

# Quarterly Update: 1 October 2023 to 31 December 2023



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

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

During this quarter, the Office received 1203 complaints in its capacity as the Private Health Insurance Ombudsman.<sup>1</sup> This was an increase of 34.1 per cent compared to the same period in 2022–23.

**Figure 2** shows the majority of complaints received in this quarter related to service delays, general service issues, and pre-existing conditions. Service delays continue to be a carry-over problem from the last quarter, reflecting customer service problems experienced by Defence Health policyholders following a computer system upgrade (see also **Table 2**).

Complaints about Defence Health represented approximately 44.2 per cent of all complaints we received about insurers in this quarter, well in excess of their 2 per cent market share. Defence Health complaints were higher than the 35.3 per cent of complaints we received in the

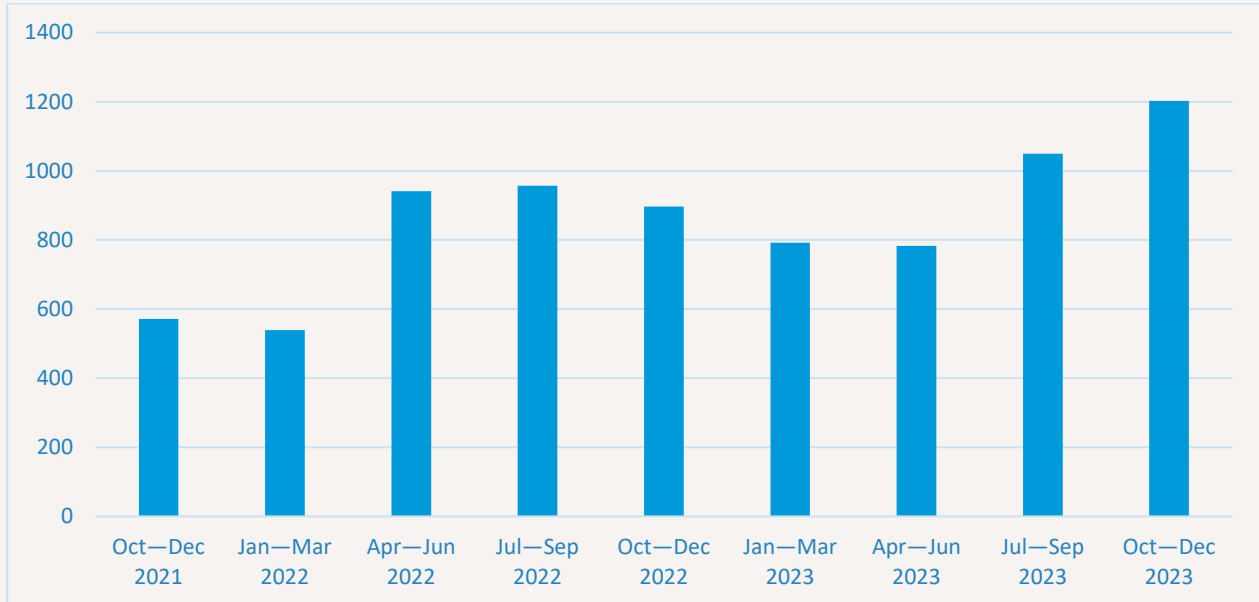
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<sup>1</sup> Includes complaints about private health insurers, hospitals, practitioners and brokers. Refer to [Private Health Insurance industry updates](#) for definitions of complaints, issues and other terms, and previous quarterly updates. Our data is dynamic and regularly updated. This means there may be minor differences when compared to the last quarterly update.



September 2023 quarter, indicating that policyholders continued to experience major service issues. This was discussed in detail in our previous [September 2023 quarterly update](#). The Office continues to communicate with Defence Health regarding its ongoing issues and preliminary complaint figures indicate complaints started to moderate in the March 2024 quarter.

