

COMMONWEALTH
OMBUDSMAN



**PRIVATE
HEALTH
INSURANCE
OMBUDSMAN**

**STATE OF THE
HEALTH FUNDS
REPORT 2015**

RELATING TO THE FINANCIAL
YEAR 2014-15

Report required by 20D (c) of the Commonwealth Ombudsman Act 1976

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The Private Health Insurance Ombudsman can be contacted in the following ways:

Postal address

Private Health Insurance Ombudsman
Office of the Commonwealth Ombudsman
GPO Box 442
CANBERRA ACT 2601

Telephone, fax and email

Private Health Insurance enquiries and complaints
1300 362 072
9am to 5pm Sydney time, Monday to Friday.

Website and general enquiries
1300 737 299 (normal call cost)
9am to 5pm Sydney time, Monday to Friday.

Other

Email phio.info@ombudsman.gov.au
Website <http://www.ombudsman.gov.au/>
General administration (02) 6276 0111
Facsimile (02) 6276 0123

Consumers requiring translators 13 14 50
(Translating and Interpreting Service)

Deaf, or hearing or speech impaired 13 36 77
(National Relay Service)

Readers with enquiries about the Ombudsman or this report should contact the Administration Officer at the above address. Information for senators and members of parliament is available from the Private Health Insurance Ombudsman at the above telephone and facsimile numbers.

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FOREWORD

I am pleased to present the twelfth annual State of the Health Funds Report relating to the financial year 2014–15. The Commonwealth Ombudsman Act 1976 (Cth) requires that the Private Health Insurance Ombudsman (PHIO) publish the report after the end of each financial year to provide comparative information on the performance and service delivery of all health funds¹ during that financial year.

I assumed the responsibility for the role of the Private Health Insurance Ombudsman (PHIO) from 1 July 2015. I am aware of the Private Health Insurance Ombudsman's deserved reputation for excellent service and strong relationships with consumers and insurers, and I intend to work to maintain that reputation now that the Ombudsman's functions become the responsibility of my office.

The information in the report supplements information available on PHIO's consumer website www.privatehealth.gov.au, which was developed and is maintained by PHIO. The consumer website provides a range of information to assist consumers' understanding of private health insurance and select or update their private health insurance policy. The information on the consumer website, together with the State of the Health Funds Report itself, makes it easier for consumers to choose health insurance policies that better meet their individual needs.

The reason for publishing the report is to provide consumers with additional information to assist them make decisions about private health insurance. For existing policyholders, the report details information that will allow them to compare the performance of their fund with all other health funds. For those considering taking out private health insurance for the first time, the report provides an indication of the services available from each fund and a comparison of some service and performance indicators at the fund level.

The range of issues and performance information contained in the report 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 Australian Prudential Regulation Authority (APRA), as part of its role in undertaking statistical reporting and monitoring of the financial management of health funds.

I would like to acknowledge the significant contributions of PHIO staff members, David McGregor, Alison Leung and Henny Oentojo, in the production of the report. I would also like to thank APRA for its assistance and advice in relation to the report.

Mr Colin Neave AM
Commonwealth Ombudsman
March 2015

¹ For the purposes of this report, Australian registered private health insurers are referred to as health funds.

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INTRODUCTION

Using This Report to Compare Funds

You can use the information contained in this report either to identify possible funds to join or to assess your current fund's performance.

No single indicator should be used as an indicator of overall fund performance. In most cases, a seemingly poor performance on one indicator will be offset by a good performance on other factors.

The State of the Health Funds Report

The State of the Health Funds Report (SOHFR) compares how health funds perform across the following criteria:

- Service performance
- Hospital benefits
- Medical gap schemes
- General treatment (extras) benefits
- Financial management
- Health fund operations

You can use the information contained in this report to identify possible funds to join, or to assess your existing fund's performance if you're reviewing your current needs.

You can use the range of indicators included in this report as a menu to choose the factors of most importance to you - not all factors will be of equal importance to every individual or family.

For instance, if you prefer to do business with a health fund in person, then you should consider the availability of retail offices to be an important consideration. However, if you prefer to do as much of your business as possible over the internet, the range of services available through the funds' websites will be more important than the branches.

More information about particular indicators is provided in the explanations preceding each of the tables in this report.

If you're considering taking out private health insurance for the first time, the Ombudsman suggests you use the report 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.

Where to find more information about selecting a policy

The PHIO brochure 'Health Insurance Choice: Selecting a Health Insurance Policy' includes important advice on what to consider and what questions to ask when selecting a hospital cover policy. It also includes information on government incentives relating to hospital cover such as the 'Medicare Levy Surcharge Exemption' and 'Lifetime Health Cover'.

These brochures, as well as other publications, can be found on www.ombudsman.gov.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 policies. Information on specific policies is available from the Ombudsman's consumer website www.privatehealth.gov.au, where you can search for and compare information about every health fund and policy in Australia.

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 policy.

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 and Recent Brand Names

BRAND NAME	FUND
Australian Country Health	Medibank
Australian Health Management	Medibank
Country Health	Medibank
CY Health	Healthguard
Druids	GMHBA
Federation Health	Latrobe
Frank, FIT, RACT	GMHBA
GMF Health	Healthguard
Goldfields	Healthguard
Government Employees	Medibank
Grand United	Australian Unity
HBA	BUPA
Illawarra Health Fund	Medibank
IOOF	NIB
IOR	HCF
Manchester Unity	HCF
MBF	BUPA
Mutual Community	BUPA
Mutual Health	Medibank
NRMA Health	BUPA
SGIC (SA)	BUPA
SGIO (WA)	BUPA

About The Data Used in This Report

The information used in the Report in order to compare health funds is based on data collected for regulatory purposes. This information is the most appropriate, independent and reliable data available.

The Report is intended to help you to decide which health funds to consider, though it won't necessarily indicate which of the fund's policies to purchase. Virtually all funds offer more expensive policies that can be expected to provide better than average benefits as well as cheaper policies that provide less.

Open and Restricted Membership Health Funds

Membership of 'open' health funds is available to everyone.

'Restricted membership' health funds have certain membership criteria which mean they aren't available to all consumers. For example, membership may be restricted to employees of certain companies or occupations, or members of particular organisations.

Where applicable, open and restricted membership funds are listed separately in each of the tables in this report.

Information About Policies

The information included in the report on fund contributions and benefits indicates the average outcomes across all of a fund's policies and so can't be taken as an indicator of the price or benefit levels that can be expected for any particular policy.

Virtually all funds offer more expensive policies that can be expected to provide better than average benefits and most also offer cheaper policies that provide less.

This Report can help you to decide which health funds to consider, but won't necessarily help you to decide which of the funds' policies to purchase.

For information about specific policies, the website www.privatehealth.gov.au enables you to view standard information outlining the main features of any health insurance policy. You can compare Standard Information Statements for any policy available for purchase from any fund, including the level of cover, excess and price.

The website is also a good resource of independent and reliable information about private health insurance.

Data Collection

The need to obtain independent, reliable data has been a key consideration in putting together the report. The data selected by the Ombudsman as the most appropriate available is collected by the industry regulator, the Australian Prudential Regulation Authority (APRA). APRA has supplied most of the data published in this report.

Funds report to APRA 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. You should note that the data is collected primarily for regulatory purposes and not for the purposes of the State of the Health Funds Report. Accordingly, it is important to read the accompanying text explaining the data 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 these are subjective judgements very much dependent on your particular circumstances, preferences and priorities. 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 you with additional information about the benefits that were paid by each fund over the last year. The report also provides information about the extent of cover provided for hospital, medical and general 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

Reform of Private Health Insurance

On 28 October 2015, the Minister for Health, The Hon. Sussan Ley MP, announced the government would undertake consultations focused on the value of private health insurance for consumers and its long term sustainability. The last major review of health insurance occurred in 2006-07 when various health regulations were streamlined into a single new *Private Health Insurance Act 2007* (Cth)². This was a comprehensive change to regulations and included significant reforms aimed at helping consumers understand their health insurance policies and to choose new policies through the provision of better information, as well as broadening health cover to assist in keeping hospital benefit outlays sustainable.

The Broader Health Cover reform aimed to provide flexibility for health funds to assist individual policy holders remain outside hospital and so assist the sustainability of private health insurance, as well as provide better health outcomes for patients. Although some funds now operate broader health cover programs, almost ten years later the number of people assisted through broader health cover is relatively minor compared to traditional in-hospital care.

Since 2007 the main driver of increasing health insurance premiums has been higher outlays in hospital benefits paid by funds. The cost of hospital treatment has risen faster than other sectors in the economy, both because more people are obtaining treatment due to Australia's ageing population and because of new treatments brought about through technological change.

It's worthwhile considering that almost ten years since the last reforms, consumers still find health insurance difficult to understand. Together with questions about the sustainability of health insurance, a review of health insurance regulations is welcomed by consumer groups, the funds and many working in the health sector.

Standard Information Statements

Standard Information Statements (SISs) were introduced in 2007 to help consumers understand their policies and

to make informed comparisons. This reform addressed overwhelming concerns from consumers that health insurance was too complex to understand and that there was a need for simple one-page policy summaries. These statements have been regularly sent to all policy holders and are often cited by funds during complaint responses to PHIO as evidence that they have met their obligations to advise consumers of the terms of their health insurance policies.

The ACCC recently reported that there is a failure within the industry to use consistent terms in describing health insurance policies.³ This is echoed in the increased number of oral advice complaints to PHIO, where consumers misunderstand advice provided by health insurance staff members, who tend to use their own fund's phrases to provide advice about policies. This is further compounded by the failure of health insurance policy documents to detail policies in a meaningful way that a consumer understands.

After almost ten years, a review of Standard Information Statements would be valuable. However, it is unlikely this single move would address the cause of consumer confusion as identified by the ACCC, which is the lack of consistency in the industry itself.

