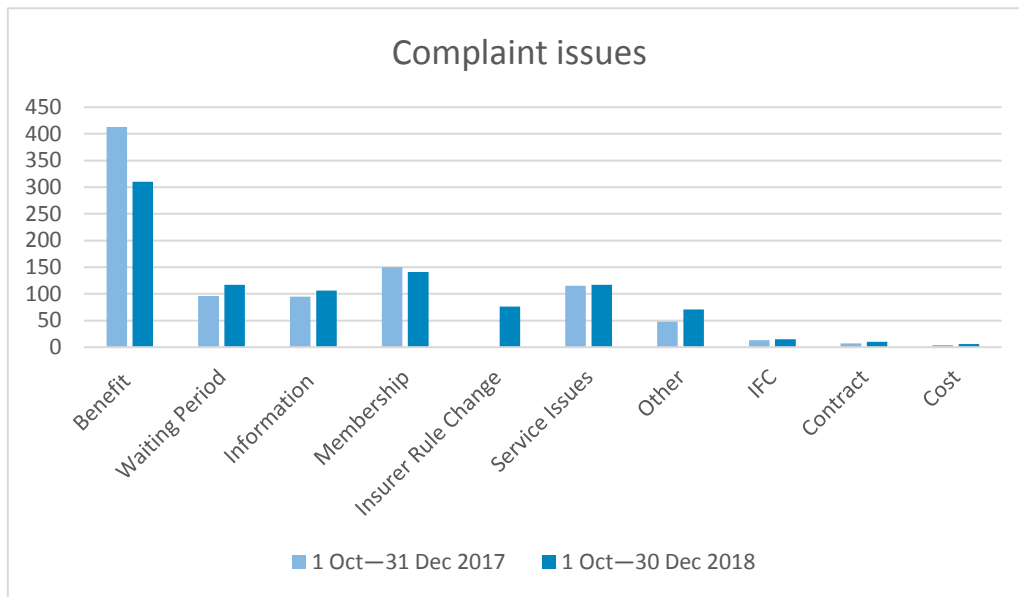


Quarterly Bulletin 89: 1 October—31 December 2018

Complaint statistics

The Office of the Commonwealth Ombudsman (the Office) received 963 private health insurance complaints this quarter, a slight increase compared to the 940 complaints received in the same period last year. The total number of complaints was down slightly from the 1,028 complaints received in the July to September 2018 quarter, which is consistent with previous years.





Top five consumer complaint sub-issues this quarter

1. **Pre-existing conditions waiting period: 95 complaints**—these complaints are usually caused by the health insurer or the insurer’s medical practitioner failing to clearly state which signs and symptoms were relied upon in assessing a claim, or the complainant misunderstanding how a pre-existing condition is defined. The Office is able to seek a better explanation of the insurer’s medical practitioner’s decision as well as provide an impartial review.
2. **Verbal advice: 80 complaints**—most verbal advice complaints concern consumers misunderstanding their benefits during telephone calls and retail branch visits with their insurer, particularly where records are not adequately maintained. In many cases our case officers will access the recording of advice provided to a consumer and provide an independent assessment of the quality of the information provided.

3. **Insurer rule change: 76 complaints**—these complaints usually concern disputes about reduction of services in health insurance policies. Health insurers are permitted to change the terms of health insurance policies as long as the changes comply with the requirements of the *Private Health Insurance Act 2007* and adequate notice of change is given to consumers. We have received an increase in complaints about this issue over the past two quarters and we will continue to monitor this issue for future trends.
4. **General treatment benefits: 63 complaints**—these complaints usually concern disputes over the amount payable under ‘extras’ policies such as dental, optical, physiotherapy and pharmaceuticals, or the insurer’s rules for benefit payments (such as certain minimum claim criteria).
5. **Membership cancellation: 60 complaints**—these complaints are caused by problems and delays associated with processing requests to cancel memberships and handling payments or refunds. It is important to note that in most cases these membership cancellations are caused by consumers transferring from one insurer to another and not the result of people leaving private health insurance altogether. This issue has remained consistently high for several quarters and we are monitoring this issue for industry trends.

Complaints by provider or organisation type

The majority of cases handled by the Office are about Australian private health insurers. However, we also handle complaints about other providers, as long as complaints are about health insurance arrangements. A comparison of the previous four quarters shows complaints about different provider and organisation types remains steady.

