



Australian Government

Private Health Insurance Ombudsman



State of the Health Funds Report 2011



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# **STATE OF THE HEALTH FUNDS REPORT 2011**

*Relating to the financial year 2010-11*

**Report required by 238-5(c) of the *Private Health Insurance Act 2007***

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# Foreword

I am pleased to present the eighth annual *State of the Health Funds* report relating to the financial year 2010-2011. The *Private Health Insurance Act 2007* requires the Private Health Insurance Ombudsman (PHIO) to publish the *State of the Health Funds* report after the end of each financial year, to provide comparative information on the performance and service delivery of all health funds during that financial year.

The main aim of publishing the report is to give consumers some extra information to help them make decisions about private health insurance. For existing fund members, the report provides information that will assist them to compare the performance of their fund with all other health funds. For those considering taking out private health insurance, it provides an indication of the services available from each fund and a comparison of some service and performance indicators at the fund level.

The information in the report supplements information available on the consumer website [www.privatehealth.gov.au](http://www.privatehealth.gov.au), which was developed and is maintained by the PHIO. The 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 website, together with the *State of the Health Funds Report*, greatly increases the information available to consumers about private health insurance. This makes it easier for consumers to choose health insurance policies that better meet their individual needs.

The range of issues and performance information in this year's report is the same as previous reports, and 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 Private Health Insurance Administration Council (PHIAC), as part of their role in 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, Henny Oentojo & Alison Leung, who produced the report. I would also like to thank PHIAC for its assistance and advice in relation to the report.

**Samantha Gavel**

*Private Health Insurance Ombudsman*

*March 2012*

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# 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 the performance of health funds in the following aspects:

- Service Performance
- Hospital Cover
- Medical Gap Cover
- General Treatment (Extras) Cover
- Financial Management
- Health Fund Operations

Consumers can use the information contained in this report either to identify possible funds to join or to assess their existing fund's performance as part of a review of their health insurance needs.

**It is intended that consumers should use the range of indicators included in this report as a menu to choose the factors that may be of importance to them.**

For instance, some consumers may prefer to do business with a health fund in person and so will consider the availability of branch offices to be an important consideration. For consumers wishing to do as much of their business as possible over the internet, the range of services available through the funds' websites will be more important than the branches.

Some advice on why particular indicators might be more relevant to particular consumers is provided in the explanations preceding each of the tables in this report.

For consumers who are considering taking out private health insurance for the first time, it is suggested that the report be used 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. Some advice on factors to consider when assessing performance on particular indicators is also provided in the explanations preceding each table.

The publication 'Insure, Not Sure', produced by the Private Health Insurance Administration Council, provides independent information to help consumers decide whether they want to take out private health insurance.

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 can be found on [www.phio.org.au](http://www.phio.org.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 these is available from the consumer website [www.privatehealth.gov.au](http://www.privatehealth.gov.au), managed by the Ombudsman's office.

***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-AHM
Country Health	Medibank-AHM
CY Health	Healthguard
Druids	GMHBA
Federation Health	Latrobe
GMF Health	Healthguard
Goldfields	Healthguard
Government Employees	Medibank-AHM
Grant United	Australian Unity
HBA	BUPA
Illawarra Health Fund	Medibank-AHM
IOOF	NIB
IOR	HCF
MBF	BUPA
Mutual Community	BUPA
Mutual Health	Medibank-AHM
NRMA Health	BUPA
SGIC (SA)	BUPA
SGIO (WA)	BUPA
Union Shopper	QLD Teachers

# 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.

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## Restricted Access Health Funds

Not all health funds are available to all consumers. Membership of some funds is restricted to employees of certain companies or occupations or members of particular organisations.

All registered health funds are included in the tables for each indicator. Open and restricted access funds are listed separately in each of the tables, with restricted access funds listed in italics and after open funds.

## State Based Differences

Most of the information contained in this report is based on national data. However, the market for health insurance is largely state based. Some funds have little presence in most states but may have a large market share in one State or Territory; some funds offer different policies and prices in different States and some funds use different brand names in different States and Territories.

Separate tables are therefore provided for each State/Territory with information on the extent of each fund's business in each state, as well as other relevant state based information such as the number of retail offices and agencies operated by each fund.

## 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 should not 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.

