



Australian Government  
Private Health Insurance Ombudsman

# State of the Health Funds Report 2009

An independent assessment of the comparative performance & service delivery of Australia's private health insurance providers.



# Private Health Insurance Ombudsman

## ***STATE OF THE HEALTH FUNDS REPORT***

**2009**

(Relating to the financial year 2008-09)

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

---

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 Level 7, 362 Kent Street Sydney NSW 2000

© Commonwealth of Australia 2010

## FOREWORD

I am pleased to present the sixth annual *State of the Health Funds Report* relating to the financial year 2008/2009. 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](http://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 product. 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 them 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 contribution of PHIO staff member, David McGregor, who has produced the statistical tables. I would also like to thank PHIAC for its assistance and advice in relation to the report.

**Samantha Gavel**  
Private Health Insurance Ombudsman  
March 2010

## CONTENTS

<b>Foreword</b>	<b>2</b>
<b>Using the Information in this Report to Compare</b>	<b>4</b>
<b>Key Consumer Concerns, Issues &amp; Developments</b>	<b>6</b>
<b>Health Fund Abbreviations &amp; Contact Details</b>	<b>15</b>
<b>Service Performance</b>	<b>16</b>
<b>Hospital Cover</b>	<b>18</b>
<b>Medical Gap Cover</b>	<b>20</b>
<b>General Treatment (Extras) Cover</b>	<b>22</b>
<b>Financial Management of Health Funds</b>	<b>26</b>
<b>Health Fund Operations by State (Territory)</b>	<b>28</b>
<b>About the Private Health Insurance Ombudsman</b>	<b>34</b>
<b>Tips for Health Insurance Consumers</b>	<b>35</b>

## Using the Information in this Report to Compare Health Funds

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

- *Service Delivery*
- *Service Performance*
- *Finances and Costs*
- *Hospital Cover*
- *Ancillary (Extras) Cover*
- *Medical Gap Cover*

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 a smuch 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. This brochure can be found on [www.phio.org.au](http://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 products. Information on these is available from the consumer website [www.PrivateHealth.gov.au](http://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 product.

### 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 & RECENT BRAND NAMES

BRAND NAME	FUND
Australian Country Health	Medibank-AHM
Country Health	Medibank-AHM
CY Health	Healthguard
Druids GMHBA	
Federation Health	Latrobe
GMF Health	Healthguard
Goldfields Healthguard	
Government Employees	Medibank-AHM
Grant United	Australian Unity
HBA BUPA-MBF	
Illawarra Health Fund	Medibank-AHM
IOOF NIB	
IOR HCF	
Mutual Community	BUPA-MBF
Mutual Health	Medibank-AHM
NRMA Health	BUPA-MBF
SGIC (SA)	BUPA-MBF
SGIO (WA)	BUPA-MBF
Union Shopper	QLD Teachers

## **About the data used in the report**

### **Restricted Access Health Insurers**

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 products 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 Products**

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

The website [www.PrivateHealth.gov.au](http://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' products 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 this is a subjective judgement 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 insurer 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

### ***Level of Complaint to the PHIO***

There were 2502 complaints to the Private Health Insurance Ombudsman (PHIO) during 2008/09, which represented a 5% increase on the 2385 complaints received in 2007/08. This increase is due to complaints about fund demutualisation issues, as well as an increase in complaints about the level of cover held and general service issues.

The number of higher level complaints requiring more detailed investigation by the PHIO decreased slightly to 708 during 2008/09, down from 723 the previous year. The continued decline in higher level complaints indicates the industry overall is continuing to improve its own internal complaint handling practices, so that lower numbers of complaints need to be investigated by the PHIO.

This is positive news for consumers, who usually prefer their own insurer to resolve their problem quickly and easily, without them having to escalate it to the Ombudsman. It also means that the PHIO can focus resources on dealing with the more difficult and complex issues and complaints that require more detailed investigation and work to resolve.

### ***Complaint Issues***

The issue causing the most complaints to the PHIO in 2008/09 was the amount of benefit received by the member for a

claim. The amount in dispute in these complaints can range from relatively small amounts of money for ancillary claims, up to significant amounts of several thousands of dollars if the claim relates to a hospitalisation.

Other issues that caused significant numbers of complaints were problems with cancelling or suspending memberships, the service provided by fund staff over the telephone or in the branch, premium payment problems and waiting periods.

Complaints about levels of cover held increased to 262 in 2008/09, compared with 156 in 2007/08. These complaints mainly relate to problems that arise when a member is not fully covered for a hospitalisation, due to a restriction or exclusion on their policy. The most common restrictions and exclusions are for more expensive services such as psychiatric care, hip replacements, cardiac surgery, cataract surgery and obstetrics.

Policies with restrictions or exclusions are usually marketed to young people and provide them with a less costly alternative to more comprehensive cover. Problems can arise when a member retains a policy with restrictions or exclusions as they move into their thirties and forties. It then becomes more likely that they will need hospitalisation for a service that is restricted or excluded under their policy.

## Key Consumer Issues and Developments

The recent report on the *Operations of the Private Health Insurers* for 2008/09 by the industry regulator, the Private Health Insurance Administration Council (PHIAC) notes that 12.7% of policies have exclusions on some categories of treatment.<sup>1</sup> This is similar to the figure of 12.4% reported by PHIAC in 2007/08.

Developing policies with restrictions, or adding restrictions to existing policies, are ways that insurers can manage their benefit payments to keep premiums lower. At the same time, however, it is important that members are aware of the restrictions applying to their policy, because they confer a higher level of risk on the member.

In its consumer information the PHIO focuses on the need for consumers to consider taking out the highest level of hospital insurance they can afford and taking a higher level of excess, rather than a restriction or exclusion. It is also important that consumers review their health insurance each year, as they reach different life stages and their health needs change.

The one page Standard Information Statement (SIS) that insurers are required to send to members each year sets out the main features of their policy and is a good tool for reminding

members of any restrictions they may have on their cover.

The *Health Care & Insurance Australia 2009* report<sup>2</sup> by Ipsos Australia found that a large percentage of members recall receiving their SIS; that the majority found the information on the statement adequate; and that a sizeable number used the statement to review their policy or compare it with other policies available for sale. It is pleasing to see the Ipsos Report confirming that consumers are using their SIS to review their policies as intended when the SIS was introduced in 2007.

When consumers are considering which health insurance policy to purchase, the PHIO recommends that before deciding to take a less comprehensive level of cover, they compare it with policies available in other price brackets. A policy that costs a little more per week can be more comprehensive than one that is only marginally cheaper in price. This is particularly important where consumers may be purchasing health insurance for tax reasons, or to avoid the lifetime health cover penalty loading. Complaints to the PHIO show that in these circumstances, people don't intend to use their insurance and often opt for the lowest priced cover they can find.

---

<sup>1</sup> Source: "Operations of the Private Health Insurers 2008/09", PHIAC, p 53

---

<sup>2</sup> Source: *Health Care & Insurance Australia 2009*, Ipsos Australia, p xxxiv. NB: this report is copyright and available to subscribers only



## Key Consumer Issues and Developments

therefore important for consumers to think about their future health needs and those of their family before purchasing a policy and look at features as well as price.

### ***Industry Developments***

Notable developments impacting on the private health insurance industry during 2008/09 included the Global Financial Crisis, and the significant change in the profile of the industry from one where most insurers were operating on a not-for-profit basis, to one where 71% of the industry is now operating on a for-profit basis.