Provider or organisation type	Mar 2018 QTR	Jun 2018 QTR	Sep 2018 QTR	Dec 2018 QTR
Health insurers	1,055	1,019	854	816
Overseas visitor and overseas student health insurers	91	95	111	98
Brokers and comparison services	15	25	26	13
Doctors, dentists, other medical providers	9	10	6	5
Hospitals and area health services	16	10	17	3
Other (e.g. legislation, ambulance services, industry peak bodies, etc.)	25	16	14	16

Premium increase 1 April 2019

On 19 December 2018, the Minister for Health, the Hon Greg Hunt MP, announced private health insurance premiums would increase on average by 3.25 per cent from 1 April 2019.

We suggest that consumers who have queries about their premium increase or changes to their policy should speak to their insurer and visit privatehealth.gov.au. If they are not satisfied with their policy or their new premium, their current health insurer or another insurer may be able to offer an alternative private health insurance policy that meets their needs.

We advise consumers to take care to understand the range of benefits and any conditions or restrictions before choosing a lower cost cover. In general, we suggest giving priority to maintaining cover for a broad range of

conditions in hospital cover, to protect against the risk of unanticipated medical conditions in future years. Any health insurance policy decisions should be made on the basis of information provided by the insurer.

For more information, you can read our factsheet on [Health insurance premium increases](#).

Changes to private health insurance

The premium increases will take effect on the same day as a number of changes to private health insurance, including the introduction of new private hospital insurance tiers (Gold, Silver, Bronze and Basic) and the removal of coverage for natural therapies, as discussed in [Quarterly Bulletin 88](#). The updated privatehealth.gov.au website will also be made available for the public in advance of 1 April 2019.

Subscribe for updates

To be added to our distribution list for private health insurance news and publications, sign up using our [online form](#) or email privatehealthinsuranceombudsman@ombudsman.gov.au.

You can also follow us on Facebook for updates: facebook.com/commonwealthombudsman/

For general private health insurance information and to compare health insurance policies, visit privatehealth.gov.au.

More information is available at ombudsman.gov.au.

Complaints by health insurer market share

Name of insurer	Complaints ¹	Percentage of complaints	Disputes ²	Percentage of disputes	Market share ³
ACA Health Benefits	0	0.0%	0	0.0%	0.1%
Australian Unity	31	3.8%	1	0.9%	2.9%
BUPA	203	24.9%	38	35.2%	26.3%
CBHS Corporate Health	1	0.1%	0	0.0%	<0.1%
CBHS	18	2.2%	5	4.6%	1.5%
CDH (Cessnock District Health)	1	0.1%	0	0.0%	<0.1%
CUA Health	3	0.4%	2	1.9%	0.6%
Defence Health	8	1.0%	1	0.9%	2.1%
Doctors' Health Fund	4	0.5%	0	0.0%	0.3%
Emergency Services Health	0	0.0%	0	0.0%	<0.1%
GMHBA	27	3.3%	2	1.9%	2.4%
Grand United Corporate Health	8	1.0%	0	0.0%	0.4%
HBF Health & GMF/Healthguard	57	7.0%	7	6.5%	7.8%
HCF (Hospitals Contribution Fund)	125	15.3%	15	13.9%	10.7%
HCI (Health Care Insurance)	1	0.1%	0	0.0%	0.1%
Health.com.au	12	1.5%	3	2.8%	0.6%
Health-Partners	0	0.0%	0	0.0%	0.6%
HIF (Health Insurance Fund of Aus.)	5	0.6%	0	0.0%	0.8%
Latrobe Health	4	0.5%	1	0.9%	0.7%
Medibank Private & AHM	186	22.8%	21	19.4%	26.9%
Mildura District Hospital Fund	1	0.1%	0	0.0%	0.2%
MO Health Pty Ltd	1	0.1%	0	0.0%	<0.1%
National Health Benefits Aust.	0	0.0%	0	0.0%	0.1%
Navy Health	3	0.4%	1	0.9%	0.3%
NIB Health	70	8.6%	6	5.6%	8.5%
Nurses and Midwives Pty Ltd	1	0.1%	0	0.0%	<0.1%
Peoplecare	1	0.1%	0	0.0%	0.5%
Phoenix Health Fund	7	0.9%	1	0.9%	0.1%
Police Health	1	0.1%	1	0.9%	0.3%
QLD Country Health Fund	1	0.1%	0	0.0%	0.4%
Railway & Transport Health	3	0.4%	0	0.0%	0.4%
Reserve Bank Health	0	0.0%	0	0.0%	<0.1%
St Lukes Health	1	0.1%	1	0.9%	0.5%
Teachers Federation Health	16	2.0%	0	0.0%	2.4%
Teachers Union Health	9	1.1%	1	0.9%	0.6%
Transport Health	4	0.5%	1	0.9%	0.1%
Westfund	3	0.4%	0	0.0%	0.7%
Total for health insurers	816	100%	108	100%	100%