Whether the government will adopt a regulatory approach to resolving this issue or whether an industry-sponsored approach is adopted, PHIO considers that a broad reform of health insurance information is necessary.

Consumer Information Website – www.privatehealth.gov.au

The consumer website [Privatehealth.gov.au](http://www.privatehealth.gov.au) was introduced in 2007, publishing Standard Information Statements from all funds as well as providing general private health insurance information. The website has allowed many consumers to compare health insurance policies since it was introduced and its usage has increased annually.

2 Parliamentary Library Bills Digest: 8 February 2007 "Private Health Insurance Bill 2006"

3 <http://accc.gov.au/media-release/accc-report-on-the-private-health-insurance-industry>

YEAR	UNIQUE VISITORS
2007-08	145432
2008-09	195917
2009-10	264692
2010-11	311572
2011-12	442436
2012-13	621865
2013-14	899841
2014-15	1054858

The website aims to foster competition in the industry by helping consumers compare and choose health insurance policies. The website also provides an interface to assist funds in meeting their obligations to provide up-to-date Standard Information Statements.

During 2014-15 the website interface used by funds was updated to more easily allow funds to maintain their policy statements on the website. This change was necessary as the number and complexity of policies that funds were maintaining had increased greatly.

In the coming year, the Ombudsman will be improving the customer-facing side of the website. The aim is to update the search facility to enable consumers to more easily locate a more select group of policies. One of the biggest challenges with designing a website that displays all health insurance policies is the large number of policies and combinations of policies available to consumers, and that many policies are almost identical and difficult to differentiate.

Our aim in updating the search feature is to allow the consumer to prioritise their most important policy features, without actually guiding them to any particular choice, and then displaying the most relevant results.

PHIO Mediation Role

Contractual disputes between funds and hospitals have the potential to adversely affect consumers' entitlements under their health insurance. The Ombudsman's role is to ensure the interests of consumers are protected in these circumstances. This includes providing guidance to funds and hospitals on appropriate transitional arrangements and communication with members and patients in the event of a contract cessation or dispute. This role does

not extend to the Ombudsman acting as an arbiter of commercial prices or other terms of the contract under discussion; rather our role is to ensure that consumers are not adversely affected during the discussions and that if necessary the process for transitioning to an out-of-contract arrangement is orderly.

The industry and the Ombudsman agreed to Transition and Communication Protocols in 2009, which provide a set of steps that hospitals and health funds need to take to ensure consumer's interests are protected during the time a contract is being negotiated or terminated. The Ombudsman has found in the past that such changes can be disruptive and confusing to patients, doctors, and the staff of health funds and hospitals, so the protocols are designed to ensure that statements made by either side are factual and neutral in tone.

Despite the protocols, the Ombudsman has noted recently that there have been some instances where parties in a dispute have in fact made public statements negatively portraying the other involved parties. Communications that are intended to put the case for one party and denigrate the other have had a negative impact on consumer perceptions of the industry. They also make it more difficult for the parties to resolve the dispute, especially during the mediation process when time is taken discussing matters raised by the other party rather than the details of the proposed contract.

From PHIO's perspective, what we see are two parties making comments in the media which have an adverse effect on patients and the whole industry. In almost all cases, both parties eventually sign a contract. The Ombudsman's staff are well aware that public disputes cause distress to certain patients undergoing treatment, as these patients often contact our office. When a contract is signed a short time later, sometimes after a complainant has changed their policy to another fund or re-booked their hospital treatment, both our office and the patients are left wondering why it was necessary to cause such distress.

During 2014-15, the Ombudsman noted that in addition to making unnecessary media statements, one fund advised termination of a hospital contract whilst a mediation was already underway. This was despite the mediation guidelines recommending that parties suspend

the termination of contracts whilst a mediation is being conducted to ensure that each side can be given the best chance of negotiating in good faith. In that instance it was disappointing to see that the protocols were not adhered to and the Ombudsman believed this was partly responsible for the mediation being unsuccessful and a significant number of consumers being affected.

PHIO expects the number of hospital contract disputes to increase, as it is an area subject to tension due to the impact of rising health and technology costs and the limitations of increasing health insurance premiums. Health funds are in fact fulfilling an important role for their policy holders by negotiating good prices for the services they require. Hospitals also need to fulfil their obligations to obtain sufficient funding to ensure services are up to date. Whilst negotiating contracts stridently and even deciding to terminate contracts is a sign that these parties are acting in an economically productive manner, PHIO believes it would be beneficial if more structure and certainty were given to the mediation and termination of contracts, to provide better protection for consumers than we have seen in recent years.

The Mediation Guidelines and Transition and Communication Protocols are currently recommendations made by the Ombudsman and accepted by most parties in recent disputes. However, if hospital and health funds disregard some recommendations to, for example, pause contract terminations whilst mediations are underway, it reduces the ability for the Ombudsman to successfully assist with the dispute and protect the interests of consumers.

The Ombudsman has no interest in influencing the contractual arrangements made by hospitals and health funds. The purpose in looking at the mediation role and seeking to provide more structure is to help protect consumers from worrying about going to hospital during the weeks in which a contract dispute is underway. Unfortunately, the Ombudsman has concluded in recent times that a set of recommendations issued by the office may not be sufficient to protect consumers in future.

Increase in Complaints in 2014-15

2014-15 was a particularly busy year for the PHIO. We received 4265 complaints in total, representing an increase

of 24% on the 3427 complaints received the previous year. The increase in overall complaints correlated with an increase in the number of higher level complaints requiring an investigation by PHIO. In 2014-15, PHIO received 668 higher level complaints which represented a 15% increase on the 580 received the previous year.

That PHIO managed this increased workload whilst maintaining a good response time and client satisfaction rating is a result of the excellent work of both the dispute resolution team at PHIO and the assistance of all the health fund officers who respond to referred complaints. It was pleasing that service levels provided to people who made a complaint to PHIO were maintained at a high level, despite a significant increase in workload.

There are no easy answers about how to address the rise in complaints about health insurance, as many are related to decisions made by health funds in attempting to keep health insurance premiums lower by making changes to health insurance policies; and by consumers choosing health insurance policies with restrictions and exclusions, in return for paying a lower premium.

Some of the major issues which caused complaints in 2014-15 included:

Hospital restrictions and exclusion complaints

The number of complaints about hospital restrictions and exclusions has increased significantly over the past two years, from 180 in 2012-13 to 242 in 2013-14, and then 320 in 2014-15. The cause of such complaints could be that the policy was described poorly to the member either at the point of sale or during the course of the membership, or that the health fund has ambiguously or unfairly determined whether a treatment falls into an excluded or restricted category.

We have noticed that when a consumer expresses dissatisfaction about a premium increase, a common response from the fund is to offer them a lower hospital policy. If a health fund chooses to recommend a lower policy, it needs to ensure the range of restrictions and exclusions is understood and no assumptions are made about a person's health needs, either by the consumer or the sales officer.

Detrimental rule changes

During 2014–15 there were 281 complaints concerning health fund rule changes, compared to 72 the previous year. Health funds are permitted to reduce the range and amount of benefits for most services in a health insurance policy, provided sufficient notice is given to existing policy holders.

Complaints occur when the consumer does not understand the change to their policy and therefore they miss the opportunity to maintain continuity of cover for a particular service they require. The most common changes complained about were a small number of funds restricting or removing benefits for gastric banding, obesity-related surgery and reduced benefits for general treatment policies.

In addition to the 281 complaints about fund rule changes, we received over 60 complaints relating to a reduction in medical gap benefits paid by Medibank towards in-patient diagnostic and pathology services, due to the fund ceasing its gap cover agreements with service providers.

Oral advice

It is disappointing that the number of oral advice complaints addressed to us has increased so significantly over the past few years. In 2012–13, 289 complaints were received, increasing to 410 in 2013–14 and 522 in 2014–15.

These complaints are most prevalent where the fund has not kept a good record of advice provided to their member. As the number of complaints about oral advice has increased so significantly, we can only conclude that work needs to be done by funds to better train health fund telephone and retail office staff to provide clear and helpful advice to consumers.

Membership service complaints

A further cause of the increase in complaints in 2014–15 were membership cancellations, continuity, and arrears. These complaints concern the administrative efficiency of health funds and their response to policy holders.

Anecdotal reports to PHIO indicated health funds experienced a high number of service requests and requests to switch health insurance policies during 2014–15, and some health funds found it difficult to meet requests in a timely fashion.

Premium increases

The number of premium increase complaints increased from 78 to 132. These complaints are caused by individuals experiencing higher than average increases in the cost of their insurance, or by untimely notification or lack of notification about increases.

Far more significant, however, were the overall increase in the number of complaints we received in March and April. With premium increases at front of mind, many consumers are reviewing their cover and seeking to transfer to new funds during this period, which in turn causes complaints about service and administrative problems.

Merger of PHIO and Commonwealth Ombudsman

The Commonwealth Ombudsman assumed the responsibility for the role of the Private Health Insurance Ombudsman (PHIO) from 1 July 2015. The transition has gone smoothly, with the PHIO continuing to fulfil its role in protecting the interests of private health consumers by:

- assisting health fund members to resolve disputes through an independent complaints handling service;
- identifying underlying problems in the practices of private health funds or health care providers in relation to the administration of private health insurance;
- providing advice to Government and industry about issues affecting consumers in relation to private health insurance; and
- Providing advice and recommendations to government and industry about private health insurance, specifically the performance of the sector and the nature of complaints.

PHIO also has an important consumer information and advice role regarding private health insurance, including publishing the consumer website, PrivateHealth.gov.au.

HEALTH FUND LISTING AND CONTACT DETAILS

The following tables list all Australian registered health funds. The 'open' membership funds provide policies to the general public. The 'restricted' funds provide policies

only through specific employment groups, professional associations or unions.