Insurers, along with all businesses and consumers, were affected by the economic down turn resulting from the Global Financial Crisis (GFC). In particular, the GFC impacted on insurers' investment income. The industry regulator, PHIAC, has indicated, however, in its most recent report that the industry has weathered the downturn well overall and remains in a sound prudential position.<sup>3</sup>

The change in the profile of the industry to one where the majority of the market is operating on a for-profit basis should be relatively seamless for consumers. There are a number of important protections available to consumers under legislation that apply regardless of whether an insurer is

operating on a for-profit or not-for-profit basis. These include community rating, strict regulation of the premium increase process and the existence of the Ombudsman's office as an independent third party to deal with consumer complaints and protect consumers' interests. The PHIO will however, continue to monitor complaints in order to identify any issues arising out of this change.

The Commonwealth Government has embarked on a significant health reform process and has been consulting widely in relation to this. The private health industry, along with other stakeholders, has engaged in the process in order to highlight areas where the industry can contribute to the reform of the overall health system, in order to meet the challenges posed to both public and private sectors by increasing utilisation of health services, higher technology costs and the ageing of the population.

---

<sup>3</sup> . Source: *Operations of the Private Health Insurers 2008/09*, PHIAC, p 2.

# Key Consumer Issues and Developments

## ***Informed Financial Consent***

Informed Financial Consent (IFC) is the process of enabling a consumer to understand and consent to incurring any out-of-pocket expenses, prior to receiving treatment. The ability to give IFC is an important consumer right.

As has been noted in previous reports, processes for providing IFC in private hospitals are generally good. Most of the complaints the PHIO receives about lack of IFC relate to gaps for medical services.

In order to obtain a more accurate insight into the concerns consumers have raised about the provision of IFC for medical gaps, the PHIO analysed all complaints about medical practitioners received during 2008/09. There were 46 complaints received in this period where a medical practitioner was the object of the complaint. 25 of these complaints related to a lack of IFC. Of these, 7 complaints related to emergency admissions, where IFC could not reasonably be obtained.

IFC was sought in the remaining 21 cases, but 9 complaints concerned additional fees resulting from more complex procedures being performed in surgery than originally anticipated; in 8 cases IFC had been obtained, but the complaint related to the amount of benefit received from Medicare and the fund; 3 complaints concerned problems with obtaining gap benefits from the fund and one case concerned a misunderstanding about different

payment options and the costs associated with these.

The majority of complaints related to services provided by surgeons and anaesthetists. Eight complaints concerned gaps under \$500; 17 concerned gaps under \$1,000; 13 concerned gaps between \$1,000 and \$5,000; 6 concerned gaps between \$5,000 and \$10,000 and two concerned gaps over \$10,000.

It can be seen from this that although the number of IFC complaints received is small, the individual consumers have experienced significant gap amounts. In order to assist consumers with complaints about gaps and lack of IFC, the PHIO produces a brochure about medical gaps and steps for ensuring IFC is provided, as well as options where it hasn't been provided.

PHIO also investigates complaints about lack of IFC by medical providers. Where the complaint does not relate to an emergency admission (where provision of IFC can be difficult) and is able to be substantiated, the PHIO will recommend the doctor reduce the outstanding account.

Following the termination of a number of Medical Purchaser Provider Agreements between insurers and providers of pathology, radiology and diagnostic imaging services in 2009, the PHIO is closely monitoring and investigating complaints about gaps for these services where IFC has not been provided.

# Key Consumer Issues and Developments

## ***Contracting Issues***

All insurers have contracts with private hospitals for the provision of hospital services to their members. Where an insurer has a contract with a hospital, the member will have very few out of pocket costs to pay for their hospital accommodation and theatre costs, apart from the excess or co-payment on their health insurance policy. Where there is no contract in place, the out-of-pocket costs to the consumer can be significant.

Consumers understandably have a low awareness of hospital contracting issues, but a contract dispute or termination does have the potential to impact adversely on their entitlements under their health insurance if the dispute relates to a hospital they wish to attend.

For this reason, the PHIO has power under legislation to mediate between insurers and hospitals in order to protect consumers' interests in these situations.

The PHIO assisted in informally mediating a number of these disputes during 2008/09. During 2009, more significant intervention and assistance by the PHIO was required to resolve a small number of contract disputes. This may be related to more difficult economic conditions and the need for insurers to contain costs as much as possible.

The PHIO has a process in place for mediating these disputes, which

includes informal mediation by the Ombudsman, as well as formal mediation with an independent mediator if necessary.

The office recently revised its Transition and Communication Protocols that provide advice to industry on transitional arrangements and communication in relation to contract disputes to ensure the protection consumer interests.

In dealing with contract disputes, it has become apparent that individual contractual agreements could contain better dispute resolution clauses that provide for mediation and arbitration if a dispute arises in relation to contract re-newal. This is a matter the PHIO will be pursuing with the industry in the coming year.

The nature of contracting means that disputes need to be dealt with in a very tight time frame, as contracts generally expire shortly after negotiations break down. This does not allow for more thoughtful and balanced views of the issue by either party and makes it more difficult to ensure appropriate arrangements are in place to protect members and patients if negotiations fail.

While contracting is an important way for insurers and providers to manage costs, it remains true that interests of consumers are best served when their insurer has a contractual arrangement with a wide range of providers.

## Key Consumer Issues and Developments

Ultimately, it is a commercial arrangement and inevitably, the parties will not always be able to reach agreement. This means there may be periods where they are out of contract with each other. The size of the fund membership in the catchment area for the hospital or hospitals is significant in terms of the impact on members and other insurers if members seek to transfer so they can attend a hospital where their own insurer does not have a contract.

Recently, a number of Medical Purchaser Provider Agreements (MPPAs) for pathology services were terminated between insurers and a large provider of pathology services. The negotiating positions of the parties to these agreements were too far apart to enable mediation between them to succeed. This means that members whose insurer no longer has an agreement with this provider are more likely to incur gaps for pathology services in hospital.

Some pathology providers have also indicated they will be charging gaps for out-patient pathology services as well, although these services do not attract private health insurance benefits.

The move towards gaps for pathology services is of concern, because gaps have a negative impact on consumers' perceptions of their health insurance. It can also be difficult to provide informed financial consent for gaps for in-patient pathology services, which may lead to increased consumer dissatisfaction.

The PHIO will be monitoring and investigating complaints about gaps for in-hospital pathology services. The PHIO will also continue to promote the desirability of MPPAs<sup>4</sup> for pathology services to providers and insurers as the most advantageous arrangement for consumers.

### ***Overseas Visitor Cover***

For some time, the PHIO has had significant concerns about the suitability of some health insurance policies available for purchase by people visiting Australia from overseas.

These policies provide cover for a small range of services, such as wisdom tooth extraction, but leave the member without cover and financially exposed if any other service is required, including an unexpected hospitalisation. The charges for overseas visitors who are not eligible for Medicare in public hospitals average about \$1200 per day. This means that a visitor who is admitted to hospital for several days can incur a bill of several thousand dollars, if they don't hold appropriate level of overseas visitor cover.

These are significant amounts for visitors to pay and they increase the risk to public hospitals of unpaid debts that impact on their finances.

During 2009, the PHIO assisted the Department of Immigration and

---

<sup>4</sup> Medical Purchaser Provider Agreements

## Key Consumer Issues and Developments

Citizenship in setting a minimum standard of health insurance for overseas visitors who hold 457 visas. This minimum is now in place and means that visitors holding 457 visas are required to have health insurance that meets the minimum requirements as a condition of their visa.

The PHIO has also provided more comprehensive information on the PrivateHealth.gov.au website to assist visitors to better understand their health insurance needs while in Australia.

The PHIO will continue to monitor complaints from overseas visitors and take them up individually with the funds concerned. PHIO will also work with insurers to encourage the development of more comprehensive policies for overseas visitors.