¹ Total number of complaints (Problems, Grievances & Disputes) regarding Australian registered health insurers. This table excludes complaints regarding OVHC and OSHC insurers, and other bodies.

² Disputes required the intervention of the Ombudsman's Office and the health insurer.

³ Source: Australian Prudential Regulation Authority, Market Share, All Policies, 30 June 2018.

Issues and sub-issues: complaints received in previous four quarters

ISSUE Sub-issue	Mar 18	Jun 18	Sep 18	Dec 18	ISSUE Sub-issue	Mar 18	Jun 18	Sep 18	Dec 18
BENEFIT					INFORMED FINANCIAL CONSENT				
Accident and emergency	17	14	13	20	Doctors	6	7	2	6
Accrued benefits	5	5	0	1	Hospitals	13	12	8	3
Ambulance	17	20	10	12	Other	1	0	2	6
Amount	25	15	16	22	MEMBERSHIP				
Delay in payment	35	27	45	43	Adult dependents	12	13	4	3
Excess	11	16	17	8	Arrears	12	16	12	16
Gap — Hospital	17	11	0	14	Authority over membership	5	9	7	5
Gap — Medical	23	47	42	17	Cancellation	94	106	80	60
General treatment (extras/ancillary)	61	73	74	63	Clearance certificates	40	47	33	31
High-cost drugs	1	1	1	2	Continuity	28	22	28	13
Hospital exclusion/restriction	92	71	52	46	Rate and benefit protection	5	4	4	1
Insurer rule	38	28	8	18	Suspension	22	26	23	12
Limit reached	8	0	1	2	SERVICE				
New baby	3	3	1	3	Customer service advice	24	28	15	22
Non-health insurance	2	2	1	1	General service issues	61	56	43	33
Non-health insurance — overseas benefits	0	0	0	0	Premium payment problems	85	88	32	42
Non-recognised other practitioner	1	4	2	1	Service delays	21	12	16	20
Non-recognised podiatry	1	5	4	0	WAITING PERIOD				
Other compensation	3	3	2	2	Benefit limitation period	0	0	0	0
Out-of-pocket not elsewhere covered	3	2	6	10	General	9	18	16	7
Out-of-time	1	6	5	6	Obstetric	8	8	9	8
Preferred provider schemes	9	7	2	8	Other	6	8	3	7
Prostheses	2	3	8	11	Pre-existing conditions	100	79	78	95
Workers compensation	1	2	1	0	OTHER				
CONTRACT					Access	0	0	1	2
Hospitals	5	6	5	9	Acute care and type C certificates	6	2	6	2
Preferred provider schemes	3	5	3	0	Community rating	1	0	1	0
Second tier default benefit	1	0	1	1	Complaint not elsewhere covered	4	2	14	13
COST					Confidentiality and privacy	4	3	7	5
Dual charging	1	2	5	4	Demutualisation/sale of health insurers	0	0	1	0
Rate increase	69	27	5	2	Discrimination	0	1	1	2
INCENTIVES					Medibank sale	0	0	0	0
Lifetime Health Cover	52	57	60	37	Non-English speaking background	0	0	0	0
Medicare Levy Surcharge	2	6	6	3	Non-Medicare patient	1	1	1	0
Private health insurance reforms ⁴	-	-	-	4	Private patient election	0	1	1	2
Rebate	7	4	5	1	Rule change	40	43	68	76
Rebate tiers and surcharge changes	1	1	3	0					
INFORMATION									
Brochures and websites	13	10	5	4					
Lack of notification	5	9	9	16					
Verbal advice	89	91	92	80					
Radio and television	1	0	0	0					
Standard Information Statement	0	1	4	1					
Written advice	7	8	7	5					

⁴ New sub-issue as of 1 October 2018.