Table 1a: Open Membership Health Funds

ABBREVIATION	FULL NAME OR OTHER NAMES	PHONE NUMBER	WEBSITE
Australian Unity	Australian Unity Health Ltd	132 939	www.australianunity.com.au
BUPA	Bupa Australia Pty Ltd	134 135	www.bupa.com.au
CDH	CDH Benefits Fund Ltd	02 4990 1385	www.cdhbf.com.au
CUA Health	CUA Health Ltd	1300 499 260	www.cuahealth.com.au
GMHBA	GMHBA Ltd, Frank	1300 446 422	www.gmhba.com.au
GU Corporate	Grand United Corporate Health	1800 249 966	www.guhealth.com.au
HBF	HBF Health Ltd	133 423	www.hbf.com.au
HCF	Hospitals Contribution Fund of Australia	131 334	www.hcf.com.au
HCI	Health Care Insurance Ltd	1800 804 950	www.hcilt.com.au
Health.com.au	Health.com.au	1300 199 802	www.health.com.au
Healthguard	GMF Health	1300 653 099	www.gmfhealth.com.au
Health-Partners	Health Partners Ltd	1300 113 113	www.healthpartners.com.au
HIF	Health Insurance Fund of Australia Ltd	1300 134 060	www.hif.com.au
Latrobe	Latrobe Health Services	1300 362 144	www.latrobehealth.com.au
MDHF	Mildura District Hospital Fund Ltd	03 5023 0269	www.mdhf.com.au
Medibank	Medibank Private Ltd, Australian Health Management	132 331; 134 246	www.medibank.com.au ; www.ahm.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
Phoenix (1)	Phoenix Health Fund	1800 028 817	www.phoenixhealthfund.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
Transport	Transport Health Pty Ltd	1300 806 808	www.transporthealth.com.au
Westfund	Westfund Health Insurance	1300 937 838	www.westfund.com.au

(1) Phoenix was a restricted insurer until 18 May 2015

Table 1b: Restricted Membership Health Funds

ABBREVIATION	FULL NAME OR OTHER NAMES	PHONE NUMBER	WEBSITE
ACA	ACA Health Benefits Fund	1300 368 390	www.acahealth.com.au
CBHS	CBHS Health Fund Ltd	1300 654 123	www.cbhs.com.au
Defence Health	Defence Health Ltd	1800 335 425	www.defencehealth.com.au
Doctors' Health	The Doctors' Health Fund	1800 226 126	www.doctorshealthfund.com.au
Navy	Navy Health Ltd	1300 306 289	www.navyhealth.com.au
Police Health	Police Health	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 Ltd	1800 027 299	www.myrbhs.com.au
Teachers Health	Teachers Health Fund	1300 728 188	www.teachershealth.com.au
TUH	Teachers' Union Health Fund	1300 360 701	www.tuh.com.au

SERVICE PERFORMANCE

The level of complaints that the PHIO receives about a fund, relative to its market share, is a reasonable indicator of the service performance of most funds.

Whether a fund can attract new members and, more importantly, retain members is also an indicator of member satisfaction.

Member Retention

The member retention indicator is used as one measure of the comparative effectiveness of health funds and their level 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 APRA.

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 2014 to 30 June 2015. 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 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.

Complaints percentage compared to Market Share percentage

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 2015) 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 market share, it indicates that members of that fund are more likely to complain than the average of all fund members.

The table also indicates what percentage of Benefit and Service complaints are received about each fund:

Benefit 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 is a measure of how many complaints required a higher level of intervention from the Ombudsman. Most complaints to the Ombudsman can be finalised by referring the matter to fund staff to resolve, or by PHIO staff providing information to the complainant. Complaints which fund staff have not been able to resolve to a member's satisfaction are investigated by the Ombudsman's office – so 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. The Code deals with the quality of advice provided to consumers, and 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 2016).

For more information about the Code of Conduct, please see: <http://www.privatehealthcareaustralia.org.au/codeofconduct/>

Table 2a: Membership Retention and Complaints

FUND NAME (ABBREVIATED)	MEMBER RETENTION (HOSPITAL COVER)	MEMBERSHIP CHANGE ¹ % (NUMBER)	COMPLAINTS % COMPARED TO MARKET SHARE %				CODE OF CONDUCT MEMBER	
			MARKET SHARE	BENEFITS	SERVICE	ALL COMPLAINTS		COMPLAINTS INVESTIGATED
OPEN MEMBERSHIP FUNDS								
Australian Unity	80.9%	-0.7% (-1417)	3.1%	6.2%	7.0%	5.8%	3.4%	Yes
BUPA	86.6%	2.7% (44744)	26.8%	29.7%	28.0%	27.6%	25.9%	Yes
CUA Health	84.8%	14.2% (4634)	0.6%	0.2%	1.1%	0.5%	0.7%	Yes
GMHBA	75.9%	5.4% (6547)	2.0%	1.4%	1.4%	1.2%	1.0%	Yes
HBF	90.5%	1.6% (7545)	7.4%	2.7%	3.7%	2.7%	2.4%	Yes
HCF	84.9%	-0.1% (-466)	10.5%	10.7%	10.4%	14.9%	18.9%	Yes
Health.com.au	69.1%	23% (7281)	0.6%	1.9%	2.4%	2.0%	4.1%	No
Healthguard	77.2%	7.6% (2469)	0.5%	0.1%	0.4%	0.4%	0.3%	Yes
Health-Partners	89.4%	2.2% (838)	0.6%	0.0%	0.0%	0.1%	0.3%	Yes
HIF	66.0%	25.8% (11330)	0.9%	0.5%	0.9%	0.7%	0.5%	Yes
Latrobe	75.7%	2.9% (1196)	0.7%	0.7%	0.2%	0.5%	0.0%	Yes
Medibank	83.8%	0.9% (16018)	28.6%	29.6%	35.2%	27.8%	27.8%	Yes
NIB	81.3%	4.7% (23103)	7.9%	10.7%	4.8%	10.8%	9.5%	Yes
Westfund	89.5%	-1.8% (-839)	0.7%	0.3%	0.2%	0.3%	0.2%	Yes
RESTRICTED MEMBERSHIP FUNDS								
CBHS	92.8%	5.9% (4883)	1.4%	0.7%	1.1%	1.0%	0.9%	Yes
Defence Health	91.1%	6.0% (6446)	1.8%	0.7%	0.9%	0.6%	0.3%	Yes
Teachers Health	93.5%	6.5% (8092)	2.0%	1.6%	0.7%	1.2%	0.5%	Yes

¹ The industry experienced a growth of 2.5% or 158,083 memberships overall.

Table 2b: Smaller Funds (less than 0.5% National Market Share)

FUND NAME (ABBREVIATED)	MEMBER RETENTION (HOSPITAL COVER)	MEMBERSHIP CHANGE % (NUMBER)	NUMBER COMPLAINTS RECEIVED	BELOW MARKET SHARE?	NUMBER COMPLAINTS INVESTIGATED	BELOW MARKET SHARE?	CODE OF CONDUCT MEMBER
OPEN MEMBERSHIP FUNDS							
CDH	89.5%	-1.2% (-33)	1	Yes	0	Yes	No
GU Corporate	62.4%	3.9% (1050)	20	No	4	No	Yes
HCI	91.0%	6.9% (287)	3	Yes	0	Yes	Yes
MDHF	90.2%	2.2% (321)	0	Yes	0	Yes	No
Onemedifund	92.5%	2.6% (147)	0	Yes	0	Yes	Yes
Peoplecare	84.3%	1.3% (410)	10	Yes	1	Yes	Yes
Phoenix	90.4%	6.2% (416)	2	Yes	0	Yes	Yes
QCH	86.5%	8.7% (1608)	3	Yes	1	Yes	Yes
St. Lukes	88.5%	5.9% (1445)	4	Yes	0	Yes	Yes
Transport	75.2%	44.2% (2128)	5	Yes	1	No	Yes
RESTRICTED MEMBERSHIP FUNDS							
ACA	93.0%	0.7% (35)	1	Yes	0	Yes	Yes
Doctors' Health	87.4%	11.3% (1322)	5	Yes	0	Yes	Yes
Navy Health	88.6%	6.3% (1099)	1	Yes	0	Yes	Yes
Police Health	90.8%	2.8% (540)	5	Yes	3	No	Yes
RT Health Fund	89.0%	-0.3% (-59)	9	Yes	4	No	Yes
Reserve Bank	90.5%	8.1% (174)	1	Yes	0	Yes	Yes
TUH	90.6%	12.1% (3435)	9	Yes	4	No	Yes

¹ The industry experienced a growth of 2.5% or 158,083 memberships overall.

HOSPITAL

This table provides a general comparison of health insurance for private hospital treatment. A higher percentage indicates that, on average, the fund's members are covered for a higher proportion of hospital charges.

It's important to remember most funds offer a choice of different policies – the percentages indicated in this table aren't indicative of any single policy, but are an average of all policies offered by the fund.

Hospital policies

This table provides a general comparison of health insurance for private hospital treatment (hospital policies) provided by each fund.

Hospital policies provide benefits towards the following costs if you elect to be a private patient in a private or public hospital:

- hospital fees for accommodation, operating theatre charges and other charges raised by the hospital;
- the costs of drugs or prostheses required for hospital treatment; and
- fees charged by doctors (surgeons, anaesthetists, pathologists, etc) for in-hospital treatment.

Most funds offer a range of different policies providing hospital cover. These policies may differ on the basis of the range of treatments that are covered, to what extent those treatments are covered, the level of excess or co-payments you may be required to pay if you go to hospital, and the price and discounts available to you.

Hospital Charges Covered

This column indicates the proportion of total charges associated with treatment of private patients covered by each fund's benefits. This includes charges for hospital accommodation, theatre costs, prostheses and specialist fees (not including the Medicare benefit), excesses or co-payments and associated benefits.