### **Consumer Information and Advice**

The PHIO has an important role in providing information and advice to consumers to help them understand their health insurance.

To this end, the PHIO produces a number of consumer brochures, the annual State of the Health Funds report and maintains the consumer website [www.PrivateHealth.gov.au](http://www.PrivateHealth.gov.au). The website contains information about individual health insurance policies, information about private health insurance and has an “Ask a Question” section that enables

consumers to quickly and easily seek additional information from PHIO staff.

The recent “*Health Care & Insurance Australia*” report<sup>5</sup> by Ipsos Australia, confirmed again that consumers find health insurance confusing. The level of confusion is perhaps understandable given the number of different policies available for purchase and the extent of services covered. Health insurance is more complex than other forms of insurance but nevertheless, the industry has an obligation to ensure policies are explained as clearly as possible.

PHIO will be focussing over the coming year on assisting consumers to navigate this complexity. The PHIO is currently updating its own website [www.phio.org.au](http://www.phio.org.au). Once this is complete, the PHIO will be releasing a number of fact sheets to assist consumers with information about issues that regularly generate questions and complaints to the office. These will be available for downloading from this website.

In addition, the consumer website PrivateHealth.gov.au is currently being updated and refreshed and will be re-launched in mid 2010. This website already provides very good information and resources for consumers about private health insurance. The website update will improve the look and feel of

---

<sup>5</sup> Source: “*Health Care & Insurance Australia 2009*”, Ipsos Australia, p xxxiv. NB: this report is copyright and available to subscribers only.

## Key Consumer Issues and Developments

the site, the location of the information and provide an improved comparison feature to assist consumers in finding and comparing health insurance policies.

Once the version of the site is launched, the office will focus on publicising the website and raising awareness in the community of this important consumer resource.

-This page is intentionally left blank-

## HEALTH INSURER LISTING AND CONTACT DETAILS

Abbreviation	Full name or other names	Main Office Phone Number	Website
<b>Open Health Insurers</b>			
AHM	Australian Health Management Pty Ltd	13 42 46	www.ahm.com.au
AU	Australian Unity	13 29 39	www.australianunity.com.au
BUPA	Bupa Australia Health Pty Ltd, HBA, Mutual Community	13 12 43	www.bupa.com.au
CDH	CDH Benefits Fund Ltd	(02) 4990 1385	www.cdhbf.com.au
CUA Health	CUA Health Ltd	133 282	www.cuahealth.com.au
<b>Druids VIC<sup>1</sup></b>			
GMHBA	GMHBA Limited	1300 446 422	www.gmhba.com.au
GU Corporate	Grand United Corporate Health Fund	1800 249 966	www.guhealth.com.au
HBF	HBF Health Funds Inc	13 34 23	www.hbf.com.au
HCF	The Hospitals Contribution Fund of Australia Limited	131 334	www.hcf.com.au
Healthguard	GMF Health, Central West Health Fund	1300 653 099	www.healthguard.com.au
Health Partners	Health Partners Limited	1300 113 113	www.healthpartners.com.au
HIF	Health Insurance Fund of WA	1300 134 060	www.hif.com.au
Latrobe	Latrobe Health Services	1300 362 144	www.lhs.com.au
MBF	MBF Australia Pty Limited	131137	www.mbf.com.au
MBF Alliances	MBF Alliances Pty Ltd, NRMA, SGIO, SGIC	133 234	www.nrma.com.au
Medibank	Medibank Private	132 331	www.medibank.com.au
Mildura	Mildura District Hospital Fund	03 5023 0269	
MU	Manchester Unity	13 13 72	www.manchesterunity.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	1300 552 132	www.westfund.com.au
<b>Restricted Access Health Insurers</b>			
ACA	ACA Health Benefits Fund	1300 368 390	www.acahealth.com.au
CBHS	CBHS Health Fund Limited	1300 654 123	www.cbhs.com.au
Defence Health	Defence Health Limited	1800 335 425	www.defencehealth.com.au
Doctors' Health	The Doctors' Health Fund Limited	1800 226 126	www.doctorshealthfund.com.au
HCI	Health Care Insurance Limited	1800 804 950	www.hcilt.com.au
Navy	Navy Health Ltd	1800 333 156	www.navyhealth.com.au
Phoenix	Phoenix Health Fund	1800 028 817	www.phoenixhealthfund.com.au
Police Health	South Australian Police Employees' Health Fund Inc.	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 Limited	1800 027 299	
Teachers Health	Teachers Health Fund	1300 728 188	www.teachershealth.com.au
Transport	Transport Health	03 8420 1888	www.transporthealth.com.au
TUH	QLD Teachers' Union Health Fund	1300 360 701	www.tuh.com.au

1. Druids health was acquired by GMBHA in October 2008



## Service Performance

### 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 2008 to 30 June 2009. 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.

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

### Complaints % compared to Market Share %

The first table 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 2009) 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 the percentage of complaints in each of the above categories because of the very small numbers of complaints.

This separate table 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 2010).

## SERVICE PERFORMANCE - Member Retention & Complaints

Fund Name (Abbreviated)	Member Retention (hospital cover)	Membership Change (number) %	Complaints % compared to Market Share %					Code of Conduct Member
			Market Share	Benefits	Service	All Complaints	Complaints Investigated	
AHM	90.3%	4.1% (6404)	3.0%	4.8%	8.6%	6.3%	8.0%	●
AU	87.4%	-2.4% (-4136)	3.1%	4.4%	4.2%	4.6%	4.5%	●
BUPA	89.9%	2.5% (12900)	9.8%	8.8%	7.1%	8.2%	7.7%	●
GMHBA	88.4%	10.9% (8433)	1.6%	1.6%	1.7%	1.7%	2.2%	●
HBF	89.1%	5.8% (22769)	7.7%	3.0%	1.7%	2.6%	2.7%	●
HCF	89.6%	3.2% (14922)	8.9%	5.7%	5.4%	6.5%	3.6%	●
Healthguard	85.6%	-1.1% (-305)	0.5%	0.2%	0.4%	0.5%	0.3%	●
Health Partners	92.0%	4.7% (1549)	0.6%	0.1%	0.3%	0.3%	0.0%	●
Latrobe	87.4%	11.3% (3508)	0.6%	0.8%	0.3%	0.6%	0.8%	●
MBF	90.1%	3.4% (28036)	15.7%	18.5%	32.2%	23.7%	19.8%	●
MBF Alliances	84.5%	-3.3% (-3357)	1.9%	3.9%	4.5%	4.3%	3.8%	●
Medibank	89.3%	2.8% (41851)	28.6%	24.3%	18.3%	21.1%	23.1%	●
MU	84.6%	-5.8% (-4579)	1.4%	4.8%	3.2%	3.8%	4.5%	●
NIB	88.5%	5.2% (18899)	7.1%	11.7%	7.1%	8.9%	13.0%	●
Westfund	92.1%	7.2% (2787)	0.8%	0.3%	0.6%	0.6%	0.8%	
CBHS	94.3%	7.0% (4353)	1.2%	1.2%	0.3%	0.9%	0.6%	●
Defence Health	91.2%	6.0% (4491)	1.5%	0.9%	0.9%	0.9%	0.6%	●
Teachers Health	94.1%	4.6% (4174)	1.8%	1.2%	1.1%	1.3%	1.4%	●