The website [www.privatehealth.gov.au](http://www.privatehealth.gov.au) enables consumers to view standard information outlining the main features of their health insurance policy. They are also able to compare standard information statements for other policies available for purchase. The website is a good source of information about particular policies available for sale, including the level of cover, excess and price. In addition, the website is a good resource of independent and reliable information about private health insurance.

The Report is intended to help consumers in deciding which health funds to consider but won't necessarily help them to decide which of the funds' policies to purchase.

## Data Collection

The need to obtain independent, reliable data has been a key consideration in putting together the report. The data collected by the industry regulator, the Private Health Insurance Administration Council (PHIAC), was chosen as the most appropriate data available.

Funds report to PHIAC 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. This data is collected primarily for regulatory purposes and not for the purposes of the State of the Health Funds Report. Accordingly, it is important that the accompanying text explaining the data is read 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 the particular circumstances, preferences and priorities of individual consumers. 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 consumers 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 ancillary 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 and Developments

There was a significant increase in complaints to the Private Health Insurance Ombudsman (PHIO) in 2010-11. This reversed the trend of previous years, where there were only gradual increases in complaints, which corresponded to the overall growth in the number of people taking out private health insurance.

Complaint increases in 2010-11 were focused on general service issues, delays in payment and level of cover disputes. Complaints about premium increases and Informed Financial Consent remained relatively low.

The provision of consumer information and advice continued to be a key priority for PHIO during the year, with positive feedback from consumers about the major refresh and updating of the [www.privatehealth.gov.au](http://www.privatehealth.gov.au) which was finalised during the year. Since the website re-design went live in late 2010, feedback on both “Ease of Use” and “Location of Information” has improved considerably, while “Visual Appeal” continues to rate highly.

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### Introduction

The Private Health Insurance Ombudsman (PHIO) is the independent body whose role is to protect consumers’ interests in relation private health insurance. PHIO carries out this role through its independent complaints handling service; consumer education and advisory services (which include the *State of the Health Funds Report* (the Report); the [www.privatehealth.gov.au](http://www.privatehealth.gov.au) website; public reporting in relation to complaints; and advice to industry and Government about issues of concern to consumers with private health insurance.

An important part of PHIO’s role is monitoring and reporting on health fund performance and service delivery. This Report is the main reporting mechanism for providing this information.

The Report provides independent and reliable information to consumers about the service and performance of all 35<sup>1</sup> registered private health funds in Australia. This enables consumers to review the performance of their own health fund and other health funds they may be interested in joining. Importantly, by

providing transparent and independent information about fund service and performance, the Report also encourages funds to improve their service and performance.

Access to this information improves the quality of decisions people make about their health insurance. This assists them in choosing a policy that will best meet their needs, which in turn leads to better private health insurance outcomes for consumers.

### Level of Complaints to the PHIO

There were 3,070 complaints to PHIO during 2010-11, which represented a 17% increase on the 2,618 complaints received in 2009-10.

This significant increase in complaints during 2010-11 was a substantial change from previous years when there were only gradual increases in complaints, which were in line with the increased number of people taking out private health insurance.

The increase in complaints was not uniform across all issues, but was reflected in larger increases in complaints about a small number of sub-issues. The most significant increases were in Level of Cover, Delay in Payment and General Service Issues (relating to service

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<sup>1</sup> Source: Number of funds in 2010-11, Operations of the Private Health Insurers Annual Report 2010-11, PHIAC p. 9.

## Key Consumer Issues and Developments

provided by fund staff members in the branch or over the telephone).

While there was a significant increase in complaints overall in 2010-11, there was only a small increase in the number of higher level complaints requiring more detailed investigation by PHIO (716 higher level complaints in 2010-11, compared with 684 the previous year). This suggests that although more people were contacting PHIO with a complaint, funds were dealing successfully with the complaints referred back to them without the need for the complainant to seek further assistance from the Ombudsman.

Other factors contributing to the relatively small increase in higher level complaints include work by PHIO with funds to improve their internal complaints handling and investigation processes, as well as access to independent information services for consumers, particularly the resources available through the [www.privatehealth.gov.au](http://www.privatehealth.gov.au) website managed by PHIO.

PHIO will continue to work with funds to assist them to improve their internal complaint handling practices and resolve underlying systemic issues that give rise to complaints in the coming year.

