

## Quarterly Update: 1 July to 30 September 2022

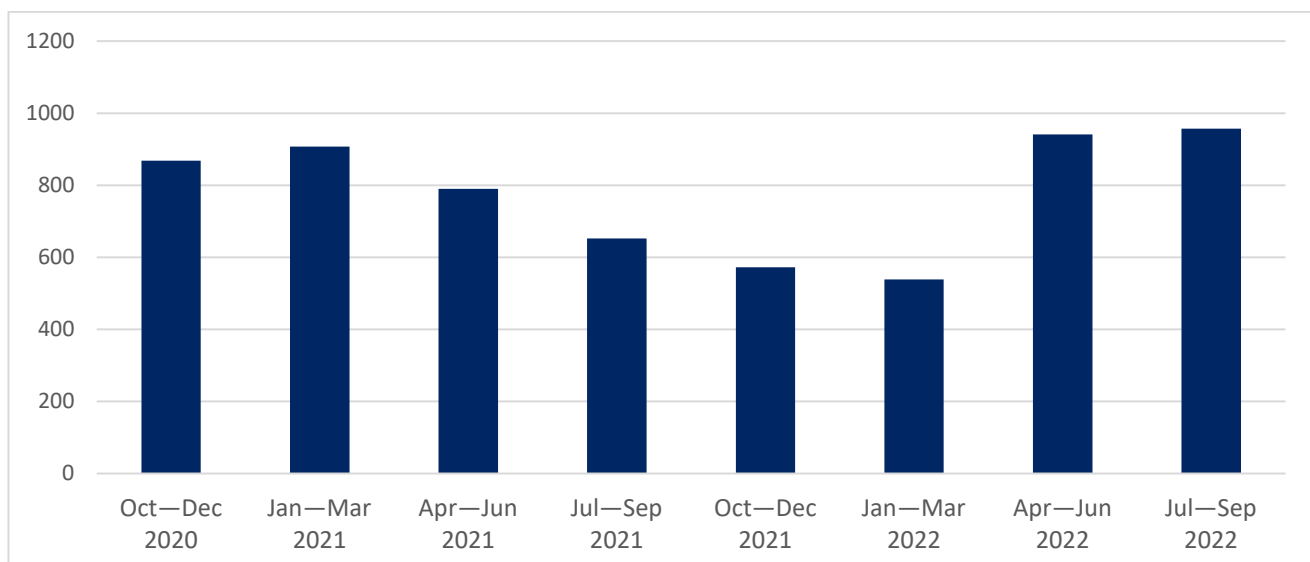
The Office of the Commonwealth Ombudsman (the Office), as the Private Health Insurance Ombudsman, protects the interests of private health insurance consumers. We do this in many ways, including:

- 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, a comprehensive source of independent information about private health insurance for consumers.