### Smaller Funds (less than 0.5% National Market Share)

Fund Name (Abbreviated)	Member Retention (hospital cover)	Membership Growth %	Number Complaints Received	Below market share?	Number Complaints Investigated	Below market share?	Code of Conduct Member
CDH	92.3%	12.2% (273)	1	Yes	0	Yes	
CUA Health	89.1%	3.4% (689)	5	Yes	0	Yes	●
GU Corporate	97.7%	9.8% (1460)	13	No	6	Yes	●
HIF	87.2%	4.7% (1082)	14	No	3	No	●
Mildura	90.6%	1.1% (155)	0	Yes	0	Yes	
Onemedifund	57.7%	45.7% (1070)	0	Yes	0	Yes	
Peoplecare	92.7%	8.1% (1438)	7	Yes	0	Yes	●
QCH	90.1%	5.2% (632)	4	Yes	0	Yes	
St. Luke's	89.2%	3.3% (673)	1	Yes	0	Yes	●
ACA	93.1%	1.4% (65)	0	Yes	1	No	●
Doctors' Health	93.7%	11.7% (603)	2	No	0	Yes	●
HCI	94.7%	2.3% (85)	1	Yes	0	Yes	●
Navy Health	91.9%	2.4% (311)	4	No	2	No	●
Phoenix	93.3%	0.7% (46)	1	Yes	0	Yes	●
Police Health	92.2%	11.2% (1487)	2	Yes	0	Yes	●
RT Health Fund	93.9%	20.3% (3538)	8	Yes	2	No	●
Reserve Bank	92.0%	2.0% (40)	1	Yes	0	Yes	●
Transport	92.1%	2.4% (83)	1	Yes	1	No	●
TUH	93.5%	4.6% (960)	9	No	2	Yes	●

## Hospital Cover

This table contains information allowing a comparison of some general coverage 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 hospital treatment of private patients.

Most funds offer a choice of different products providing hospital cover. These products 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 what proportion of total charges associated with treatment of private patients are covered by each fund's benefits. This includes charges for hospital accommodation, theatre costs, prostheses and specialist fees (not including the Medicare benefit) and associated benefits.

The figures shown are average outcomes across all of each fund's hospital products. Higher cost products will generally cover a greater proportion of charges than indicated by this average. Cheaper products may cover less.

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

### **Additional Information on Hospital Cover**

The separate *Health Fund Operations by State (Territory)* tables 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 brochure *Health Insurance Choice - Selecting a Health Insurance Product* includes important advice on what to consider and what questions to ask when selecting a hospital cover product. It also includes information on government incentives relating to hospital cover such as the *Medicare Levy Surcharge Exemption* and *Lifetime Health Cover*. Available from [www.phio.org.au](http://www.phio.org.au) or phone 1800 640 695

***The [www.privatehealth.gov.au](http://www.privatehealth.gov.au) website provides information about all private health insurance products available in Australia, including benefits, prices and which hospitals a health fund has agreements with.***

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

## Hospital Cover

Abbreviated name	% Hospital Related Charges Covered <sup>1</sup>						
	NSW & ACT	VIC	QLD	WA	SA	TAS	NT
AHM	86.1%	88.1%	87.8%	86.7%	92.6%	91.6%	86.6%
AU	87.1%	90.8%	88.4%	87.3%	93.4%	85.7%	87.2%
BUPA	84.0%	93.6%	88.1%	88.6%	95.9%	89.7%	90.8%
CDH	94.7%	96.3%	90.6%	-	88.4%	-	93.4%
CUA Health	88.9%	94.0%	92.5%	84.3%	96.5%	92.1%	92.7%
GMHBA	84.8%	91.1%	85.0%	87.4%	90.4%	92.1%	65.7%
GU Corporate	85.1%	86.8%	85.7%	82.2%	91.1%	82.8%	94.3%
HBF	85.3%	90.1%	89.4%	93.5%	92.4%	92.1%	92.3%
HCF	91.3%	96.4%	94.3%	93.2%	98.3%	96.0%	93.3%
Healthguard	91.4%	96.2%	94.7%	94.0%	97.6%	96.1%	92.6%
Health Partners	87.2%	93.6%	91.8%	91.0%	96.5%	93.6%	97.3%
HIF	87.3%	87.1%	87.8%	91.3%	94.2%	85.4%	88.7%
Latrobe	86.2%	93.4%	84.9%	90.1%	92.5%	83.8%	90.4%
MBF	84.8%	87.0%	86.5%	85.8%	92.6%	92.3%	87.1%
MBF Alliances	85.7%	89.7%	87.6%	86.7%	95.5%	89.5%	93.1%
Medibank	87.2%	92.6%	90.1%	90.8%	94.7%	92.2%	89.0%
Mildura	90.6%	90.3%	88.1%	77.9%	92.1%	89.0%	49.1%
MU	84.6%	85.3%	83.5%	77.6%	90.1%	80.8%	89.1%
NIB	84.1%	84.4%	80.4%	80.2%	87.1%	86.3%	81.9%
Onemedifund	86.5%	94.6%	92.9%	89.8%	96.2%	94.7%	-
Peoplecare	88.4%	92.4%	89.8%	85.6%	94.1%	94.7%	89.8%
QCH	88.7%	92.2%	89.7%	89.0%	96.5%	95.4%	92.7%
St. Luke's	89.1%	93.6%	87.9%	87.9%	96.5%	93.5%	82.4%
Westfund	92.5%	97.5%	90.4%	92.7%	98.8%	92.2%	97.9%
<i>ACA</i>	93.6%	94.6%	94.7%	94.0%	97.2%	98.0%	100.0%
<i>CBHS</i>	89.6%	94.6%	92.6%	92.7%	96.8%	93.6%	94.2%
<i>Defence Health</i>	88.8%	94.4%	92.3%	89.7%	96.5%	91.2%	92.1%
<i>Doctors' Health</i>	94.7%	95.8%	95.4%	91.3%	94.5%	96.2%	92.8%
<i>HCI</i>	93.9%	96.1%	86.8%	92.6%	96.2%	93.1%	86.8%
<i>Navy Health</i>	88.9%	93.2%	91.0%	87.9%	97.3%	93.0%	92.0%
<i>Phoenix</i>	94.2%	96.2%	94.8%	94.5%	98.4%	96.2%	89.9%
<i>Police Health</i>	93.6%	97.3%	93.1%	90.6%	99.0%	92.1%	92.6%
<i>RT Health Fund</i>	93.1%	92.0%	93.5%	94.3%	97.0%	98.2%	-
<i>Reserve Bank</i>	91.7%	98.1%	97.3%	96.6%	99.6%	99.3%	99.6%
<i>Teachers Health</i>	90.3%	93.8%	92.2%	91.4%	96.1%	92.7%	93.9%
<i>Transport</i>	91.8%	94.9%	94.0%	93.7%	100.0%	-	-
<i>TUH</i>	92.1%	86.4%	91.2%	93.8%	97.5%	84.9%	81.4%

<sup>1</sup> Includes charges for hospital accommodation, theatre costs, prostheses and specialist fees (not including the Medicare benefit) and associated benefits.

## Medical Gap Cover

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).

### **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 doctors' 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.

### **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.

## **% Of Services With No Gaps**

The percentage indicated is the proportion of services for which a gap is not payable after the impact of fund benefits, schemes and agreements.

### **% Of Services With No Gap Or Where Known Gap Payment Made**

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 insurer 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 products. It is not indicative of any individual product 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 ASHA for participant funds.