### Complaint Issues

The issues causing the most complaints to PHIO in 2010-11 were Level of Cover, Delay in Payment and General Service Issues (relating to service provided by fund staff members in the branch or over the telephone).

The increase in complaints about these issues was not across the industry as a whole, but confined to a small number of funds. These funds made a number of changes to policies during the year, resulting in higher levels of complaint from their members. The changes included the imposition of exclusions to existing policies, changes to the level of excess, changing policy restrictions to exclusions for certain services moving major dental treatments into the general dental category, thereby reducing benefit entitlements.

Disappointingly, communication with members about the changes was not always effective, which meant many members were not aware of changes to their policy until they tried to claim for a benefit which had been changed.

In cases where PHIO considered information provided to members about changes was inadequate, the funds concerned were requested to provide a remedy to complainants and affected customers and in some cases, to send additional information about the changes to members.

For example, complaints to PHIO revealed that members of one fund were confused by a letter advising them of the addition of a new restriction on gastric banding surgery to their cover. The restriction applied to all gastric banding procedures, including removals and revisions of a gastric band that was already in place. Members who contacted PHIO, however, understood from their letter that the new restriction applied to the fitting of any new gastric bands, but not to revisions or removals of existing bands. Following PHIO's investigation of these complaints, the fund agreed to cover the costs of revision surgery for a number of members and to provide additional information to members about the change, to ensure it was understood.

PHIO will continue to monitor the information provided by funds to their members about changes made to policies, to ensure information is sufficient and appropriate and to assist in resolving complaints about this issue.

### Out of Pocket Costs

In 2010-11, PHIO received 30 complaints<sup>2</sup> from members about the imposition of a compulsory fee to access television and internet Wi-Fi services, which was introduced by a large hospital provider.

The fee was initially introduced for day-stay and overnight patients (\$15 and \$25 respectively), but the fee for day stay patients was removed in October 2011. The fee for overnight patients, however, remains in place.

Fees for the use of incidental services such as television access can be charged by hospitals, but usually only where the member wishes to use the service and agrees to the charge. In this case, however, the hospital provider imposed the fee on a compulsory basis, regardless of whether the patient wished to, or could use the services.

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<sup>2</sup> PHIO received 50 complaints about the fee during 2011, but the focus of this report is on the 2010-11 reporting period.



## Key Consumer Issues and Developments

Patients who complained to PHIO about the fee included people with a disability who could not use the services and people requiring multiple admissions, who could not afford to pay the fee more than once.

The hospital provider's view is that providing Foxtel and Wi-Fi services in its hospitals required a significant financial investment, which needed to be recouped via a compulsory charge on patients, as health funds do not pay for such services.

PHIO's view remains that such fees should only be charged to those patients who wish to use the services. PHIO has taken up its concerns about the fee with the hospital provider and the Australian Competition and Consumer Commission (ACCC).

The ACCC has advised PHIO that it does not believe the fee constitutes a breach of the *Competition and Consumer Act 2010 (Cth)*. The ACCC did indicate, however, that it had requested the healthcare provider to advise all medical practitioners working in its hospitals about the fee, so that they could inform patients about it in advance of booking into hospital. The ACCC also requested the healthcare provider to provide guidelines to its hospitals on the use of the discretion to waive the fee in circumstances where, for example, the patient has a disability and cannot use the services.

### Informed Financial Consent

Informed Financial Consent (IFC) is the process of enabling a consumer to understand and consent to incurring any out-of-pocket expenses, prior to receiving treatment. The ability to give IFC is an important consumer right.

In 2010-11, PHIO received 57 complaints about IFC not being obtained by hospitals, 39 by doctors and four (4) by other providers. These are not large numbers of complaints, but they can involve large amounts of money and be more difficult complaints to resolve.

Informed Financial Consent is particularly important in the case of an admission to a private hospital, because most consumers are not aware of how much an admission to a private hospital could cost them if they are not fully covered. For example, in one case investigated by PHIO, the patient was presented with an \$11,000 out-of-pocket account for his three (3) day admission,

because he was not fully covered for services in a private hospital.

There are many reasons why a patient may not be fully covered for a private hospital admission, including waiting periods, restrictions and exclusions and arrears on their membership. For this reason, PHIO for many years has expected hospitals to conduct a membership eligibility check for patients prior to admission, so that the patient can be advised if, for any reason, they are not fully covered for the procedure. This enables the patient to consent to incurring any out-of-pocket costs associated with the procedure, or to discuss other treatment options with their doctor if they cannot afford to proceed.

