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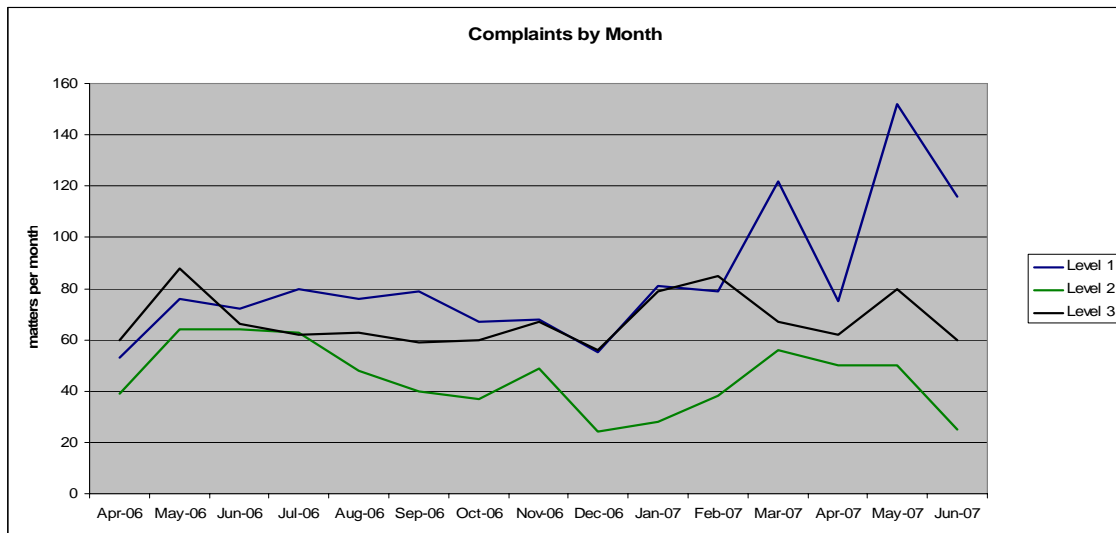
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Quarterly Bulletin 43 (1 April to 30 June 2007)

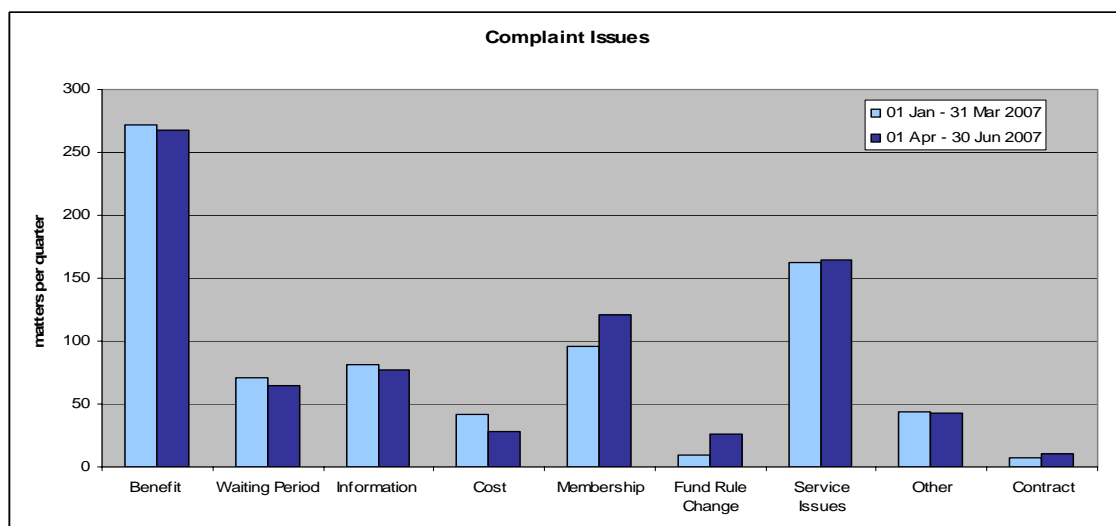
Complaint Statistics

In the second quarter of 2007, PHIO received 624 complaints about health insurers. This was a 4% increase on the previous quarter and a 17% increase on the same period last year.

PHIO received 188 Level-3 complaints about health insurers, which was 14% fewer than the previous quarter.



PHIO again received a large number of complaints regarding membership and service issues related to the computer administration problems at one particular health insurer. These complaints concerned delayed payments, refunds and associated service issues.



Clearance Certificates

Private health insurance consumers have the right to transfer between different insurers without re-serving waiting periods. When a consumer transfers to a new insurer, a clearance certificate is required in order to confirm the previous level of cover held and whether or not the *Lifetime Health Cover* loading should apply.

During the quarter, PHIO received 39 complaints from consumers regarding membership transfer problems. Some of these consumers were anxious to obtain a certificate because they had claims waiting to be paid. A few complaints were from consumers who were temporarily paying the *Lifetime Health Cover* loading because their previous membership hadn't yet been recognised. These complaints were all resolved quickly by PHIO raising the matter with the previous insurer and requesting a certificate be faxed within a day.

From 1 April new legislation¹ requires health insurers to send clearance certificates upon request within 14 days. If PHIO receives a complaint from a member who has not received a clearance certificate within the 14-day time frame, the matter will be classified as a Level-3 Complaint (dispute) and an immediate response requested.