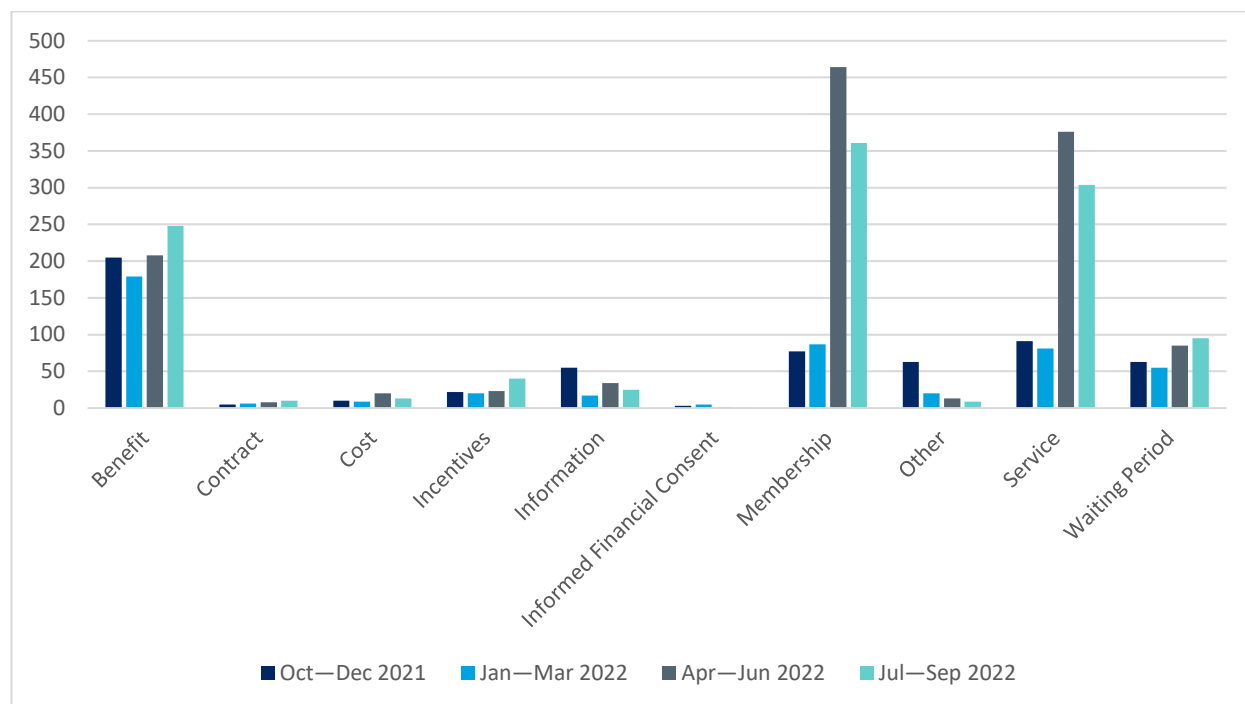
During this quarter, the Office received 957 complaints in its capacity as the Private Health Insurance Ombudsman.<sup>1</sup> This was an increase of 46.8 per cent compared to the same period last year and an increase of 1.7 per cent on the previous quarter.

As with the previous quarter, the increase in complaints this quarter is attributable to complaints made about Peoplecare Overseas Student Health Cover (OSHC), which is administered by Allianz Care Australia. The Office received 266 complaints about Peoplecare OSHC this quarter and 354 complaints in the previous quarter. Please see the previous [Quarterly Update](#) for more information.

**Figure 1: Complaints received by quarter**



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

**Figure 2: Top complaint issues in July–September 2022 quarter, compared to previous 3 quarters****Table 1: Complaints by provider or organisation type, this quarter compared to 3 previous quarters**

Provider or organisation type	Dec 2021 quarter	Mar 2022 quarter	Jun 2022 quarter	Sep 2022 quarter
Health insurers	508	467	533	625
Overseas visitors and overseas student health insurers	45	54	400	310
Brokers and comparison services	4	2	1	5
Doctors, dentists, and other medical providers	3	2	0	1
Hospitals and area health services	1	7	1	1
Other (e.g. legislation, ambulance services, industry peak bodies)	11	7	6	15
<i>Total</i>	<i>572</i>	<i>539</i>	<i>941</i>	<i>957</i>

### Medibank cyber incident

On 12 October 2022 Medibank Private detected suspected data theft on their systems. Since that time the scale of the incident has grown to include all personal data and significant amounts of health claims data. As of 1 November, the Office has received 30 complaints about this matter.

Medibank policy holders can, however, ask the Office for help about a broad range of issues and make use of our services if they are unsatisfied with a response to a problem they have raised with the insurer. This includes if they experience difficulties obtaining the support that Medibank Private has offered including payments for re-issuing of identity documents, credit monitoring services and other support for vulnerable people.

This is an evolving issue involving potentially millions of affected policyholders. The Office is ready to alert Medibank or other Commonwealth agencies of any new issues we become aware of from complainants.

### **Private Health Insurance Ombudsman Issues paper**

The Office has published an issues paper setting out lessons customer service organisations can learn from a private health insurer's experience upgrading its systems. The change impacted its ability to deliver services and resulted in a substantial increase in complaints.

