



Australian Government

Private Health Insurance Ombudsman

PHIO Referral to Fund Guidelines

November 2007
(updated November 2010)

Background

The PHIO's complaints categorisation takes account of the following factors:

- Type of approach;
- Degree of effort required by the PHIO to resolve the matter; and
- Any potential sensitivity.

Complaints dealt with by the PHIO range from simple contacts that do not require investigation and can be referred to the service provider, through to matters requiring mediation or a formal recommendation under the Act.

Referrals (Level 1)

PHIO has two kinds of referrals, assisted referrals and standard referrals, which are outlined below. PHIO believes that assisted referrals are the preferred way to handle a complaint when the complainant first contacts PHIO and the complaint is not viewed to be a Level 3 complaint. Our consumer survey has shown that assisted referrals rate high in complainant satisfaction. However there may be a few occasions when a standard referral is more appropriate.

Assisted Referrals

Where PHIO believes a fund has not had an adequate opportunity to deal with a complaint, we will e-mail or telephone the fund with the member's name, membership number (if provided to PHIO), a brief indication of the subject matter and any special circumstances. We will request that initial contact be made with the complainant within 3 business days, not including the day the complaint was sent (or less if urgent). We will use this process unless the issue is a level 3 Complaint or a level 2 Complaint.

We ask that insurers let us know when the member has been contacted and advise us of your response.

Suite 2, Level 22, George St. Sydney NSW 2000

Complaints Hotline 1800 640 695

Phone: 02 8235 8777 **Fax** 02 8235 8778 **Email** info@phio.org.au **Web** www.phio.org.au

ABN 61 673 137 709

Standard (Unassisted) Referrals

Where PHIO believes a fund has not had an adequate opportunity to deal with a complaint and that the most appropriate course of action is to refer the member to the fund directly, PHIO will provide advice about approaching the fund and contact details for the recommended or preferred approach method. The assisted referral is the preferred method in most circumstances. However, there is a place for standard referrals i.e. if the member wants to request something that they are not entitled to under the policy or to ask for some special consideration. Occasionally we encounter a member who would prefer to take their issue to a more senior person in the fund themselves and in cases such as this a standard referral is appropriate.

What is an “adequate opportunity” to deal with a complaint?

Some examples of where PHIO would consider the fund has had an adequate opportunity to deal with a complaint:

- The member has spoken to staff at the call centre/branch about the problem and it has not been escalated and the member believes it remains unresolved;
- The member has written to the fund and not received a response or been contacted by the fund (even if an interim response) within 21 days;
- The member has had an e-mail response from the fund and the member believes it remains unresolved;
- The member has been in contact with the customer resolutions/member relations area of the fund and believes the matter is unresolved;
- The member has spoken to fund staff at the branch or call centre but due to the urgency or complexity of the matter, believes PHIO assistance is required;

Occasionally, members specifically request PHIO to deal with the matter due to the nature of their concerns or a perceived breakdown in their relationship with the fund. In these circumstances, the PHIO staff member will seek advice from a supervisor before deciding on the most appropriate method of dealing with the matter.

Referral With Request for Fund Report (Level 3 Complaint)

Where PHIO receives a complaint and it is considered that the fund has already had an adequate opportunity to deal with the complaint or it is otherwise not appropriate to ask the person to deal directly with the fund on the matter, PHIO will contact the fund, outlining the complaint and ask the fund to respond to the PHIO, providing any details relevant to the complaint.

We generally want a response from the fund with detailed information. We don't want the fund contacting the complainant directly because we've already promised the complainant we will review the fund's response to us. Also, these are cases where the complainant does not want to deal with the fund any further and has asked for our help.

When asking the fund for records we are seeking all details relevant to the complaint, such as screen dumps, membership applications and call recordings. Almost all complaints we deal with are over allegations of misinformation. Having documented evidence gives a more credible explanation to the member if PHIO accepts that the fund is not acting incorrectly.

PHIO will email the insurer when we close a dispute and advise you of the outcome.

There is always the possibility of disputes being reopened as complainants may ask PHIO to review their complaint at a higher level.

When seeking a health funds response we want a report outlining the fund's response to the complaint, proposed resolution and the reasons behind this decision. When a fund is referring to specific documentation in its response, such as call recordings, rules, letters etc these must be provided at the same time, along with other documentation PHIO has requested.

Responses to disputes, including all requested and/or referenced documentation, are due within 14 days of the complaint being sent to the health fund. If documentation is not provided with the initial response the fund has 24 hours to provide this upon further request from PHIO. We will review the fund response and documentation within 7 days of receipt and advise if further information is required.

When PHIO has reviewed the complaint and needs further information the fund has a follow up period of 7 days for further review and response to our office.

Examples of what is classed as a dispute:

- Where PHIO believes the member has given the fund an adequate opportunity to deal with the matter and the member believes it remains unresolved;
- Where the matter is particularly complex or apparently involves systemic failure;
- Where the matter is urgent and PHIO believes assisted referral is not appropriate;
- Where the member is unable to deal with the matter themselves due to disability, illness, hospitalisation or level of distress;
- Where the matter has been referred to PHIO by a Member of Parliament, Healthcare Complaints, Fair Trading or other organisation;
- Where PHIO staff member is unable to provide explanation without further information from the fund;
- Where PHIO needs fund's viewpoint in order to judge merits of the complaint. In some straightforward matters such requests may be dealt with by telephone to the fund contact, rather than requiring a report.