As a previous Ombudsman indicated in a report in 2002 on hospital IFC processes, "Membership Verification and Informed Financial Consent", "No patient should be rendered an account, for any amount, that they had not knowingly approved, following full financial disclosure, prior to their admission to hospital."

PHIO does not accept a general disclosure, where a patient signs to indicate that they will be responsible for all costs not paid by their health fund, as an indication that informed financial consent has been sought from the patient. Such a disclosure is meaningless, unless the patient is provided with an estimate of how much these charges will be. Of course, a hospital is not always able to provide an exact quote of costs, but the hospital can usually provide an estimate, which in most cases will be reliable.

The only exception to this is in the case of an emergency admission. In this case, PHIO would expect IFC to be obtained from the patient as soon as practicable after admission and would also expect the fund and hospital to agree on an appropriate payment for the admission that does not leave the patient with large out-of-pocket costs.

Complaints about failure to obtain IFC by doctors usually relate to services where the doctor does not see the patient until just prior to surgery, particularly anaesthetics. Obtaining IFC is more difficult in this circumstance, but the decreasing level of complaints to PHIO about lack of IFC by doctors suggests that anaesthetists are finding better ways to seek IFC from patients prior to surgery.

## Key Consumer Issues and Developments

Consumers are increasingly aware that there is an expectation that doctors, including anaesthetists, will seek IFC for elective admissions. This means that if a consumer believes that IFC has not been sought, they are more likely to complain to their doctor, fund or PHIO.

Many anaesthetists now have a process where patients can telephone their rooms for a quote, prior to surgery. PHIO strongly encourages patients to ensure they do this, so that they understand what gap, if any, they will incur for the anaesthetic associated with their procedure. Other anaesthetists will request the surgeon or obstetrician to provide information to patients about likely gaps for anaesthetic services.

The level of complaints to PHIO about this issue has gradually declined and this would suggest that in most cases, doctors are able to ensure there is a system in place for informing patients about their fees and any gaps they will incur for their services. It is the doctor's responsibility to ensure this occurs, wherever practicable.

### Premium Increases

PHIO received 58 complaints about premium increases during 2010-11, compared with 75 the previous year.

Since the introduction of the *Private Health Insurance Act 2007*, health funds require the approval of the Minister for Health and Ageing before they can raise their premiums. This ensures there is rigorous scrutiny of all premium increase applications each year.

All applications are assessed by the Minister for Health and Ageing, the Department of Health and Ageing, and the Private Health Insurance Administration Council (PHIAC).

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.

If the Minister is not satisfied that a premium increase requested by a fund is the minimum necessary, the Minister can ask the fund to consider re-submitting their application by seeking a lower premium increase. Alternatively, the fund can choose to provide

further justification as to why the increase requested is the minimum necessary.

This process ensures consumers can be confident that any rate increase has received significant scrutiny and can be justified as necessary to cover their fund's on-going costs.

### Consumer Information and Advice

The provision of consumer information and advice continued to be a key priority for PHIO during the year.

PHIO undertook a major review and update of the [www.privatehealth.gov.au](http://www.privatehealth.gov.au) website in 2010. Feedback from consumers about the improvements to the site has been very positive. Since the website re-design went live in the latter half of 2010, feedback via the website's own survey feature for both "Ease of Use" and "Location of Information" has improved considerably. Feedback on "Visual Appeal" continues to be very positive.

Visits to the site have also continued to increase. The website recorded 311,572 unique visitors during the year, which represented a 17% increase on the previous year.

PHIO has continued to enhance and improve the website during 2010-11 to ensure it continues to meet consumers' needs for high quality and accessible information about private health insurance.

In 2010-11, PHIO planned a number of additional improvements to the site for 2011-12 including:

- a set of on-line video tutorials to assist consumers in using the site and understanding private health insurance;
- an improved, map based, Agreement Hospital Locator; and
- improved fund information pages, to make it easier for consumers to find the information they're looking for in regard to their fund.

The State of the Health Funds Report complements the information available on the [www.privatehealth.gov.au](http://www.privatehealth.gov.au) website, by providing consumers with additional information they can use to compare health funds or assess the performance of their own health fund.