The insurer undertook a major system transformation, replacing or updating several of its key systems and platforms. The upgrade coincided with other events separate from the changes, including problems with phone system and a previously postponed premium increase. The issues paper reflects on the insurer's experience and provides best practice guidance for insurers and other organisations to consider when planning and implementing major system changes to mitigate any adverse impact on consumers.

It is important to note the events in the paper are not related to the recent Medibank data breach in any way.

The issues paper can be found on the [Ombudsman's website](#).

### **Lessons on assessing medical information in organisations**

The Office has also released a report into Comcare's management of medical examinations under section 57 of the *Safety, Rehabilitation and Compensation Act 1988* (SRC Act) – also known as independent medical examinations. Although this related to a Commonwealth Agency, it is worth considering what lessons could be learned for health insurers who similarly engage medical practitioners in relation to pre-existing conditions and other assessments.

The report found that Comcare could strengthen its administrative framework to support consistent, reasonable, and transparent decision-making.

We encourage health insurer claims managers to review the report and contact the Office if they have any questions.

The report can be found on the [Ombudsman's website](#).

**Table 4: Complaints by health insurer market share, 1 July–30 September 2022<sup>2</sup>**

Name of insurer	No further action	Percentage of no further action	Referrals	Percentage of referrals	Investigations <sup>3</sup>	Percentage of investigations	Market share <sup>4</sup>
ACA Health Benefits	0	0.0%	0	0.0%	0	0.0%	0.1%
AIA Health (myOwn)	0	0.0%	11	2.0%	4	9.8%	0.3%
Australian Unity	1	2.6%	18	3.3%	0	0.0%	2.4%
BUPA	11	28.9%	148	27.1%	8	19.5%	24.7%
CBHS	0	0.0%	11	2.0%	1	2.4%	1.5%
CBHS Corporate Health	0	0.0%	0	0.0%	0	0.0%	<0.1%
CDH (Hunter Health Insurance)	0	0.0%	1	0.2%	0	0.0%	<0.1%
CUA Health	1	2.6%	1	0.2%	0	0.0%	0.5%
Defence Health	1	2.6%	4	0.7%	2	4.9%	2.0%
Doctors' Health Fund	0	0.0%	3	0.5%	0	0.0%	0.5%
GMHBA (incl. Health.com.au)	1	2.6%	8	1.5%	1	2.4%	2.3%
HBF Health & GMF/Healthguard	3	7.9%	24	4.4%	1	2.4%	7.3%
HCF (incl. RT Health)	6	15.8%	74	13.6%	7	17.1%	12.4%
HCI (Health Care Insurance)	0	0.0%	0	0.0%	0	0.0%	0.1%
Health Partners	1	2.6%	9	1.6%	0	0.0%	0.7%
HIF (Health Insurance Fund of Aus.)	0	0.0%	6	1.1%	3	7.3%	0.7%
Latrobe Health	0	0.0%	5	0.9%	0	0.0%	0.7%
Medibank Private & AHM	7	18.4%	133	24.4%	4	9.8%	27.4%
Mildura District Hospital Fund	0	0.0%	0	0.0%	1	2.4%	0.3%
National Health Benefits Aust.	0	0.0%	0	0.0%	0	0.0%	0.1%
Navy Health	0	0.0%	3	0.5%	0	0.0%	0.4%
NIB Health & GU Corporate Health	2	5.3%	58	10.6%	6	14.6%	9.4%
Peoplecare	4	10.5%	3	0.5%	0	0.0%	0.5%
Phoenix Health Fund	0	0.0%	1	0.2%	0	0.0%	0.2%
Police Health	0	0.0%	3	0.5%	0	0.0%	0.5%
QLD Country Health Fund	0	0.0%	1	0.2%	0	0.0%	0.4%
Reserve Bank Health	0	0.0%	0	0.0%	0	0.0%	<0.1%
St Lukes Health	0	0.0%	1	0.2%	1	2.4%	0.6%
Teachers Health	0	0.0%	14	2.6%	2	4.9%	2.6%
Transport Health	0	0.0%	1	0.2%	0	0.0%	0.1%
TUH	0	0.0%	2	0.4%	0	0.0%	0.6%
Westfund	0	0.0%	3	0.5%	0	0.0%	0.9%
<b>Total for Health Insurers</b>	<b>38</b>	<b>100.0%</b>	<b>546</b>	<b>100.0%</b>	<b>41</b>	<b>100.0%</b>	

<sup>2</sup> This table shows complaints regarding Australian registered health insurers. This table excludes complaints regarding Overseas Visitors Health Cover and Overseas Student Health Cover insurers, and other bodies.