### **List of Access Gap Participants**

ACA  
AU  
CBHS  
CUA Health  
Defence Health  
GU Corporate  
HCI  
Healthguard (except WA)  
Health Partners  
HIF  
Navy  
Onemedifund  
Peoplecare  
Phoenix  
Police Health  
Reserve Bank  
RT Health Fund  
Teachers Fed  
Transport  
TUH  
QCH  
Westfund

## Medical Gap Cover

FUND / GAP SCHEME	NSW & ACT	VIC	QLD	WA	SA	TAS	NT
	% of Services with No Gap						
AHM	80.6%	81.6%	81.1%	63.6%	78.6%	81.4%	76.3%
BUPA	73.4%	90.2%	77.8%	66.9%	95.0%	78.3%	78.1%
CDH	83.7%	67.4%	46.0%	-	76.2%	-	57.1%
GMHBA	68.3%	78.0%	65.9%	60.1%	75.8%	65.5%	50.0%
HBF	70.4%	69.3%	59.2%	85.9%	78.1%	73.4%	68.0%
HCF	88.8%	95.9%	94.2%	86.2%	99.1%	94.3%	92.1%
Healthguard	83.3%	84.9%	84.4%	74.8%	93.1%	80.2%	87.3%
Latrobe	69.7%	81.4%	49.7%	42.3%	86.8%	77.2%	53.1%
MBF	84.2%	86.7%	87.7%	70.2%	95.4%	91.5%	81.1%
MBF Alliances	44.7%	30.2%	37.7%	22.0%	38.5%	20.8%	22.9%
Medibank	83.9%	88.6%	82.7%	72.2%	93.8%	87.2%	76.2%
Mildura	67.9%	70.4%	52.2%	42.9%	75.0%	30.0%	-
MU	81.8%	79.0%	73.0%	64.8%	79.7%	81.0%	87.3%
NIB	75.8%	70.7%	61.3%	55.1%	67.4%	76.4%	50.2%
St Lukes	73.6%	75.7%	61.9%	59.7%	78.4%	86.6%	83.6%
Access Gap Participants <sup>1</sup>	86.2%	84.9%	84.4%	68.8%	93.1%	80.2%	87.3%
Total / Industry outcome	83.3%	87.6%	84.4%	79.9%	87.6%	88.4%	78.6%
FUND / GAP SCHEME	% of Services with No Gap or Where Known Gap Payment Made						
AHM	85.5%	88.2%	87.5%	75.5%	81.5%	88.1%	89.6%
BUPA	75.8%	92.5%	79.9%	70.6%	96.7%	83.4%	81.5%
CDH	94.7%	92.4%	84.7%	-	96.8%	-	100.0%
GMHBA	75.3%	91.3%	71.4%	66.8%	83.8%	81.7%	63.5%
HBF	96.9%	97.5%	97.1%	99.0%	99.3%	98.0%	97.0%
HCF	88.8%	95.9%	94.2%	86.2%	99.1%	94.3%	92.1%
Healthguard	90.4%	89.3%	90.6%	78.3%	95.5%	87.7%	91.1%
Latrobe	93.3%	95.8%	89.6%	88.9%	95.6%	100.0%	96.9%
MBF	84.2%	86.7%	87.7%	70.2%	95.4%	91.5%	81.1%
MBF Alliances	86.8%	85.6%	88.1%	76.5%	98.2%	85.0%	95.5%
Medibank	88.2%	93.6%	88.3%	81.1%	98.1%	94.5%	84.4%
Mildura	91.4%	92.5%	77.0%	95.2%	81.9%	60.0%	-
MU	84.7%	84.2%	78.8%	73.0%	81.9%	91.3%	92.2%
NIB	75.8%	70.7%	61.3%	55.1%	67.4%	76.4%	50.2%
St Lukes	77.4%	81.8%	69.0%	61.8%	84.6%	94.0%	83.6%
Access Gap Participants <sup>1</sup>	90.4%	89.3%	90.6%	79.3%	95.5%	87.7%	91.1%
Total / Industry outcome	85.8%	92.2%	87.7%	92.1%	96.6%	92.6%	83.8%

## General Treatment (Extras) Cover

General Treatment cover, also known as “Ancillary” or “Extras” cover<sup>1</sup>, provides benefits to cover (normally partly cover) 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.

### % 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 products and all ancillary services. Higher cost products will generally cover a greater proportion of charges than indicated by this average. Cheaper products may cover less.

#### **PREFERRED PROVIDERS FOR EXTRAS SERVICES**

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.

**The information provided in this table presents the position taking into account of all of each fund’s products. It is not indicative of any individual product offered by the fund but is an average for the total fund membership.**

### **Further Information**

For further information on General Treatment Cover, please visit [www.privatehealth.gov.au](http://www.privatehealth.gov.au) which provides information about all private health insurance policies available in Australia, including benefits and prices.

#### **ANCILLARY (EXTRAS) COVER (II) % 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 products).

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 ancillary products but offer this as a component of hospital cover. These funds show as 0% under the ambulance column. Most ambulance services in Queensland and Tasmania are provided free to residents of those states.

<sup>1</sup> Known as “Essentials” cover in WA

## General Treatment (extras) Cover

Abbreviated name	% General Treatment (extras) Charges Covered						
	NSW & ACT	VIC	QLD	WA	SA	TAS	NT
AHM	48.4%	48.6%	47.7%	47.8%	50.3%	46.8%	47.6%
AU	47.5%	50.5%	50.0%	49.9%	52.5%	48.3%	46.3%
BUPA	54.5%	46.0%	44.3%	47.9%	51.4%	38.2%	43.7%
CDH	43.3%	42.8%	44.2%	45.6%	50.4%	49.1%	42.8%
CUA Health	48.7%	50.6%	48.6%	42.6%	61.8%	48.5%	44.9%
GMHBA	48.1%	51.0%	48.6%	51.4%	51.0%	45.3%	46.3%
GU Corporate	70.4%	73.9%	71.1%	76.9%	74.6%	72.2%	79.0%
HBF	38.7%	42.3%	39.0%	47.6%	43.9%	39.5%	43.7%
HCF	50.7%	51.9%	51.7%	49.3%	57.3%	47.5%	47.2%
Healthguard	46.9%	47.3%	37.1%	46.9%	45.5%	43.6%	40.3%
Health Partners	41.8%	47.1%	46.8%	52.5%	57.1%	44.0%	47.1%
HIF	44.0%	45.3%	45.3%	47.0%	45.2%	46.2%	46.0%
Latrobe	37.0%	41.5%	39.4%	39.8%	43.8%	35.6%	35.5%
MBF	45.0%	48.4%	46.9%	49.1%	52.9%	46.5%	45.3%
MBF Alliances	60.2%	58.2%	53.8%	51.6%	54.9%	52.0%	47.3%
Medibank	45.7%	44.3%	45.4%	44.5%	50.5%	47.0%	42.2%
Mildura	53.0%	52.9%	50.4%	49.8%	53.7%	56.6%	48.0%
MU	44.4%	48.1%	46.1%	46.3%	50.0%	44.4%	45.9%
NIB	52.7%	61.9%	56.2%	60.7%	62.9%	56.7%	51.3%
Onemedifund	53.3%	55.2%	53.4%	53.1%	55.9%	58.2%	0.0%
Peoplecare	55.1%	55.1%	52.5%	51.1%	56.9%	54.7%	53.0%
QCH	52.9%	58.2%	54.8%	53.4%	59.9%	51.5%	51.4%
St. Luke's	55.0%	48.1%	48.8%	47.6%	63.3%	46.6%	38.7%
Westfund	55.4%	48.3%	54.6%	53.5%	51.9%	43.1%	60.2%
<i>ACA</i>	60.0%	60.4%	61.6%	60.8%	62.4%	59.8%	63.7%
<i>CBHS</i>	48.9%	52.7%	50.9%	52.0%	54.3%	50.1%	51.5%
<i>Defence Health</i>	43.7%	48.9%	46.0%	45.4%	49.6%	45.7%	45.1%
<i>Doctors' Health</i>	47.2%	48.5%	50.1%	49.1%	47.8%	57.4%	48.7%
<i>HCI</i>	49.2%	58.0%	53.9%	55.0%	47.0%	53.1%	52.1%
<i>Navy Health</i>	45.0%	51.5%	48.0%	47.0%	52.1%	48.4%	42.1%
<i>Phoenix</i>	53.2%	56.1%	56.0%	53.6%	56.4%	57.9%	53.4%
<i>Police Health</i>	64.9%	69.6%	67.5%	67.4%	70.8%	65.3%	68.4%
<i>RT Health Fund</i>	50.9%	53.7%	51.6%	50.8%	56.7%	55.7%	43.8%
<i>Reserve Bank</i>	73.6%	74.3%	80.3%	79.4%	84.6%	68.6%	-
<i>Teachers Health</i>	53.5%	53.6%	53.1%	52.7%	56.3%	53.4%	50.9%
<i>Transport</i>	50.2%	64.7%	50.2%	52.9%	54.6%	70.4%	59.1%
<i>TUH</i>	45.8%	44.5%	52.7%	44.3%	51.9%	41.5%	46.0%