The figures shown are average outcomes across all of each fund's hospital policies. Higher cost policies will generally cover a greater proportion of charges than indicated by this average. Cheaper policies, including those with higher excesses or co-payments, may cover less.

The use of an average figure applying across all of each fund's policies will mean that funds with a high proportion of their membership in lower cost/restricted and excluded benefit policies will have a lower average figure.

Information is not provided for some funds in some states, where there were insufficient numbers reported to APRA – generally this occurs in states where the fund does not have a large membership.

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

Additional Information

The separate *Health Fund Operations by State or Territory* tables in this Report include information on the number of "agreement hospitals" under contract to each fund in each state.

For additional information on the medical gap benefits provided through hospital policies, please refer to the separate *Medical Gap Schemes* section.

The PHIO brochure 'Health Insurance Choice: Selecting a Health Insurance Policy' includes important advice on what to consider and what questions to ask when selecting a hospital cover policy. It also includes information on government incentives relating to hospital policies such as the 'Medicare Levy Surcharge Exemption' and 'Lifetime Health Cover'. The brochure is available on www.ombudsman.gov.au or by phoning 1300 362 072.

PHIO Consumer Website

The www.privatehealth.gov.au website provides information about all private health insurance policies available in Australia, including benefits, prices and agreement hospitals for each health fund.

Table 3 Hospital

FUND NAME (ABBREVIATED)	% HOSPITAL RELATED CHARGES COVERED ¹							
	ACT	NSW	VIC	QLD	SA	WA	TAS	NT
OPEN MEMBERSHIP FUNDS								
Australian Unity	79.8%	88.3%	92.1%	89.7%	91.7%	88.0%	90.1%	90.6%
BUPA	81.4%	88.8%	93.6%	90.9%	95.5%	88.5%	93.8%	88.4%
CDH	n/a	96.7%	93.7%	93.9%	92.4%	79.1%	90.1%	n/a
CUA Health	81.8%	90.1%	91.2%	93.1%	89.5%	90.3%	92.8%	75.2%
GMHBA	73.1%	82.7%	92.3%	84.9%	86.6%	88.7%	89.1%	87.7%
GU Corporate	83.6%	86.3%	90.4%	87.5%	89.3%	87.3%	87.0%	94.5%
HBF	86.1%	88.8%	92.6%	90.6%	96.0%	95.7%	95.5%	89.3%
HCF	87.1%	92.4%	94.4%	92.2%	96.7%	91.2%	94.9%	91.3%
HCI	91.5%	95.3%	93.3%	94.4%	88.4%	95.0%	94.5%	96.1%
Health.com.au	77.1%	82.6%	86.1%	85.9%	88.6%	83.0%	84.9%	83.5%
Healthguard	80.3%	92.1%	95.8%	95.4%	94.8%	94.4%	96.8%	97.8%
Health-Partners	78.3%	93.9%	91.7%	94.4%	95.5%	90.9%	94.8%	81.7%
HIF	71.7%	83.1%	91.1%	89.5%	94.0%	91.9%	94.6%	84.0%
Latrobe	73.5%	87.2%	93.0%	87.6%	92.8%	87.2%	91.5%	86.0%
MDHF	91.5%	92.4%	92.9%	89.4%	91.5%	95.5%	92.0%	91.7%
Medibank	83.0%	89.6%	93.3%	90.4%	94.0%	91.2%	93.5%	87.8%
NIB	73.5%	86.3%	84.3%	82.6%	89.0%	82.2%	88.3%	78.4%
Onemedifund	100.0%	92.6%	93.7%	93.5%	96.8%	93.1%	97.1%	n/a
Peoplecare	82.7%	90.0%	92.3%	88.3%	93.9%	90.3%	91.5%	54.6%
Phoenix	85.5%	96.1%	96.0%	95.3%	98.0%	95.0%	99.4%	96.9%
QCH	80.6%	94.5%	93.6%	88.7%	94.1%	88.7%	93.1%	87.8%
St. Lukes	87.4%	92.3%	93.7%	78.5%	95.4%	86.4%	94.6%	96.4%
Transport	n/a	93.3%	95.6%	88.6%	96.9%	71.9%	n/a	n/a
Westfund	86.2%	93.1%	95.1%	91.2%	96.1%	90.9%	96.9%	95.3%
RESTRICTED MEMBERSHIP FUNDS								
ACA	87.9%	94.4%	93.8%	96.5%	95.3%	96.4%	91.3%	100.0%
CBHS	84.6%	90.2%	94.4%	93.1%	96.2%	93.6%	95.0%	92.3%
Defence Health	83.9%	90.6%	94.3%	92.4%	94.8%	92.2%	93.3%	90.4%
Doctors' Health	91.1%	93.5%	93.8%	93.8%	93.7%	92.8%	92.7%	95.5%
Navy Health	86.7%	92.5%	93.7%	92.2%	96.3%	93.3%	95.9%	85.0%
Police Health	59.9%	80.9%	95.3%	92.6%	98.3%	92.5%	96.3%	92.2%
RT Health Fund	86.3%	93.5%	95.5%	93.2%	96.1%	88.1%	97.2%	89.9%
Reserve Bank	95.0%	91.8%	97.4%	94.7%	94.1%	96.1%	99.4%	n/a
Teachers Health	83.3%	91.7%	93.6%	93.3%	94.9%	91.3%	94.1%	90.1%
TUH	84.9%	93.9%	95.5%	92.5%	93.0%	95.0%	95.2%	88.6%

¹ Includes charges for hospital accommodation, theatre costs, prostheses and specialist fees (not including the Medicare benefit) and associated benefits (after any excesses and co-payments are deducted).

Note: n/a signifies no activity in that state. 100% is likely to indicate small numbers (eg. only 1 episode).

MEDICAL GAP SCHEMES

Medical gap schemes are designed to eliminate or reduce the out-of-pocket costs incurred by you for in-hospital medical services. If a service is 'no gap,' it means no cost was incurred by the patient as the full cost was covered by Medicare and the health fund. A reduced cost is incurred by the patient for a 'known gap' service.

If a health fund has a higher percentage of services covered at no gap than other funds, it indicates the fund has a more effective gap scheme in that state. The figures provided are averages – it is no guarantee that a particular doctor will choose to use the fund's gap scheme.

Fund Gap Schemes and Agreements

Doctors are free to decide whether or not to use a particular fund's gap cover arrangements for each individual patient. 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.

Most differences are due to the level of doctor's fees, which vary significantly between different states, and between regional areas and capital cities. 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 Medicare Benefits Schedule fee, there will be no gap to the fund member.

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.

Information is not provided for some funds in some states, as the numbers are not reported to APRA for states in which the fund does not have a sufficiently large membership (in which case, these figures are included with figures for the state in which a fund has the largest number of members).

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 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.

Percentage of Services With No Gaps – The proportion of services for which a gap is not payable by the patient after the impact of fund benefits, schemes and agreements.

Percentage 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 fund pays an additional benefit on the understanding that the provider advises the patient of costs upfront.

These tables take into account all of the fund's policies. The information in the tables is not indicative of any individual policy offered by the fund but is an average for the total fund membership.

"Access Gap" Participants

The Access Gap scheme is the medical gap 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 into account any Medical Purchaser Provider Agreements (contracts with diagnostic services providers) established by the AHSA for participant funds.

ACCESS GAP PARTICIPANTS

ACA	Doctors Health	HIF	Police Health	Transport
AU	GU Corporate	Navy	QCH	TUH
CBHS	HCI	Onemedifund	Reserve Bank	Westfund
CUA Health	Health.com.au	Peoplecare	RT Health Fund	
Defence Health	Health Partners	Phoenix	Teachers	

Table 4a: Medical services with no gap

FUND OR GAP SCHEME	ACT	NSW	VIC	QLD	SA	WA	TAS	NT
% OF SERVICES WITH NO GAP								
BUPA	77.1%	86.7%	89.8%	86.4%	89.6%	79.8%	88.3%	78.0%
CDH	n/a	90.7%	65.9%	82.1%	56.4%	35.0%	74.4%	n/a
GMHBA	57.9%	72.2%	83.3%	71.1%	70.2%	64.1%	74.1%	54.8%
HBF	56.5%	68.7%	58.7%	65.1%	70.6%	86.1%	65.2%	59.4%
HCF	88.9%	95.2%	98.3%	97.0%	99.7%	95.6%	99.1%	96.1%
Latrobe	42.3%	78.8%	86.0%	79.1%	78.0%	58.1%	77.7%	82.6%
MDHF	76.9%	78.1%	81.7%	65.2%	68.5%	81.8%	84.1%	47.6%
Medibank	76.0%	87.2%	86.7%	84.2%	88.9%	75.0%	88.4%	74.5%
NIB	62.2%	86.8%	84.4%	78.0%	86.9%	72.5%	86.8%	75.6%
St Lukes	84.7%	81.2%	81.8%	78.5%	83.6%	56.6%	91.5%	84.6%
Access Gap Participants ¹	78.5%	91.7%	95.0%	91.8%	94.0%	87.6%	92.4%	86.2%
TOTAL / INDUSTRY OUTCOME	77.6%	89.6%	89.5%	86.9%	90.8%	83.4%	89.3%	77.5%

Table 4b: Medical services with no gap or where known gap payment made

FUND OR GAP SCHEME	ACT	NSW	VIC	QLD	SA	WA	TAS	NT
% OF SERVICES WITH NO GAP								
BUPA	83.5%	88.7%	92.0%	88.5%	93.8%	82.7%	92.0%	82.1%
CDH	n/a	98.6%	95.3%	94.7%	84.0%	90.0%	93.0%	n/a
GMHBA	68.7%	83.9%	93.6%	81.6%	90.9%	78.5%	90.9%	91.7%
HBF	86.2%	89.4%	91.0%	87.7%	94.4%	99.4%	93.4%	93.5%
HCF	88.9%	95.2%	98.3%	97.0%	99.7%	95.6%	99.1%	96.1%
Latrobe	88.6%	96.6%	99.0%	97.8%	93.2%	90.5%	97.5%	100.0%
MDHF	100.0%	95.1%	96.1%	84.3%	89.8%	84.1%	100.0%	90.5%
Medibank	86.7%	91.5%	92.9%	88.9%	98.6%	84.0%	93.5%	91.4%
NIB	62.2%	86.8%	84.4%	78.0%	86.9%	72.5%	86.8%	75.6%
St Lukes	89.1%	85.4%	85.9%	81.6%	90.5%	64.2%	97.9%	100.0%
Access Gap Participants ¹	91.1%	95.2%	98.5%	95.8%	99.3%	93.6%	98.0%	94.4%
TOTAL / INDUSTRY OUTCOME	84.8%	91.7%	94.0%	90.2%	95.9%	94.2%	94.1%	87.9%

¹ Access Gap Participants are listed above. Not all Access Gap funds offer gap cover for all provider arrangements in the Access Gap Scheme. This table shows the average for the listed health funds, but individual results vary.