PrivateHealth.gov.au Website

Consumer Interest

In first 3-months of operations, the website received 122 392 unique visitors. Many of the visitors came to the site via the Private Health Improvements campaign website. Website activity was particularly busy when the Television commercials were screening. On some days, 200 000 hits were recorded by the system. It is pleasing to see that the website was able to handle the high level of traffic generated by insurers uploading and checking information and consumers visiting the site.

PHIO received 843 phone and email enquiries related to the new consumer website. Many of these were from consumers who were interested in obtaining standard information statements but who were unable to access the Internet.

Appropriate State/Territory Listings on Website

PHIO has updated the website interface to allow insurers to de-list policies from the "Search by Features" section of the website. This is the search feature of the site most often used by consumers looking to change to a new insurer. We made this change to ensure that insurers who don't want to be selling policies to consumers in particular states or territories won't have consumers looking up SISs on the site and wishing to join.

As there are financial and consumer implications concerned with selling products in states where an insurer previously hasn't operated, PHIO wrote to all insurers asking that they confirm whether the insurer wants to be listed as selling policies in all states. So far, most insurers have responded indicating that they wish to keep listings in all states. If any insurer has any questions about this issue please contact PHIO for advice about the website or PHIAC for advice of the financial implications of selling policies in other states.

¹ Section 99-1 *Private Health Insurance Act 2007*

PHIO Client Satisfaction Survey

The office recently conducted its annual Client Satisfaction Survey. The survey showed higher levels of client satisfaction across all satisfaction measures than in the previous year. The greatest improvements in satisfaction were from clients who were assisted by the office referring their complaint directly to the insurer for a response within 48-hours. 86.7% of Level 1 complainants reported that they were very satisfied with the overall handling of their complaint in 2007. This compares with the 69.2% who reported that they were very satisfied 2 years ago.

Overall Satisfaction Measures	2006	2007
	Result	Result
PHIO staff listened to client's concerns	94%	95%
Staff explained what sort of assistance PHIO could provide	85%	91%
PHIO staff were easy to understand	87%	92%
Complainant said they were satisfied or mostly satisfied with many in which staff handled their complaint.	86%	88%
We resolved their complaint or provided an adequate explanation	74%	86%
PHIO acted independently in handling complaint	87%	88%
Client would recommend PHIO to others	82%	90%
For cases longer than a week, Client was satisfied with the length of time it took to resolve complaint	76%	92%

New PHIO Brochure



PHIO receives many calls from consumers asking “*How do I select a health insurance product?*”? As an independent Ombudsman, PHIO does not give advice about which insurer or policy to choose. However, we are able to provide general advice about issues to consider when choosing a health insurance policy. To assist consumers with this, a new brochure has been produced called “*Health Insurance Choice*” with tips on how to choose a product and PHIO’s advice on how to avoid problems. Copies of the brochure are available at www.phio.org.au and paper copies can be ordered on the website or emailing richard@phio.org.au.

Complaints by Health Fund Market Share

01 April - 30 June 2007

Name of Fund	Complaints ¹	Percentage of Complaints	Level-3 Complaints ²	Percentage of Level-3 Complaints	Market Share ³
ACA Health Benefits	0	0	0	0	0.1
AHM	35	5.6	9	4.8	2.4
Australian Unity	45	7.2	19	10.1	3.6
BUPA (HBA)	48	7.7	15	8.0	9.9
CBHS	5	0.8	2	1.1	1.1
CDH (Cessnock District Health)	0	0	0	0	<0.1
Credicare	2	0.3	0	0	0.4
Defence Health	10	1.6	3	1.6	1.4
Doctors' Health Fund	0	0	0	0	0.1
Druids Victoria	3	0.5	1	0.5	0.1
GMHBA	7	1.1	0	0	1.5
Grand United Corporate Health	6	1.0	2	1.1	0.3
HBF Health	25	4.0	6	3.2	7.9
HCF (Hospitals Cont. Fund)	29	4.6	5	2.7	8.8
Health Care Insurance	0	0	0	0	0.1
Health Insurance Fund of W.A.	3	0.5	1	0.5	0.4
Healthguard	3	0.5	0	0	0.6
Health-Partners	5	0.8	1	0.5	0.7
Latrobe Health	2	0.3	0	0	0.6
Manchester Unity	23	3.7	6	3.2	1.4
MBF Alliances	10	1.6	2	1.1	2.2
MBF Australia Limited	166	26.6	50	26.6	16.7
Medibank Private	154	24.7	49	26.1	28.7
Mildura District Hospital Fund	0	0	0	0	0.3
N.I.B. Health	32	5.1	13	6.9	6.2
Navy Health	1	0.2	1	0.5	0.3
Peoplecare	0	0	0	0	0.3
Phoenix Health Fund	0	0	0	0	0.1
Police Health	1	0.2	0	0	0.2
Queensland Country Health	0	0	0	0	0.2
Railway & Transport Health	3	0.5	1	0.5	0.3
Reserve Bank Health	0	0	0	0	<0.1
St Lukes Health	0	0	0	0	0.4
Teacher Federation Health	4	0.6	1	0.5	1.6
Teachers Union Health	1	0.2	1	0.5	0.4
Transport Health	0	0	0	0	0.1
Westfund	1	0.2	0	0.0	0.7
Total for Registered Funds	624	100	188	100	100

1. Number of Complaints (Levels 1, 2 & 3) from those holding registered health fund policies.
2. Level 3 Complaints required the intervention of the Ombudsman and the health fund.
3. Market share data provided by PHIAC as at 30 June 2006.