## General Treatment (extras) Cover (II) - Average Amount of Costs Covered by Service

### Open Membership Funds

Fund	Dental <sup>1</sup>	Optical <sup>1</sup>	Physiotherapy	Chiropractic	Pharmacy	Podiatry	Natural Therapies	Ambulance	Acupuncture	Psych/ Group Therapy	Preventative Health Products	Hearing Aids & Audiology	Occupational Therapy
AHM	46%	65%	49%	60%	42%	49%	36%	100%	40%	36%	63%	30%	40%
AU	46%	64%	63%	52%	42%	55%	52%	na	46%	35%	58%	17%	48%
BUPA	49%	48%	58%	48%	36%	44%	33%	94%	41%	38%	na	17%	38%
CDH	44%	43%	67%	54%	48%	46%	39%	100%	56%	27%	22%	na	40%
CUA Health	49%	46%	54%	55%	39%	57%	43%	100%	46%	49%	30%	37%	56%
GMHBA	49%	63%	46%	47%	47%	54%	34%	94%	35%	29%	70%	21%	42%
GU Corporate	74%	64%	77%	77%	53%	76%	77%	na	75%	72%	69%	19%	87%
HBF	50%	36%	46%	39%	42%	50%	35%	100%	na	35%	66%	22%	44%
HCF	55%	47%	47%	48%	43%	52%	34%	100%	44%	55%	46%	32%	57%
Healthguard	38%	65%	50%	40%	41%	65%	30%	99%	28%	37%	na	18%	54%
Health Partners	59%	55%	57%	48%	42%	47%	33%	97%	41%	45%	na	34%	60%
HIF	47%	39%	54%	50%	48%	48%	34%	97%	32%	43%	22%	27%	49%
Latrobe	37%	51%	41%	46%	20%	50%	38%	73%	42%	41%	35%	17%	47%
MBF	48%	41%	50%	62%	41%	51%	40%	100%	56%	45%	25%	25%	54%
MBF Alliances	56%	50%	58%	64%	44%	64%	60%	100%	72%	59%	26%	19%	64%
Medibank	44%	45%	46%	45%	32%	48%	53%	100%	54%	35%	61%	20%	38%
Mildura	56%	39%	55%	59%	na	50%	54%	61%	48%	25%	na	15%	na
MU	44%	40%	48%	61%	42%	53%	40%	100%	42%	37%	35%	24%	45%
NIB	56%	52%	61%	56%	42%	63%	46%	100%	54%	49%	76%	19%	51%
Onemedifund	57%	53%	56%	54%	44%	53%	41%	100%	43%	33%	na	35%	63%
Peoplecare	54%	61%	54%	54%	45%	52%	45%	100%	46%	48%	57%	36%	58%
QCH	51%	52%	61%	77%	41%	73%	48%	na	64%	59%	46%	65%	48%
St. Luke's	45%	48%	50%	62%	45%	57%	49%	78%	43%	40%	48%	44%	31%
Westfund	56%	56%	46%	58%	46%	61%	45%	98%	52%	na	na	20%	na

**Note:** All percentages based on health fund reporting to PHIAC. <sup>1</sup>For some funds data does not take account of discounts at some providers or fund Dental / Optical centres.

## General Treatment (extras) Cover (II) - Average Amount of Costs Covered by Service

### Restricted Membership Funds

Fund	Dental <sup>1</sup>	Optical <sup>1</sup>	Physiotherapy	Chiropractic	Pharmacy	Podiatry	Natural Therapies	Ambulance	Acupuncture	Psych/Group Therapy	Preventative Health Products	Hearing Aids & Audiology	Occupational Therapy
ACA	64%	59%	60%	64%	52%	74%	36%	100%	42%	38%	na	43%	69%
CBHS	50%	49%	58%	64%	52%	57%	49%	95%	53%	56%	25%	38%	46%
Defence Health	47%	41%	48%	52%	50%	48%	40%	100%	41%	40%	45%	26%	44%
Doctors' Health	49%	56%	49%	na	47%	55%	na	na	na	58%	na	12%	37%
HCI	54%	49%	56%	63%	52%	63%	53%	100%	48%	45%	57%	51%	63%
Navy Health	47%	43%	54%	58%	49%	50%	49%	100%	na	40%	na	20%	47%
Phoenix	60%	49%	60%	55%	45%	60%	34%	100%	50%	49%	na	40%	64%
Police Health	68%	66%	77%	78%	48%	70%	44%	100%	74%	77%	na	30%	67%
RT Health Fund	48%	50%	59%	71%	49%	66%	45%	100%	70%	35%	na	33%	50%
Reserve Bank	75%	72%	79%	81%	60%	84%	80%	100%	78%	83%	na	70%	81%
Teachers Health	56%	48%	57%	60%	47%	61%	56%	99%	60%	42%	38%	35%	65%
Transport	73%	57%	52%	57%	42%	62%	42%	99%	47%	38%	63%	26%	39%
TUH	53%	46%	58%	62%	42%	68%	54%	na	51%	51%	59%	33%	56%

**Note:** All percentages based on health fund reporting to PHIAC. <sup>1</sup>For some funds data does not take account of discounts at some providers or fund Dental/Optical centres.

## Financial Management of Health Funds

### ***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<sup>1</sup>. Information included in the Financial Performance table is drawn from data collected by PHIAC for that purpose.

### ***Benefits as a % 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 rent, staff salaries, marketing costs, etc.

#### ***As a % 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 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, compared to 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.

### ***Surplus (- Loss) from Health Insurance***

The surplus or loss (indicated as a negative figure) made by the fund in 2007-2008 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 % 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 % 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 Insurer***

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

<sup>1</sup> *Operations of the Private Health Insurers*. This report is available on the PHIAC website: [www.phiac.gov.au](http://www.phiac.gov.au)