Note: n/a indicates no data was available.

GENERAL TREATMENT [EXTRAS]

General Treatment or Extras policies provide benefits towards a range of out-of-hospital health services. The most commonly included services are dental, optical, physiotherapy and non-Pharmaceutical Benefits Scheme prescription medicines.

The first table shows the average proportion of service charges covered by each fund for all their policies and services. The second table shows the information according to the service being covered. Generally, higher-cost policies cover a higher proportion of charges.

General Treatment

General Treatment policies, also known as “Ancillary” or “Extras”,⁴ provide benefits towards 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.

Percentage of Charges Covered, All Services, By State

This column indicates what proportion of total charges, associated with general treatment services, is covered by each fund's benefits. This averages outcomes across all of each fund's general treatment policies and services. Higher cost policies will generally cover a greater proportion of charges than indicated by this average, while cheaper policies may cover less.

Average 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 general treatment policies. This is intended to provide a broad comparative indicator of fund general treatment 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 a general treatment 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 general treatment policies but offer this as a component of hospital cover. These funds show as 'n/a' under the ambulance column. Most ambulance services in Queensland and Tasmania are provided free to residents of those states.

Preferred Providers

Many funds establish “preferred provider” or “participating provider” arrangements with some suppliers of 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 in your area.

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.

Additional Information

The PHIO brochure 'Health Insurance Choice: Selecting a Health Insurance Policy' includes important advice on what to consider and what questions to ask when selecting a general treatment policy. The brochure is available on www.ombudsman.gov.au or by phoning 1300 362 072.

PHIO's consumer website www.privatehealth.gov.au website provides information about all private health insurance policies available in Australia, including benefits, prices and which hospitals a health fund has agreements with.

⁴ Also known as “Essentials” cover in Western Australia

Table 5a: General Treatment (extras)

FUND NAME (ABBREVIATED)	% GENERAL TREATMENT (EXTRAS) CHARGES COVERED							
	ACT	NSW	VIC	QLD	SA	WA	TAS	NT
OPEN MEMBERSHIP FUNDS								
Australian Unity	44.8%	47.3%	51.2%	50.7%	53.7%	48.7%	48.3%	50.0%
BUPA	45.2%	49.7%	49.3%	52.8%	54.1%	56.5%	50.6%	52.7%
CDH	43.4%	38.2%	39.5%	23.3%	52.4%	47.5%	35.4%	n/a
CUA Health	48.3%	51.8%	52.1%	51.8%	54.2%	52.9%	52.4%	47.5%
GMHBA	49.9%	55.0%	49.5%	53.7%	55.4%	51.9%	49.3%	53.2%
GU Corporate	74.0%	74.3%	74.7%	72.5%	73.2%	76.6%	75.4%	78.1%
HBF	51.9%	56.3%	57.5%	58.3%	62.0%	56.5%	59.9%	58.9%
HCF	46.2%	50.6%	54.5%	56.0%	59.0%	51.6%	46.4%	47.1%
HCI	43.8%	45.8%	50.6%	48.8%	51.3%	46.8%	48.2%	51.1%
Health.com.au	55.0%	55.6%	56.2%	53.1%	56.4%	56.8%	55.8%	56.0%
Healthguard	42.6%	48.7%	48.7%	48.6%	51.6%	48.1%	50.5%	39.0%
Health-Partners	41.0%	40.0%	45.4%	42.9%	54.9%	44.5%	42.2%	45.1%
HIF	41.1%	48.0%	48.1%	48.5%	53.3%	47.5%	45.7%	47.7%
Latrobe	33.3%	43.5%	37.7%	36.9%	41.9%	39.5%	35.6%	44.6%
MDHF	44.3%	50.9%	52.1%	50.1%	49.6%	50.7%	45.4%	43.1%
Medibank	47.6%	53.7%	54.1%	55.9%	59.1%	57.8%	55.3%	59.5%
NIB	55.1%	54.7%	60.7%	57.5%	61.2%	61.1%	56.3%	60.3%
Onemedifund	39.4%	49.0%	51.0%	49.5%	52.9%	49.6%	49.4%	n/a
Peoplecare	44.4%	52.0%	46.2%	48.4%	51.5%	46.4%	47.7%	47.4%
Phoenix	49.1%	55.7%	55.6%	56.5%	56.8%	54.8%	56.9%	43.3%
QCH	47.8%	50.7%	51.2%	53.8%	57.2%	50.7%	53.4%	43.9%
St. Lukes	51.5%	61.9%	56.6%	56.1%	67.6%	57.3%	57.6%	57.5%
Transport	54.0%	51.5%	59.6%	52.0%	49.5%	47.9%	46.4%	47.4%
Westfund	42.9%	48.0%	46.0%	49.2%	46.2%	44.1%	41.7%	51.3%
RESTRICTED MEMBERSHIP FUNDS								
ACA	61.3%	61.4%	63.1%	64.1%	65.3%	60.3%	59.9%	66.7%
CBHS	46.6%	50.1%	52.5%	53.1%	54.9%	51.2%	51.4%	51.0%
Defence Health	43.2%	47.7%	50.4%	49.7%	53.7%	48.7%	47.7%	47.9%
Doctors' Health	56.4%	53.6%	55.8%	55.5%	59.3%	57.3%	61.5%	61.8%
Navy Health	45.2%	49.8%	54.5%	52.4%	57.3%	52.2%	49.7%	49.6%
Police Health	59.8%	66.7%	68.0%	70.5%	73.8%	71.2%	68.8%	71.6%
RT Health Fund	46.7%	52.5%	49.4%	49.8%	52.5%	48.7%	47.9%	42.2%
Reserve Bank	74.4%	74.4%	77.3%	76.4%	75.6%	80.1%	80.3%	n/a
Teachers Health	43.9%	50.3%	51.7%	50.5%	49.6%	50.2%	50.1%	47.0%
TUH	42.1%	50.0%	48.9%	54.4%	53.0%	49.8%	46.5%	49.3%

Note: n/a indicates no data was available

AVERAGE AMOUNT OF COSTS COVERED BY SERVICE

Table 5b: General Treatment (extras)

OPEN MEMBERSHIP FUNDS													
FUND	DENTAL ¹	OPTICAL ¹	PHYSIOTHERAPY	CHIROPRACTIC	PHARMACY	PODIATRY	NATURAL THERAPIES	AMBULANCE	ACUPUNCTURE	PSYCH/GROUP THERAPY	PREVENTIVE HEALTH	HEARING AIDS & AUDIOLOGY	OCCUPATIONAL THERAPY
Australian Unity	47%	66%	63%	47%	45%	50%	46%	98%	40%	35%	65%	17%	49%
BUPA	53%	56%	52%	53%	37%	48%	39%	100%	44%	42%	28%	20%	35%
CDH	39%	34%	51%	45%	42%	36%	29%	100%	49%	22%	27%	na	51%
CUA Health	54%	60%	44%	45%	21%	46%	39%	100%	41%	38%	46%	53%	41%
GMHBA	51%	59%	44%	49%	42%	49%	42%	89%	44%	42%	27%	21%	42%
GU Corporate	75%	67%	82%	78%	55%	77%	78%	na	77%	76%	54%	23%	88%
HBF	61%	52%	44%	44%	49%	47%	48%	100%	na	40%	78%	29%	49%
HCF	57%	56%	44%	45%	38%	43%	33%	100%	34%	46%	53%	29%	45%
HCI	51%	50%	45%	51%	49%	51%	47%	100%	43%	31%	60%	47%	49%
Health.com.au	54%	47%	62%	63%	22%	61%	62%	100%	60%	54%	n/a	n/a	57%
Healthguard	45%	67%	41%	37%	36%	55%	29%	100%	34%	29%	n/a	18%	42%
Health-Partners	59%	54%	58%	46%	45%	35%	28%	100%	33%	36%	15%	10%	40%
HIF	51%	48%	40%	40%	44%	39%	25%	99%	24%	37%	31%	27%	38%
Latrobe	35%	53%	37%	39%	25%	39%	28%	80%	44%	33%	28%	16%	44%
MDHF	55%	53%	47%	49%	24%	44%	42%	87%	35%	28%	n/a	18%	37%
Medibank	53%	67%	51%	56%	30%	55%	56%	100%	51%	38%	78%	25%	38%
NIB	57%	55%	60%	59%	44%	58%	57%	100%	57%	56%	55%	16%	58%
Onemedifund	52%	54%	44%	48%	41%	49%	42%	100%	41%	45%	72%	30%	44%
Peoplecare	49%	64%	43%	44%	20%	42%	40%	100%	43%	41%	100%	35%	41%
Phoenix	61%	63%	55%	53%	42%	55%	36%	99%	42%	46%	50%	43%	52%
QCH	52%	57%	52%	64%	36%	67%	42%	n/a	48%	49%	60%	46%	42%
St. Lukes	62%	64%	52%	57%	40%	47%	44%	88%	42%	49%	53%	47%	48%
Transport	64%	57%	50%	60%	27%	59%	42%	100%	40%	35%	58%	32%	34%
Westfund	52%	48%	39%	54%	39%	40%	39%	100%	37%	33%	60%	37%	61%

Note: All percentages based on health fund reporting to APRA.

