



Australian Government

Private Health Insurance Ombudsman

MEDIA RELEASE

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Private Health Insurance Ombudsman releases 2012-13 Annual Report

Private Health Insurance Ombudsman (PHIO) Samantha Gavel today released her office's Annual Report detailing activities undertaken in the 12-month period between 1 July 2012 and 30 June 2013 to protect the interests of consumers in relation to private health insurance.

Ms Gavel said that while there were a number of positive trends emerging from the 2012-13 reporting period, there was still no substitute for consumers being diligent on their own behalf when it came to making decisions about private health insurance.

"A significant trend emerging from last year was the very large increase in the number of consumers who found their way to the PHIO's consumer website, PrivateHealth.gov.au: 621,865 unique visitors in 2012-13, a 41% increase from the previous year.

"All too often for too many consumers private health insurance is out of sight out of mind until they get sick and the best private health insurance outcomes for consumers can only be achieved through access to the best information.

"The PrivateHealth.gov.au website, administered by my office, is Australia's leading source of information for consumers on private health insurance policies available in this country and I encourage all Australians who want to understand more about how private health insurance works and how to choose a policy that suits their individual needs and those of their families to use it."

Highlights for the 2012-13 reporting period noted in the Annual Report include:

- a 29% decline in higher level complaints requiring more detailed investigation by the PHIO, reflecting PHIO's work with insurers to reduce complaints from members, as well as industry's commitment to improving its internal complaints handling practices;
- a 41% increase in unique visits to the consumer website (www.privatehealth.gov.au);
- continued positive feedback from consumers in relation to the consumer website (www.privatehealth.gov.au), with consistently positive responses on the major criteria: 92% of surveyed clients were happy with the website's visual appeal; 87% rated the website as easy to use; 79% rated information as easy to find and 78% rated the information as being of very good or satisfactory quality; and
- a continued high level of customer satisfaction with the PHIO's complaint handling service, with 85% of those surveyed reporting they were satisfied or very satisfied with the service.

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The overall number of complaints received in 2012-13 was 2,955, a small decrease on the 2,995 complaints received the previous year.

Private health insurance membership continued to increase during 2012-13, with 47% of the population covered by a Hospital Treatment policy and 54.9% of the population covered by a General Treatment (Extras) policy at 30 June 2013.¹

The main issues forming the substance of complaints made to the PHIO in 2012-13 related to:

- questions about oral information provided by customer service staff in fund call centres and branches (289 complaints in 2012-13, compared with 261 in 2011-12);
- the pre-existing condition waiting period (207 complaints in 2012-13, which was the same number as in 2011-12); and
- issues relating to membership cancellation (192 complaints, compared with 148 the previous year).

Ms Gavel highlighted the significant 29% decrease in the number of higher-level complaints requiring more detailed investigation by her office, down from 630 in 2011-12 to 450, the lowest annual number of high-level complaints for the past five years, as being particularly pleasing.

“The decline in higher level complaints requiring investigation by PHIO reflects the work that PHIO does with insurers to improve their internal complaints handling practices and resolve the underlying issues that lead to complaints. It also reflects well on the efforts of individual insurers’ in improving their own internal complaints handling processes as well.”

The Private Health Insurance Ombudsman’s 2012-2013 Annual Report can be viewed on the Ombudsman’s website at www.phio.gov.au and copies of the Report can be requested by contacting the Ombudsman’s office on (02) 8235 8777.

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Further information: PHIO Media – 0499 988 606

¹ Statistics are drawn from the June 2013 Quarterly Statistics released by the industry regulator, the Private Health Insurance Administration Council (PHIAC).