## Financial Management of Health Funds

Abbreviated name	Benefits as % Contributions	Management Expenses		Surplus (-Loss) from Health Insurance	Overall Profit(-Loss) as % Total Revenue	Not for Profit Insurer
		as % of Contribution Income	Per Average Policy			
AHM	86.1%	12.8%	\$332	1.1%	3.7%	No
AU	85.5%	9.9%	\$234	4.6%	2.4%	No
BUPA	86.1%	9.4%	\$249	4.5%	5.1%	No
CDH	85.6%	12.0%	\$316	2.4%	2.5%	Yes
CUA Health	86.0%	11.2%	\$305	2.8%	6.3%	Yes
GMHBA	87.9%	9.6%	\$223	2.5%	4.1%	Yes
GU Corporate	76.1%	12.6%	\$516	11.3%	7.5%	No
HBF	88.3%	10.0%	\$212	1.7%	-15.8%	Yes
HCF	89.4%	7.8%	\$196	2.8%	1.9%	Yes
Healthguard	82.2%	10.0%	\$271	7.8%	-11.2%	Yes
Health Partners	92.8%	9.5%	\$243	-2.3%	-1.8%	Yes
HIF	80.9%	11.9%	\$286	7.2%	9.7%	Yes
Latrobe	84.8%	10.2%	\$245	5.0%	12.5%	Yes
MBF	85.8%	12.7%	\$325	1.5%	3.7%	No
MBF Alliances	82.5%	8.8%	\$236	8.7%	7.4%	No
Medibank	87.1%	9.3%	\$217	3.6%	2.5%	Yes*
Mildura	86.6%	7.7%	\$141	5.7%	14.5%	Yes
MU	83.4%	17.5%	\$521	-1.0%	2.1%	No
NIB	85.3%	9.9%	\$219	4.8%	5.1%	No
Onemedifund	78.1%	13.2%	\$446	8.7%	8.4%	No
Peoplecare	87.8%	9.0%	\$274	3.2%	3.5%	Yes
QCH	80.0%	10.3%	\$348	9.7%	12.1%	Yes
St. Luke's	83.7%	10.9%	\$298	5.4%	9.0%	Yes
Westfund	87.3%	10.9%	\$245	1.8%	2.9%	Yes
<i>ACA</i>	88.4%	7.0%	\$241	4.6%	8.1%	Yes
<i>CBHS</i>	91.0%	5.9%	\$164	3.1%	4.7%	Yes
<i>Defence Health</i>	89.6%	6.0%	\$155	4.5%	2.9%	Yes
<i>Doctors' Health</i>	84.7%	14.9%	\$504	0.4%	8.1%	Yes
<i>HCI</i>	86.0%	13.2%	\$362	0.8%	7.0%	Yes
<i>Navy Health</i>	82.2%	9.4%	\$271	8.4%	7.4%	Yes
<i>Phoenix</i>	88.8%	7.9%	\$246	3.3%	7.0%	Yes
<i>Police Health</i>	93.3%	7.5%	\$258	-0.8%	-0.6%	Yes
<i>RT Health Fund</i>	89.4%	13.2%	\$372	-2.6%	0.5%	Yes
<i>Reserve Bank</i>	91.1%	1.2%	\$42	7.7%	11.2%	Yes
<i>Teachers Health</i>	90.7%	7.0%	\$200	2.3%	3.8%	Yes
<i>Transport</i>	92.8%	8.0%	\$206	-0.8%	5.0%	Yes
<i>TUH</i>	85.8%	11.3%	\$396	2.9%	3.9%	Yes

\*Medibank converted to for-profit status on 1 October 2009

## Health Fund Operations by State (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 products 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/territory are listed in the relevant table.

Most funds now have websites where members can view information, join or change their product and submit claims. Links to all health fund websites are available at [www.privatehealth.gov.au](http://www.privatehealth.gov.au).

### **Percentage Market Share**

This column indicates how much of the total health insurance business within each state/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/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 of how significant that state is to each fund's health insurance business.

In general, funds can be expected to design their products (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 products 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 Hospitals<sup>1</sup>**

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).<sup>2</sup>

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).

### **Fund Outlets – Retail Offices**

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

- Receive advice about the range of products and services provided by the fund
- Obtain a quote for any of the fund's products/services
- Obtain and lodge an application to join any of the fund's tables/products
- 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.

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

### **Fund Outlets – Agencies**

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 shows whether the fund has agencies in the state/territory.

---

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

---

<sup>1</sup> Number of hospitals as shown on [www.privatehealth.gov.au](http://www.privatehealth.gov.au) website 10 January 2010

## Health Fund Operations by State (Territory)

### NSW & ACT

Abbreviated name	% Fund Market Share this state	% Fund's Membership in this state	Agreement Hospitals		Fund Outlets	
			Private Hospitals	Day Hospitals	Retail Offices	Agencies
AHM	4.0%	47.5%	83	80	•	
AU	1.1%	12.6%	83	80	•	
BUPA	1.7%	6.1%	78	58	•	
CDH	0.1%	87.7%	75	40	•	
GMHBA	0.2%	5.5%	89	82		
GU Corporate	0.4%	44.3%	83	80		
HCF	19.4%	76.7%	83	88	•	•
Healthguard	0.1%	8.7%	83	80		•
MBF	19.9%	44.8%	82	70	•	•
MBF Alliances	2.1%	40.1%	82	70	•	•
Medibank	23.3%	28.8%	82	72	•	•
Mildura	0.1%	10.9%	75	41		•
MU	2.5%	62.7%	84	85		
NIB	14.7%	72.9%	87	75	•	
Peoplecare	0.5%	52.8%	84	81	•	
Westfund	1.5%	67.4%	83	80	•	•
<i>ACA</i>	0.1%	60.9%	83	80	•	
<i>CBHS</i>	1.5%	44.2%	83	80	•	
<i>Defence Health</i>	1.1%	25.2%	87	85		•
<i>Doctors' Health</i>	0.1%	43.3%	82	80	•	
<i>Navy Health</i>	0.3%	44.3%	84	83		
<i>Phoenix</i>	0.2%	51.4%	83	80	•	
<i>RT Health Fund</i>	0.6%	56.9%	86	79	•	
<i>Reserve Bank</i>	0.1%	58.9%	86	84	•	
<i>Teachers Health</i>	4.0%	80.8%	83	80	•	

## Health Fund Operations by State (Territory)

### Victoria

Abbreviated name	% 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%	22.6%	72	52		
AU	9.5%	73.2%	71	53	•	
BUPA	21.3%	51.3%	70	51	•	•
GMHBA	5.2%	75.7%	73	56	•	•
GU Corporate	0.3%	23.0%	72	53		
HCF	4.3%	11.4%	67	44	•	
Healthguard	0.7%	31.4%	72	53		
Latrobe	2.5%	90.2%	70	62	•	•
MBF	4.4%	6.5%	65	36	•	
MBF Alliances	0.1%	1.7%	65	36		
Medibank	36.6%	30.0%	73	48	•	•
Mildura	1.0%	86.0%	72	48	•	•
MU	0.9%	14.5%	67	44		
NIB	4.3%	14.1%	68	44	•	
Peoplecare	0.4%	28.6%	67	54	•	
St Luke's	0.1%	4.3%	70	62		
<i>CBHS</i>	1.4%	26.6%	72	52		
<i>Defence Health</i>	1.9%	30.4%	74	61	•	•
<i>Doctors' Health</i>	0.2%	33.8%	73	53		
<i>Navy Health</i>	0.2%	22.5%	73	61	•	
<i>Phoenix</i>	0.1%	14.2%	72	53		
<i>RT Health Fund</i>	0.1%	8.1%	74	61		
<i>Teachers Health</i>	0.8%	10.8%	72	53	•	
<i>Transport</i>	0.3%	97.5%	72	52		