¹ For some funds, the data does not take account of discounts at some providers or fund Dental / Optical centres.

AVERAGE AMOUNT OF COSTS COVERED BY SERVICE

Table 5b: General Treatment (extras)

RESTRICTED MEMBERSHIP FUNDS													
FUND	DENTAL ¹	OPTICAL ¹	PHYSIOTHERAPY	CHIROPRACTIC	PHARMACY	PODIATRY	NATURAL THERAPIES	AMBULANCE	ACUPUNCTURE	PSYCH/GROUP THERAPY	PREVENTIVE HEALTH	HEARING AIDS & AUDIOLOGY	OCCUPATIONAL THERAPY
ACA	65%	73%	48%	54%	48%	74%	40%	99%	40%	50%	na	43%	62%
CBHS	51%	54%	56%	63%	47%	49%	46%	51%	48%	45%	36%	35%	39%
Defence Health	47%	51%	52%	54%	51%	52%	41%	100%	39%	41%	43%	29%	39%
Doctors' Health	58%	58%	53%	na	44%	49%	n/a	n/a	n/a	55%	na	22%	31%
Navy Health	49%	53%	58%	64%	45%	55%	48%	99%	n/a	45%	88%	29%	39%
Police Health	72%	73%	76%	78%	44%	67%	41%	100%	74%	77%	n/a	30%	68%
RT Health Fund	47%	64%	58%	58%	43%	55%	41%	96%	58%	28%	n/a	33%	34%
Reserve Bank	75%	75%	76%	78%	60%	85%	77%	100%	74%	82%	100%	70%	66%
Teachers Health	52%	52%	49%	62%	41%	57%	49%	100%	46%	44%	42%	37%	65%
TUH	58%	53%	47%	56%	37%	64%	50%	100%	48%	44%	52%	41%	40%

Note: All percentages based on health fund reporting to APRA.

¹ For some funds, the data does not take account of discounts at some providers or fund Dental / Optical centres.

FINANCES AND COSTS

All health funds are required to meet financial management standards to ensure their members' contributions are protected. Generally, funds aim to set premium levels so their income from contributions covers the expected cost of benefits plus the fund's administration costs.

The percentage of contribution income which goes towards administration and management expenses is a key measure of fund efficiency.

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 *Private Health Insurance (Prudential Regulation) Act 2015* (the Prudential Regulation Act) ensures that private health insurers must comply with prudential standards made by APRA, and with directions given by APRA. APRA has monitoring and investigative powers in relation to private health insurers in order to monitor the financial performance of the funds and ensure that they meet prudential requirements.

APRA produces an annual publication providing financial and operational statistics for the funds for each financial year.⁵ Information included in the Financial Performance table is drawn from data collected by APRA for that purpose.

Premium Increases

Under the Act, health funds require the approval of the Minister for Health before they can raise their premiums. This ensures there is rigorous scrutiny of all premium increase applications each year.

The Minister assesses premium applications to ensure proposed increases are kept to the minimum necessary.

This takes into consideration fund solvency requirements, forecast benefit payments and prudential requirements, while also ensuring the affordability and value of private health insurance as a product.

Benefits as a percentage 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 items such as rent, staff salaries, and marketing costs.

As a percentage 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 than 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.

⁵ The "Operations of the Private Health Insurers" report is available on the APRA website: www.apra.gov.au

Surplus (-Loss) from health insurance

The surplus or loss (indicated as a negative figure) made by the fund in 2014-2015 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 percentage 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 percentage 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 Fund

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

Table 6: Finances and Costs

FUND NAME (ABBREVIATED)	BENEFITS AS % CONTRIBUTIONS	MANAGEMENT EXPENSES		SURPLUS (-LOSS) FROM HEALTH INSURANCE	OVERALL PROFIT (- LOSS) AS % TOTAL REVENUE	NOT FOR PROFIT FUND
		AS % OF CONTRIBUTION INCOME	PER AVERAGE POLICY			
OPEN MEMBERSHIP FUNDS						
Australian Unity	84.3%	10.0%	\$319	5.7%	5.3%	No
BUPA	85.3%	8.2%	\$277	6.5%	5.5%	No
CDH	98.6%	11.2%	\$407	-9.8%	-3.5%	Yes
CUA Health	87.4%	10.1%	\$316	2.5%	2.1%	No
GMHBA	86.5%	10.0%	\$293	3.5%	6.0%	Yes
GU Corporate	82.1%	15.1%	\$771	2.8%	4.2%	No
HBF	88.4%	10.8%	\$298	0.8%	5.4%	Yes
HCF	90.2%	7.0%	\$244	2.8%	6.3%	Yes
HCI	91.4%	13.1%	\$480	-4.4%	-1.6%	Yes
Health.com.au	92.6%	5.8%	\$162	-0.9%	-0.2%	No
Healthguard	88.4%	10.2%	\$344	1.3%	5.8%	Yes
Health-Partners	92.5%	9.9%	\$325	-2.5%	2.4%	Yes
HIF	88.4%	16.7%	\$432	-5.1%	-0.9%	Yes
Latrobe	89.8%	9.3%	\$302	0.9%	4.6%	Yes
MDHF	91.0%	8.4%	\$210	0.6%	6.9%	Yes
Medibank	86.4%	8.2%	\$260	5.4%	5.3%	No
NIB	86.7%	8.2%	\$237	5.1%	5.1%	No
Onemedifund	76.5%	7.7%	\$361	15.8%	12.1%	No
Peoplecare	86.7%	8.7%	\$317	4.7%	7.1%	Yes
Phoenix	91.9%	9.5%	\$394	-1.4%	0.9%	Yes
QCH ¹	84.9%	10.2%	\$435	5.0%	3.8%	Yes
St. Lukes	91.2%	10.7%	\$391	-2.0%	1.8%	Yes
Transport	87.8%	10.0%	\$332	2.2%	3.8%	No
Westfund	86.8%	12.6%	\$423	0.6%	2.5%	Yes
RESTRICTED MEMBERSHIP FUNDS						
ACA	89.1%	9.5%	\$449	1.4%	4.2%	Yes
CBHS	91.8%	6.7%	\$253	1.6%	5.1%	Yes
Defence Health	95.2%	6.1%	\$206	-1.3%	5.4%	Yes
Doctors' Health	82.1%	11.4%	\$524	6.6%	6.5%	No
Navy Health	93.6%	9.9%	\$351	-3.4%	1.2%	Yes
Police Health	87.4%	6.7%	\$337	5.9%	7.8%	Yes
RT Health Fund	84.6%	12.2%	\$512	3.3%	2.3%	Yes
Reserve Bank	86.0%	12.0%	\$653	2.0%	4.8%	Yes
Teachers' Health	90.2%	7.0%	\$266	2.8%	5.5%	Yes
TUH	95.5%	9.2%	\$396	-4.7%	-2.8%	Yes

¹ QCH was non-profit during the 2014-15 reporting period. From 1 January 2016, QCH is for-profit.

HEALTH FUND OPERATIONS BY STATE OR TERRITORY

Some funds have little presence in most states but may have a large market share in one state or territory. Every fund will still have agreements with hospitals throughout Australia even if they don't have a local branch network or a significant proportion of policy holders in each state. Australian health insurance policies are usually priced according to the policy holder's state of residence, but the benefits extend nation-wide.

Health Fund Operations by State or 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 policies 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 area.

Most fund websites allow members to view fund information, join or change their policy and submit claims. Links to all health fund websites are available at www.privatehealth.gov.au.

Percentage Market Share

This column indicates how much of the total health insurance business within each state or 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 or 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 policies (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 policies 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 Hospitals⁶

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 or internet).⁷

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 or similar extra costs.

⁶ According to www.privatehealth.gov.au, 27 January 2016

⁷ These agreements do not apply to fees charged by private doctors for in-hospital treatment; these medical fees may be covered by a fund's medical gap scheme arrangements.

Fund Outlets – Retail Offices and Agencies

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

- receive advice about the range of policies and services provided by the fund;
- obtain a quote for any of the fund's policies;
- obtain and lodge an application to join any of the fund's policies;
- obtain a "cover note" if necessary;
- make a personal inquiry about their membership (contributions, payment arrangements, benefits); and
- make a claim for any ancillary benefits payable on a "refund" basis and have that claim processed and/or paid.

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 indicates whether the fund operates retail offices and/or agencies in the state or territory.