<sup>3</sup> Investigations required the intervention of the Ombudsman and the health insurer.

<sup>4</sup> Source: Australian Prudential Regulation Authority, Market Share, All Policies, 30 June 2022.

Table 5: Complaint issues and sub-issues, received 1 July–30 September 2022

ISSUE Sub-issue	Dec 21	Mar 22	Jun 22	Sep 22	ISSUE Sub-issue	Dec 21	Mar 22	Jun 22	Sep 22
<b>BENEFIT</b>					<b>INFORMED FINANCIAL CONSENT</b>				
Accident and emergency	8	13	6	12	Doctors	2	3	0	0
Accrued benefits	0	2	0	4	Hospitals	1	1	1	1
Ambulance	3	3	5	1	Other	0	1	0	0
Amount	15	17	20	8	<b>MEMBERSHIP</b>				
Delay in payment	24	23	21	60	Adult dependents	10	4	10	10
Excess	12	8	10	8	Arrears	1	7	7	6
Gap—Hospital	14	11	19	11	Authority over membership	2	1	2	4
Gap—Medical	15	14	14	25	Cancellation	33	33	387	285
General treatment (extras/ancillary)	32	33	37	34	Clearance certificates	10	14	28	18
High cost drugs	2	1	1	1	Continuity	12	15	20	25
Hospital exclusion/restriction	34	22	32	44	Rate and benefit protection	1	4	1	1
Insurer rule	27	16	26	18	Suspension	8	9	9	15
Limit reached	5	2	2	1	<b>SERVICE</b>				
New baby	1	0	2	5	Customer service advice	24	15	19	48
Non-health insurance	1	0	1	0	General service issues	29	23	22	36
Non-health insurance—overseas benefits	0	0	0	0	Premium payment problems	18	33	23	42
Non-recognised other practitioner	1	1	0	1	Service delays	20	10	312	180
Non-recognised podiatry	2	1	1	0	<b>WAITING PERIOD</b>				
Other compensation	4	1	1	1	Benefit limitation period	0	0	0	0
Out of pocket not elsewhere covered	1	6	5	1	General	11	7	16	21
Out of time	0	4	0	2	Obstetric	4	9	6	5
Preferred provider schemes	2	0	5	0	Other	1	4	3	3
Prostheses	2	1	0	2	Pre-existing conditions	47	35	60	69
Workers compensation	0	0	0	0	<b>OTHER</b>				
<b>CONTRACT</b>					Access	15	8	5	3
Hospitals	0	6	5	8	Acute care and type C certificates	1	0	0	1
Preferred provider schemes	4	0	3	3	Community rating	0	2	0	0
Second tier default benefit	1	0	0	1	Complaint not elsewhere covered	5	8	3	1
<b>COST</b>					Confidentiality and privacy	2	0	1	2
Dual charging	6	2	2	1	Demutualisation/sale of health insurers	0	0	0	0
Rate increase	4	7	18	13	Discrimination	0	0	0	0
<b>INCENTIVES</b>					Medibank sale	0	0	0	0
Lifetime Health Cover	20	19	20	30	Non-English speaking background	0	0	0	0
Medicare Levy Surcharge	0	0	3	2	Non-Medicare patient	0	0	1	0
Private health insurance reforms	0	0	0	0	Private patient election	0	0	0	1
Rebate	2	1	0	8	Rule change	40	2	3	3
Rebate tiers and surcharge changes	0	0	0	0					
<b>INFORMATION</b>									
Brochures and websites	7	2	4	4					
Lack of notification	10	3	12	8					
Radio and television	0	0	0	0					
Standard Information Statement	1	1	3	1					
Verbal advice	34	9	13	8					
Written advice	3	2	2	4					