## Health Fund Operations by State (Territory)

### Queensland

Abbreviated name	% Fund Market Share this state	% Fund's Membership in this state	Agreement Hospitals		Fund Outlets	
			Private Hospitals	Day Hospitals	Retail Offices	Agencies
AHM	3.4%	20.3%	49	36		
AU	1.4%	7.9%	47	36	•	
BUPA	2.5%	4.6%	49	31	•	
CUA Health	2.0%	90.1%	52	40		•
GMHBA	0.7%	7.3%	53	39		
GU Corporate	0.2%	11.2%	49	36		
HCF	4.0%	7.9%	48	35	•	
Healthguard	0.2%	7.0%	49	36		
Latrobe	0.2%	5.5%	43	26		
MBF	33.2%	37.6%	51	28	•	•
MBF Alliances	0.5%	4.5%	51	28	•	•
Medibank	35.8%	22.2%	50	34	•	•
MU	1.2%	15.2%	48	35		
NIB	3.9%	9.8%	46	35	•	
Peoplecare	0.2%	9.9%	49	36		
QCH	1.3%	95.7%	52	37	•	•
St Lukes	0.1%	2.6%	43	26		
Westfund	1.3%	30.6%	49	36	•	•
<i>ACA</i>	0.1%	17.6%	49	36		
<i>CBHS</i>	1.1%	16.3%	49	36		
<i>Defence Health</i>	2.4%	28.4%	51	38		•
<i>Doctors' Health</i>	0.1%	18.4%	49	36		
<i>Navy Health</i>	0.2%	16.6%	52	39		
<i>Phoenix</i>	0.1%	12.9%	49	36		
<i>Police Health</i>	0.5%	33.6%	53	41		
<i>RT Health Fund</i>	0.7%	33.0%	51	39	•	
<i>Teachers Health</i>	0.2%	2.4%	49	36		
<i>TUH</i>	2.2%	97.3%	49	36	•	



## Health Fund Operations by State (Territory)

### Western Australia

Abbreviated name	% Fund Market Share this state	% Fund's Membership in this state	Agreement Hospitals		Fund Outlets	
			Private Hospitals	Day Hospitals	Retail Offices	Agencies
AHM	0.7%	2.9%	18	10		
AU	0.4%	1.5%	18	10		
BUPA	1.3%	1.7%	15	13	•	
GMHBA	1.3%	9.9%	22	13	•	•
GU Corporate	0.4%	17.6%	18	10		
HBF	60.9%	97.6%	25	12	•	•
HCF	0.8%	1.1%	5	3		
Healthguard	2.0%	50.9%	18	10	•	•
HIF	3.5%	95.1%	18	10	•	•
MBF	3.0%	2.3%	15	12	•	
MBF Alliances	2.1%	13.9%	15	12	•	
Medibank	20.4%	8.8%	23	10	•	•
MU	0.4%	3.3%	6	5		
NIB	0.7%	1.2%	18	7		
Peoplecare	0.1%	3.7%	20	10		
<i>CBHS</i>	0.6%	5.9%	18	10		
<i>Defence Health</i>	0.5%	4.6%	22	11		•
<i>Navy Health</i>	0.2%	9.2%	22	12		
<i>Police Health</i>	0.2%	10.8%	23	12		
<i>Teachers Health</i>	0.1%	0.9%	18	10		

### South Australia

Abbreviated name	% 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%	4.0%	31	19		
AU	1.6%	4.2%	31	19		
BUPA	42.2%	35.3%	30	19	•	•
GMHBA	0.2%	1.1%	29	20		
GU Corporate	0.1%	2.3%	31	19		
HCF	2.7%	2.4%	24	15	•	
Healthguard	0.1%	1.1%	31	19		
Health Partners	7.6%	95.9%	31	23	•	•
MBF	4.9%	2.5%	31	20	•	
MBF Alliances	9.0%	39.4%	31	20	•	
Medibank	22.4%	6.4%	31	18	•	•
Mildura	0.1%	1.7%	22	6		
MU	0.6%	3.7%	31	19		
NIB	1.4%	1.6%	25	17	•	
Peoplecare	0.2%	4.2%	31	20		
St. Lukes'	0.1%	1.4%	22	12		
<i>CBHS</i>	0.7%	5.1%	31	19		
<i>Defence Health</i>	1.6%	8.7%	31	21		•
<i>Navy Health</i>	0.2%	5.2%	31	20		
<i>Phoenix</i>	0.2%	16.9%	31	19		
<i>Police Health</i>	1.5%	45.7%	31	20	•	
<i>Teachers Health</i>	0.8%	3.8%	31	19		

## Health Fund Operations by State (Territory)

### Tasmania

Abbreviated name	% 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%	2.3%	5	2		
AU	0.6%	0.4%	5	2		
BUPA	1.2%	0.3%	7	3		
GMBHA	0.3%	0.4%	7	2		
HCF	1.2%	0.3%	5	2		
MBF	35.5%	5.1%	7	3	•	•
Medibank	35.0%	2.8%	5	2	•	•
MU	0.2%	0.4%	5	2		
NIB	0.9%	0.3%	6	2		
St Luke's	15.3%	88.3%	7	3	•	•
<i>CBHS</i>	0.9%	1.7%	5	2		
<i>Defence Health</i>	0.7%	1.0%	7	2		
<i>HCI</i>	2.4%	77.2%	6	2	•	
<i>Navy Health</i>	0.2%	1.4%	6	2		
<i>Police Health</i>	0.3%	2.7%	7	2		
<i>Teachers Health</i>	0.8%	1.1%	5	2		

### Northern Territory

Abbreviated name	% Fund Market Share this state	% Fund's Membership in this state	Agreement Hospitals		Fund Outlets	
			Private Hospitals	Day Hospitals	Retail Offices	Agencies
AHM	2.5%	0.6%	1			
BUPA	12.0%	0.9%	1		•	•
GMHBA	0.2%	0.1%	1			
HCF	2.1%	0.2%	1			
MBF	27.4%	1.2%	1		•	
Medibank	42.7%	1.1%	1		•	•
MU	0.5%	0.2%	1			
NIB	1.3%	0.1%	1			
<i>Defence Health</i>	3.8%	1.8%	1			•
<i>Navy Health</i>	0.3%	0.9%	1			
<i>Police Health</i>	2.5%	6.4%	1			

# About the Private Health Insurance Ombudsman

## Protecting the interests of people who are covered by private health insurance

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.

We deal with complaints about private health insurance, including private health funds, brokers, hospitals, medical practitioners, dentists or other practitioners. Generally, anyone can make a complaint as long as it relates to private health insurance.

### What should I do if I want to make a complaint?

You should first contact your health fund or the body you're complaining about – they may be able to resolve your complaint for you. If not, 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, Level 7, 362 Kent Street, SYDNEY NSW 2000
- **Fax:** 02 8235 8778
- **Email:** [info@phio.org.au](mailto: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](mailto:info@phio.org.au); or
- Check our websites [www.phio.org.au](http://www.phio.org.au) and [www.privatehealth.gov.au](http://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

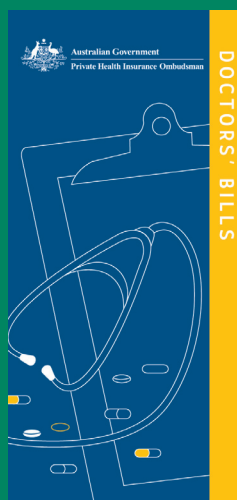
### Ten tips for avoiding health insurance problems

- ✓ 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.
- ✓ 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.
- ✓ 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.
- ✓ 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.
- ✓ Tell your fund if you change address, add a partner, have a child, or any other circumstance that might affect your cover.
- ✓ Make sure you understand any waiting periods, restrictions or limits applying to your cover.
- ✓ Contact your fund before you go to hospital to check whether you will be covered and what costs you may need to pay yourself.
- ✓ Talk to your doctors about their fees and ask whether they will bill you under your health fund's gap scheme.
- ✓ If you decide to change funds, make sure you understand the difference in benefits before changing.
- ✓ Visit [www.PrivateHealth.gov.au](http://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](http://www.PrivateHealth.gov.au) or from the office of the Private Health insurance Ombudsman.



# Protecting the interests of people covered by private health insurance



Other consumer publications available from  
the Private Health Insurance Ombudsman