HEALTH FUND OPERATIONS BY STATE OR TERRITORY

Table 7a: New South Wales

FUND NAME (ABBREVIATED)	% FUND MARKET SHARE THIS STATE	% FUND'S MEMBERSHIP IN THIS STATE	AGREEMENT HOSPITALS ¹		FUND OUTLETS	
			PRIVATE HOSPITALS	PRIVATE DAY HOSPITALS	RETAIL OFFICES	AGENCIES
OPEN MEMBERSHIP FUNDS						
Australian Unity	1.8%	19.3%	94	85		
BUPA	25.1%	30.6%	85	74	Yes	
CDH	0.1%	89.6%	72	32	Yes	
CUA Health	0.4%	23.4%	94	87	Yes	
GMHBA	0.7%	11.4%	89	84		
GU Corporate	0.6%	45.6%	94	86		
HBF	0.2%	0.8%	96	86		
HCF	20.2%	62.9%	82	85	Yes	
HCI	0.0%	4.1%	82	73		
Health.com.au	0.7%	36.4%	84	78		
Healthguard	0.2%	14.4%	96	86		Yes
Health-Partners	0.0%	0.8%	81	78		
HIF	0.3%	10.1%	96	86		
Latrobe	0.1%	7.0%	74	51		
MDHF	0.1%	10.5%	73	48		Yes
Medibank	24.5%	28.0%	86	74	Yes	Yes
NIB	13.9%	57.5%	86	77	Yes	
Onemedifund	0.1%	40.4%	97	86	Yes	
Peoplecare	0.7%	47.6%	91	86	Yes	
Phoenix	0.2%	50.1%	92	91	Yes	
QCH	0.0%	1.5%	82	76		
St Lukes	0.0%	2.9%	76	52		
Transport	0.0%	12.1%	79	70		
Westfund	1.4%	62.0%	97	86	Yes	
RESTRICTED MEMBERSHIP FUNDS						
ACA	0.1%	58.8%	79	70	Yes	
CBHS	1.8%	44.2%	79	70		
Defence Health	1.0%	17.7%	94	85		Yes
Doctors' Health	0.2%	39.4%	97	86	Yes	
Navy Health	0.3%	30.8%	90	82		
Police	0.0%	1.0%	88	77		
RT Health Fund	0.6%	52.9%	83	79	Yes	
Reserve Bank	0.1%	60.0%	97	86	Yes	
Teachers Health	4.5%	71.4%	97	86	Yes	
TUH	0.0%	1.5%	79	70		

¹ Hospital data sourced from Privatehealth.gov.au, at 27 January 2016

HEALTH FUND OPERATIONS BY STATE OR TERRITORY

Table 7b: Victoria

FUND NAME (ABBREVIATED)	% FUND MARKET SHARE THIS STATE	% FUND'S MEMBERSHIP IN THIS STATE	AGREEMENT HOSPITALS PRIVATE HOSPITALS	HOSPITALS PRIVATE DAY HOSPITALS	FUND OUTLETS RETAIL OFFICES	AGENCIES
OPEN MEMBERSHIP FUNDS						
Australian Unity	8.1%	61.8%	75	73	Yes	
BUPA	24.3%	21.3%	74	56	Yes	
CDH	0.0%	3.9%	71	46		
CUA Health	0.4%	14.5%	77	70	Yes	Yes
GMHBA	5.7%	67.2%	76	67	Yes	Yes
GU Corporate	0.4%	20.2%	77	70		
HBF	0.3%	1.0%	75	73		
HCF	6.8%	15.2%	67	50	Yes	
HCI	0.1%	17.7%	74	53		
Health.com.au	0.8%	31.2%	71	64		
Healthguard	0.6%	27.7%	75	73		
Health-Partners	0.1%	2.0%	74	61		
HIF	0.5%	12.6%	78	70		
Latrobe	2.5%	88.9%	73	67	Yes	Yes
MDHF	0.8%	85.5%	73	59	Yes	Yes
Medibank	35.2%	28.9%	66	54	Yes	
NIB	6.5%	19.4%	67	53	Yes	
Onemedifund	0.1%	24.7%	76	73		
Peoplecare	0.6%	30.4%	76	73	Yes	
Phoenix	0.1%	15.6%	77	71		
QCH	0.0%	0.9%	75	58		
St Lukes	0.1%	4.5%	76	62		
Transport	0.3%	73.8%	72	51	Yes	
Westfund	0.0%	0.8%	76	73		
RESTRICTED MEMBERSHIP FUNDS						
ACA	0.0%	12.7%	72	51		
CBHS	1.5%	25.2%	72	51		
Defence Health	2.2%	30.1%	77	70	Yes	Yes
Doctors' Health	0.3%	31.1%	76	73		
Navy Health	0.3%	26.4%	76	69	Yes	
Police	0.0%	1.2%	72	63		
RT Health Fund	0.1%	9.5%	74	64		
Reserve	0.0%	23.4%	76	73		
Teachers Health	1.2%	13.5%	76	73	Yes	
TUH	0.0%	0.9%	72	51		

HEALTH FUND OPERATIONS BY STATE OR TERRITORY

Table 7c: Queensland

FUND NAME (ABBREVIATED)	% FUND MARKET SHARE THIS STATE	% FUND'S MEMBERSHIP IN THIS STATE	AGREEMENT HOSPITALS		FUND OUTLETS	
			PRIVATE HOSPITALS	PRIVATE DAY HOSPITALS	RETAIL OFFICES	AGENCIES
OPEN MEMBERSHIP FUNDS						
Australian Unity	2.0%	11.4%	50	42		
BUPA	33.2%	22.2%	49	33	Yes	
CDH	0.0%	4.4%	39	23		
CUA Health	1.9%	57.4%	49	41	Yes	Yes
GMHBA	1.2%	10.6%	51	42		
GU Corporate	0.3%	13.5%	50	41		
HBF	0.3%	0.6%	51	42		
HCF	6.9%	11.7%	47	34	Yes	
HCI	0.0%	5.8%	52	34		
Health.com.au	0.7%	20.2%	44	38		
Healthguard	0.2%	6.0%	51	42		
Health-Partners	0.0%	1.2%	51	41		
HIF	0.4%	9.3%	52	41		
Latrobe	0.1%	2.4%	49	28		
MDHF	0.0%	1.4%	45	29		
Medibank	34.7%	21.6%	52	35	Yes	Yes
NIB	5.5%	12.4%	44	37	Yes	
Onemedifund	0.1%	12.7%	51	42		
Peoplecare	0.3%	11.1%	51	42		
Phoenix	0.1%	14.2%	49	41		
QCH	1.7%	96.1%	53	47	Yes	Yes
St Lukes	0.1%	2.8%	44	32		
Transport	0.1%	11.1%	46	34		
Westfund	1.4%	35.2%	51	42	Yes	
RESTRICTED MEMBERSHIP FUNDS						
ACA	0.1%	18.3%	46	36		
CBHS	1.2%	15.8%	46	34		
Defence Health	2.9%	29.2%	50	41		Yes
Doctors' Health	0.2%	21.1%	51	42		
Navy Health	0.3%	18.1%	49	40		
Police Health	0.6%	35.7%	47	39		
RT Health Fund	0.7%	34.3%	48	40	Yes	
Reserve Bank	0.0%	6.9%	51	42		
Teachers Health	0.3%	2.8%	51	42		
TUH	2.7%	96.8%	46	34	Yes	

HEALTH FUND OPERATIONS BY STATE OR TERRITORY

Table 7d: South Australia

FUND NAME (ABBREVIATED)	% FUND MARKET SHARE THIS STATE	% FUND'S MEMBERSHIP IN THIS STATE	AGREEMENT HOSPITALS PRIVATE HOSPITALS	HOSPITALS PRIVATE DAY HOSPITALS	FUND OUTLETS RETAIL OFFICES	AGENCIES
OPEN MEMBERSHIP FUNDS						
Australian Unity	1.4%	3.5%	26	24		
BUPA	51.6%	14.9%	27	20	Yes	
CDH	0.0%	1.1%	21	7		
CUA Health	0.1%	1.1%	27	22		
GMHBA	0.4%	1.5%	29	23		
GU Corporate	0.1%	1.7%	27	24		
HBF	0.2%	0.2%	26	25		
HCF	5.4%	4.0%	25	18	Yes	
HCI	0.01%	1.3%	28	21		
Health.com.au	0.2%	2.5%	28	23		
Healthguard	0.1%	1.2%	26	25		
Health-Partners	7.5%	95.0%	28	23	Yes	Yes
HIF	0.3%	2.4%	28	25		
Latrobe	0.0%	0.5%	23	14		
MDHF	0.1%	2.0%	22	14		
Medibank	23.0%	6.2%	27	19	Yes	
NIB	2.6%	2.5%	25	21		
Onemedifund	0.1%	5.4%	26	25		
Peoplecare	0.4%	5.8%	26	25		
Phoenix	0.2%	15.1%	28	25		
QCH	0.0%	0.3%	28	21		
St Lukes	0.1%	1.7%	22	15		
Transport	0.0%	1.1%	28	20		
Westfund	0.0%	0.5%	26	25		
RESTRICTED MEMBERSHIP FUNDS						
ACA	0.0%	3.4%	28	21		
CBHS	0.9%	4.8%	28	20		
Defence Health	1.9%	8.4%	27	24		Yes
Doctors' Health	0.1%	2.9%	26	25		
Navy Health	0.2%	5.4%	28	23		
Police Health	1.5%	37.5%	28	23	Yes	
RT Health Fund	0.1%	1.1%	28	22		
Reserve Bank	0.0%	3.8%	26	25		
Teachers Health	1.6%	5.9%	26	24		
TUH	0.0%	0.1%	28	20		