**Figure 1: Complaints received by quarter**



**Figure 2: Top complaint issues in October to December 2023, compared to previous 3 quarters**

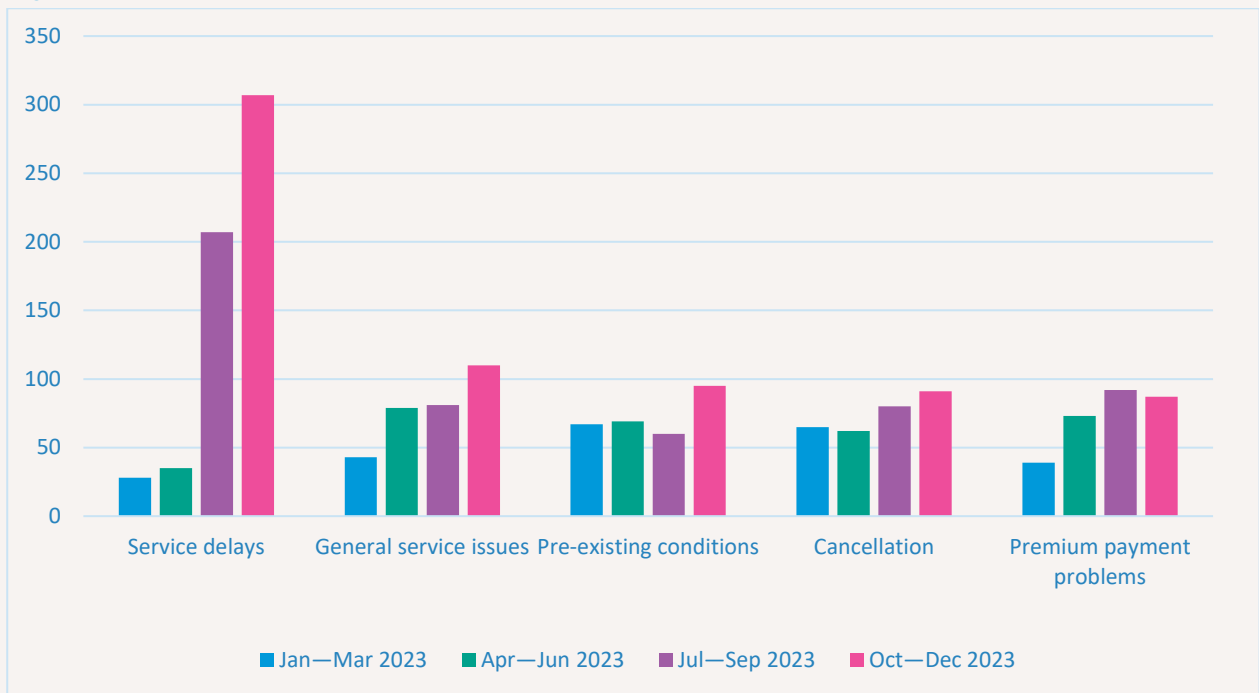


Table 1: Complaints by provider or organisation type – comparison

Provider or organisation type	Mar 2023 quarter	Jun 2023 quarter	Sep 2023 quarter	Dec 2023 quarter
Health insurers	691	671	930	1097
Overseas visitors and overseas student health insurers	89	103	97	88
Brokers and comparison services	4	3	15	7
Doctors, dentists, and other medical providers	1	1	2	0
Hospitals and area health services	1	2	1	4
Other (e.g., legislation, ambulance services, industry peak bodies)	6	3	5	7
Total	792	783	1050	1203

## Complaint backlog

Currently the Office has a large number of older private health insurance complaints which means it is taking longer than usual for complaints to be referred to insurers. We are working through these matters, and a triage process is in place to escalate time-sensitive matters for complainants.

The aged caseload impacts our reporting. We report complaint statistics based on the date that the Office receives the complaint. For example, if a complaint is received in December but only referred to the insurer in January, it is still counted in our statistics as a complaint relating to the December quarter. Insurers may notice that the number of complaints reported for the December quarter in this Report is different to the number of complaints the insurer received from the Office in that period.

Our data is dynamic and may also change if complaints are reopened or escalated.

## Type C Issues Paper: “Can private health insurers decide that a patient does not need treatment in hospital?”

Type C procedures are those which normally take place outside of a hospital setting, such as in a doctor’s rooms or health clinic. This means they are usually not eligible for private health insurance benefits.



However, in cases where a medical practitioner certifies that a patient requires hospital admission for a Type C procedure, a health insurer must pay benefits in accordance with the [Private Health Insurance \(Benefit Requirements\) Rules](#) (the Rules). The Department of Health and Aged Care (the Department) issued guidance for insurers and health care providers on the application of the Rules in [PHI Circular 37/17: Clarification of Roles in the Certification Process \(the Circular\)](#).