HEALTH FUND OPERATIONS BY STATE OR TERRITORY

Table 7e: Western Australia

FUND NAME (ABBREVIATED)	% FUND MARKET SHARE THIS STATE	% FUND'S MEMBERSHIP IN THIS STATE	AGREEMENT HOSPITALS PRIVATE HOSPITALS	HOSPITALS PRIVATE DAY HOSPITALS	FUND OUTLETS RETAIL OFFICES	AGENCIES
OPEN MEMBERSHIP FUNDS						
Australian Unity	0.5%	2.3%	19	22		
BUPA	10.7%	5.3%	18	15	Yes	
CDH	0.0%	0.4%	16	8		
CUA Health	0.1%	2.3%	19	23	Yes	
GMHBA	1.0%	7.1%	17	21		
GU Corporate	0.5%	16.8%	19	23		
HBF	53.2%	97.0%	18	21	Yes	Yes
HCF	2.1%	2.7%	17	9		
HCI	0.0%	1.2%	17	12		
Health.com.au	0.3%	6.0%	17	19		
Healthguard	2.0%	48.9%	20	23	Yes	Yes
Health-Partners	0.0%	0.5%	19	12		
HIF	4.1%	64.3%	18	23	Yes	Yes
Latrobe	0.0%	0.4%	18	14		
MDHF	0.0%	0.3%	18	13		
Medibank	20.6%	9.6%	20	16	Yes	Yes
NIB	2.2%	3.6%	18	15	Yes	
Onemedifund	0.1%	11.4%	20	23		
Peoplecare	0.1%	3.2%	20	23		
Phoenix	0.0%	3.8%	18	21		
QCH	0.0%	0.7%	16	16		
St Lukes	0.0%	0.6%	21	13		
Transport	0.0%	1.0%	16	11		
Westfund	0.0%	0.6%	20	23		
RESTRICTED MEMBERSHIP FUNDS						
ACA	0.0%	4.7%	16	11		
CBHS	0.7%	6.8%	16	11		
Defence Health	0.6%	4.5%	19	23		Yes
Doctors' Health	0.0%	2.0%	20	23		
Navy Health	0.2%	8.0%	18	22		
Police Health	0.3%	14.1%	17	21		
RT Health Fund	0.0%	1.1%	17	19		
Reserve Bank	0.0%	3.4%	20	23		
Teachers Health	0.4%	2.8%	20	24		
TUH	0.0%	0.2%	16	11		

HEALTH FUND OPERATIONS BY STATE OR TERRITORY

Table 7f: Tasmania

FUND NAME (ABBREVIATED)	% FUND MARKET SHARE THIS STATE	% FUND'S MEMBERSHIP IN THIS STATE	AGREEMENT HOSPITALS PRIVATE HOSPITALS	HOSPITALS PRIVATE DAY HOSPITALS	FUND OUTLETS RETAIL OFFICES	AGENCIES
OPEN MEMBERSHIP FUNDS						
Australian Unity	0.9%	0.6%	5	3		
BUPA	37.0%	2.9%	5	4	Yes	
CDH	0.0%	0.3%	5	2		
CUA Health	0.1%	0.3%	5	3		
GMHBA	1.1%	1.2%	5	3		
GU Corporate	0.2%	0.7%	5	3		
HBF	0.4%	0.1%	6	7		
HCF	2.3%	0.5%	5	3		
HCI	2.3%	69.2%	5	3	Yes	
Health.com.au	0.2%	0.6%	5	3		
Healthguard	0.2%	0.8%	5	3		
Health-Partners	0.0%	0.1%	5	2		
HIF	0.2%	0.5%	5	3		
Latrobe	0.1%	0.4%	6	5		
MDHF	0.0%	0.1%	5	4		
Medibank	32.1%	2.3%	5	3	Yes	
NIB	1.7%	0.4%	5	2		
Onemedifund	0.2%	5.2%	5	3		
Peoplecare	0.1%	0.6%	5	3		
Phoenix	0.0%	0.5%	5	3		
QCH	0.0%	0.2%	5	3		
St Lukes	16.8%	87.1%	6	5	Yes	Yes
Transport	0.0%	0.3%	5	2		
Westfund	0.1%	0.2%	5	3		
RESTRICTED MEMBERSHIP FUNDS						
ACA	0.0%	1.1%	5	2		
CBHS	1.1%	1.6%	5	2		
Defence Health	0.9%	1.0%	5	3		
Doctors' Health	0.1%	0.8%	6	7		
Navy Health	0.2%	1.3%	5	3		
Police Health	0.4%	3.0%	5	3		
RT Health Fund	0.1%	0.3%	5	3		
Reserve Bank	0.0%	1.2%	5	3		
Teachers Health	1.1%	1.1%	5	3		
TUH	0.1%	0.3%	5	2		

HEALTH FUND OPERATIONS BY STATE OR TERRITORY

Table 7g: Australian Capital Territory

FUND NAME (ABBREVIATED)	% FUND MARKET SHARE THIS STATE	% FUND'S MEMBERSHIP IN THIS STATE	AGREEMENT HOSPITALS PRIVATE HOSPITALS	HOSPITALS PRIVATE DAY HOSPITALS	FUND OUTLETS RETAIL OFFICES	AGENCIES
OPEN MEMBERSHIP FUNDS						
Australian Unity	1.7%	1.1%	6	7		
BUPA	22.2%	1.7%	5	4	Yes	
CDH	0.0%	0.3%	4	3		
CUA Health	0.2%	0.9%	5	8	Yes	
GMHBA	0.8%	0.9%	5	9		
GU Corporate	0.3%	1.2%	5	8		
HBF	0.3%	0.1%	5	3		
HCF	14.1%	2.7%	5	5	Yes	
HCI	0.0%	0.4%	4	5		
Health.com.au	0.7%	2.5%	5	7		
Healthguard	0.2%	0.8%	6	7		
Health-Partners	0.0%	0.1%	4	6		
HIF	0.3%	0.7%	5	9		
Latrobe	0.1%	0.4%	5	6		
MDHF	0.0%	0.1%	5	6		
Medibank	31.1%	2.2%	5	4	Yes	
NIB	15.6%	4.0%	6	7	Yes	
Onemedifund	0.0%	0.2%	6	7		
Peoplecare	0.3%	1.1%	6	7		
Phoenix	0.0%	0.6%	5	8		
QCH	0.0%	0.1%	5	8		
St Lukes	0.0%	0.2%	6	5		
Transport	0.0%	0.5%	4	5		
Westfund	0.3%	0.7%	6	7		
RESTRICTED MEMBERSHIP FUNDS						
ACA	0.0%	0.8%	4	5		
CBHS	0.9%	1.4%	4	5		
Defence Health	6.6%	7.6%	5	8		Yes
Doctors' Health	0.2%	2.4%	6	7		
Navy Health	1.3%	9.1%	5	8		
Police Health	0.0%	0.3%	5	8		
RT Health Fund	0.1%	0.5%	5	7		
Reserve Bank	0.0%	1.2%	6	7		
Teachers Health	2.2%	2.2%	6	7		
TUH	0.0%	0.1%	4	5		

HEALTH FUND OPERATIONS BY STATE OR TERRITORY

Table 7f: Northern Territory

FUND NAME (ABBREVIATED)	% FUND MARKET SHARE THIS STATE	% FUND'S MEMBERSHIP IN THIS STATE	AGREEMENT HOSPITALS PRIVATE HOSPITALS	HOSPITALS PRIVATE DAY HOSPITALS	FUND OUTLETS RETAIL OFFICES	AGENCIES
OPEN MEMBERSHIP FUNDS						
Australian Unity	0.5%	0.1%	2	1		
BUPA	38.8%	1.1%	1	1	Yes	
CDH	0.0%	0.0%	1	0		
CUA Health	0.1%	0.1%	2	1		
GMHBA	0.4%	0.1%	1	1		
GU Corporate	0.1%	0.2%	2	1		
HBF	1.3%	0.1%	2	1		
HCF	4.5%	0.3%	1	1		
HCI	0.0%	0.2%	1	0		
Health.com.au	0.5%	0.7%	1	1		
Healthguard	0.1%	0.2%	2	1		
Health-Partners	0.2%	0.2%	1	0		
HIF	0.2%	0.1%	2	1		
Latrobe	0.0%	0.0%	1	1		
MDHF	0.0%	0.1%	1	1		
Medibank	42.9%	1.2%	1	1	Yes	Yes
NIB	2.0%	0.2%	1	1		
Onemedifund	0.0%	0.0%	2	1		
Peoplecare	0.1%	0.2%	2	1		
Phoenix	0.0%	0.2%	2	1		
QCH	0.1%	0.2%	1	1		
St Lukes	0.1%	0.1%	1	1		
Transport	0.0%	0.1%	1	0		
Westfund	0.1%	0.1%	2	1		
RESTRICTED MEMBERSHIP FUNDS						
ACA	0.0%	0.2%	1	0		
CBHS	0.4%	0.2%	1	0		
Defence Health	3.4%	1.5%	2	1		Yes
Doctors' Health	0.1%	0.4%	2	1		
Navy Health	0.4%	0.9%	1	1		
Police Health	2.9%	7.2%	1	1		
RT Health Fund	0.1%	0.2%	1	1		
Reserve Bank	0.0%	0.0%	2	1		
Teachers Health	0.8%	0.3%	2	1		
TUH	0.1%	0.2%	1	0		

ABOUT THE PRIVATE HEALTH INSURANCE OMBUDSMAN

The Private Health Insurance Ombudsman (PHIO) protects the interests of people who are covered by private health insurance, through our complaints handling, consumer information and advice services, as well as advice to government and industry about issues of concern to consumers in relation to private health insurance.

The Private Health Insurance Ombudsman

The Private Health Insurance Ombudsman (PHIO) is one of the roles held by the Commonwealth Ombudsman. The Ombudsman 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.

How do I make a complaint?

You should first contact your health fund or the organisation or provider you're complaining about – they may be able to resolve your complaint for you.

If your fund doesn't provide a satisfactory response, you can contact us in one of the following ways:

Website: www.ombudsman.gov.au
(including online complaints form)

Call: 1300 362 072

Write: Private Health Insurance Ombudsman,
Commonwealth Ombudsman, GPO Box 442,
CANBERRA ACT 2601

Email: phio.info@ombudsman.gov.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 1300 737 299;
- Email us at phio.info@ombudsman.gov.au or
- Check our websites www.ombudsman.gov.au and 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?

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. You can also find a contact list on www.privatehealth.gov.au under [Links](#).

YOUR HEALTH INSURANCE CHECKLIST

Ten tips from the Private Health Insurance Ombudsman 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 which 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 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 and www.ombudsman.gov.au or from the office of the Private Health Insurance Ombudsman.