Most Type C complaints we see involve disagreement over whether a claim should be paid. As these matters are often highly technical in nature, the insurer should work with the hospital to resolve the issue and minimise any impact on the consumer. While it is often the hospital that will contact us with a complaint, Type C complaints are also made to us by consumers who are caught between an insurer and a hospital who are unwilling or unable to resolve the matter between them.

In late 2023, the Office sought advice from the Department on its interpretation of the Circular as it related to a handful of complaints where we considered an insurer had unreasonably rejected a Type C claim. In these cases, the insurer decided the Type C certificate was invalid because, although it provided details of the medical condition requiring hospital admission, the certificate either did not list any special circumstances or the insurer considered the special circumstances provided were inadequate. In our view, this was inconsistent with the Rules and Circular, which state that the Type C certificate must contain details of the patient's medical condition or special circumstances requiring hospital admission, not necessarily both.

In February 2024, we published an issues paper [“Can private health insurers decide that a patient does not need treatment in hospital?”](#) which contains Type C best practice guidance for the private health insurance industry. Any feedback on the issues paper can be provided to us at [phi@ombudsman.gov.au](mailto:phi@ombudsman.gov.au).

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Table 2: Complaints by health insurer market share, 1 October to 31 December 2023

Name of insurer	No further action	Percentage of no further action	Referrals	Percentage of referrals	Investigations <sup>2</sup>	Percentage of investigations	Market share <sup>3</sup>
ACA Health Benefits	0	0.0%	0	0.0%	0	0.0%	0.1%
AIA Health (myOwn)	1	1.4%	14	1.4%	1	4.2%	0.4%
Australian Unity	1	1.4%	14	1.4%	1	4.2%	2.2%
BUPA	12	16.2%	160	16.0%	10	41.7%	24.9%
CBHS	1	1.4%	10	1.0%	2	8.3%	1.5%
CBHS Corporate Health	0	0.0%	0	0.0%	0	0.0%	<0.1%
CDH (Hunter Health Insurance)	0	0.0%	0	0.0%	0	0.0%	<0.1%
CUA Health <sup>4</sup>	0	0.0%	0	0.0%	0	0.0%	n/a
Defence Health	18	24.3%	466	46.6%	1	4.2%	2.0%
Doctors' Health Fund	0	0.0%	3	0.3%	0	0.0%	0.5%
GMHBA (incl. Health.com.au)	2	2.7%	3	0.3%	0	0.0%	2.2%
HBF Health & GMF/Healthguard	1	1.4%	18	1.8%	0	0.0%	7.7%
HCF (incl. RT Health)	6	8.1%	69	6.9%	4	16.7%	12.5%
HCI (Health Care Insurance)	0	0.0%	0	0.0%	0	0.0%	0.1%
Health Partners	0	0.0%	0	0.0%	0	0.0%	0.7%
HIF (Health Insurance Fund of Aus.)	0	0.0%	3	0.3%	0	0.0%	0.7%
Latrobe Health	1	1.4%	6	0.6%	0	0.0%	0.7%
Medibank Private & AHM	21	28.4%	121	12.1%	2	8.3%	27.1%
Mildura District Hospital Fund Limited	0	0.0%	2	0.2%	0	0.0%	0.3%
National Health Benefits Aust.	0	0.0%	0	0.0%	0	0.0%	0.1%
Navy Health	0	0.0%	1	0.1%	0	0.0%	0.4%
NIB Health & GU Corporate Health	6	8.1%	84	8.4%	3	12.5%	9.6%
Peoplecare	0	0.0%	0	0.0%	0	0.0%	0.5%
Phoenix Health Fund	0	0.0%	0	0.0%	0	0.0%	0.2%
Police Health	1	1.4%	1	0.1%	0	0.0%	0.5%
QLD Country Health Fund	0	0.0%	1	0.1%	0	0.0%	0.4%
Reserve Bank Health	0	0.0%	1	0.1%	0	0.0%	<0.1%
St Lukes Health	1	1.4%	5	0.5%	0	0.0%	0.6%
Teachers Health	1	1.4%	15	1.5%	0	0.0%	2.6%
Transport Health <sup>5</sup>	0	0.0%	0	0.0%	0	0.0%	n/a
TUH	1	1.4%	2	0.2%	0	0.0%	0.6%
Westfund	0	0.0%	0	0.0%	0	0.0%	0.9%
<b>Total for Health Insurers</b>	<b>74</b>	<b>100.0%</b>	<b>999</b>	<b>100.0%</b>	<b>24</b>	<b>100.0%</b>	<b>100.0%</b>

<sup>2</sup> Investigations required the intervention of the Ombudsman and the health insurer.

<sup>3</sup> Source: Australian Prudential Regulation Authority, Market Share, All Policies, 30 June 2022.

<sup>4</sup> CUA Health merged with HBF, with all CUA Health policies transferred to HBF effective 1st January 2023.

<sup>5</sup> Transport Health merged with HCF, with all Transport Health policies transferred to HCF effective 1 January 2023.



**Table 3: Complaint issues and sub-issues, received 1 October to 31 December 2023 and previous 3 quarters**

ISSUE	Mar 23	Jun 23	Sep 23	Dec 23
<b>BENEFIT</b>				
Accident and emergency	8	5	4	4
Accrued benefits	1	0	2	2
Ambulance	7	9	5	8
Amount	10	5	21	26
Delay in payment	33	47	101	85
Excess	11	5	7	12
Gap—Hospital	2	0	2	6
Gap—Medical	30	14	16	13
General treatment (extras/ancillary)	49	59	41	44
High cost drugs	3	1	1	4
Hospital exclusion/restriction	29	30	50	34
Insurer rule	12	21	20	20
Limit reached	2	3	0	2
New baby	3	0	4	3
Non-health insurance	0	0	1	1
Non-health insurance—overseas benefits	0	0	1	0
Non-recognised other practitioner	0	2	1	3
Non-recognised podiatry	1	1	1	0
Other compensation	1	0	0	6
Out of pocket not elsewhere covered	2	2	3	0
Out of time	0	0	2	1
Preferred provider schemes	3	1	6	3
Prostheses	4	6	5	2
Workers compensation	0	0	0	2
<b>CONTRACT</b>				
Hospitals	1	1	1	2
Preferred provider schemes	2	2	4	1
Second tier default benefit	0	1	2	0
<b>COST</b>				
Dual charging	2	0	1	6
Rate increase	15	7	9	6
<b>INCENTIVES</b>				
Lifetime Health Cover	14	35	33	50
Medicare Levy Surcharge	0	0	1	1
Private health insurance reforms	0	0	0	0
Rebate	2	0	4	5
Rebate tiers and surcharge changes	1	0	1	0
<b>INFORMATION</b>				
Brochures and websites	4	4	8	3
Lack of notification	11	11	17	8
Radio and television	0	0	1	1
Standard Information Statement	3	0	1	3
Verbal advice	9	17	16	27
Written advice	3	3	4	2



ISSUE	Mar 23	Jun 23	Sep 23	Dec 23
<b>INFORMED FINANCIAL CONSENT</b>				
Doctors	1	0	0	0
Hospitals	4	3	1	2
Other	0	0	0	0
<b>MEMBERSHIP</b>				
Adult dependents	9	8	13	7
Arrears	5	6	10	16
Authority over membership	5	4	1	10
Cancellation	65	62	80	91
Clearance certificates	12	19	34	69
Continuity	21	19	13	8
Rate and benefit protection	2	1	11	8
Suspension	14	15	21	25
<b>SERVICE</b>				
Customer service advice	114	83	54	44
General service issues	43	79	81	110
Premium payment problems	39	73	92	87
Service delays	28	35	207	307
<b>WAITING PERIOD</b>				
Benefit limitation period	2	0	2	0
General	10	12	18	15
Obstetric	4	1	4	4
Other	4	1	0	1
Pre-existing conditions	67	69	60	95
<b>OTHER</b>				
Access	0	1	10	3
Acute care and type C certificates	2	0	3	2
Community rating	0	0	0	0
Complaint not elsewhere covered	1	0	1	6
Confidentiality and privacy	38	12	8	9
Demutualisation/sale of health insurers	0	0	1	0
Discrimination	0	0	1	1
Medibank sale	0	0	0	0
Non-English speaking background	0	0	0	0
Non-Medicare patient	1	0	0	0
Private patient election	1	0	2	1
Rule change	1	2	2	2