## Key Consumer Issues and Developments

As well as the printed version of the Report, which is available from the PHIO office<sup>3</sup>, an enhanced website version of the Report is also available online at [www.phio.org.au](http://www.phio.org.au). This version of the Report enables consumers to more easily view and sort the information and data tables on-line.

In addition, PHIO now has a range of consumer Fact Sheets available from its [www.phio.org.au](http://www.phio.org.au) website on topics which prompt more frequent questions and/or complaints from consumers. Additional Fact Sheets are added as issues are identified where consumers need more information. Current Fact Sheets available for consumers cover the following topics:

- Obstetrics and pregnancy
- Premium increases
- Informed financial consent
- Membership arrears
- Policy exclusions and restrictions
- Mental health treatment
- Plastic and reconstructive surgery
- Clearance certificates
- Assisted reproductive services
- Podiatric surgery
- Pre-existing conditions rule

PHIO also has the following consumer brochures available:

- Making a Complaint
- Ten Golden Rules of Private Health Insurance
- About our Service<sup>4</sup>
- Doctors' Bills
- Waiting Periods
- PrivateHealth.gov.au
- The Right to Change – Portability in Health Insurance
- Health Insurance Choice<sup>5</sup>

All of these Fact Sheets and brochures are available to download from [www.phio.org.au](http://www.phio.org.au) or can be obtained in hard copy by contacting the Ombudsman's office on (02) 8235 8777 or at [info@phio.org.au](mailto:info@phio.org.au).

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<sup>3</sup> Suite 2, Level 22, 580 George Street, Sydney; telephone (02) 8235 8777; consumer hotline: 1800 640 695; email [info@phio.org.au](mailto:info@phio.org.au)

<sup>4</sup> This brochure is also available in Arabic, Chinese, Greek, Italian, Spanish and Vietnamese.

<sup>5</sup> This brochure is also available in Arabic, Chinese, Greek, Italian, Spanish and Vietnamese.

## Health Fund Listing and Contact Details

### *Open Membership Health Funds*

<b>Abbreviation</b>	<b>Full name or other names</b>	<b>Phone Number</b>	<b>Website</b>
AHM	Australian Health Management Pty Ltd	134 246	<a href="http://www.ahm.com.au">www.ahm.com.au</a>
AU	Australian Unity Health Limited	132 939	<a href="http://www.australianunity.com.au">www.australianunity.com.au</a>
BUPA	Bupa Australia, MBF, HBA, Mutual Community	134 135	<a href="http://www.bupa.com.au">www.bupa.com.au</a>
CDH	CDH Benefits Fund Ltd	02 4990 1385	<a href="http://www.cdhbf.com.au">www.cdhbf.com.au</a>
CUA Health	CUA Health Ltd	1300 499 260	<a href="http://www.cuahealth.com.au">www.cuahealth.com.au</a>
GMHBA	GMHBA Limited	1300 446 422	<a href="http://www.gmhba.com.au">www.gmhba.com.au</a>
GU Corporate	Grand United Corporate Health	1800 249 966	<a href="http://www.guhealth.com.au">www.guhealth.com.au</a>
HBF	HBF Health Limited	133 423	<a href="http://www.hbf.com.au">www.hbf.com.au</a>
HCF	Hospitals Contribution Fund of Australia, Manchester Unity	131 334	<a href="http://www.hcf.com.au">www.hcf.com.au</a>
Healthguard	GMF Health, Central West Health Cover	1300 653 099, 132 206	<a href="http://www.healthguard.com.au">www.healthguard.com.au</a>
Health Partners	Health Partners Limited	1300 113 113	<a href="http://www.healthpartners.com.au">www.healthpartners.com.au</a>
HIF	Health Insurance Fund of Australia Ltd	1300 134 060	<a href="http://www.hif.com.au">www.hif.com.au</a>
Latrobe	Latrobe Health Services	1300 362 144	<a href="http://www.latrobehealth.com.au">www.latrobehealth.com.au</a>
Medibank	Medibank Private	132 331	<a href="http://www.medibank.com.au">www.medibank.com.au</a>
Mildura	Mildura District Hospital Fund	03 5023 0269	<a href="http://www.mdhf.com.au">www.mdhf.com.au</a>
MU	Manchester Unity	13 13 34	<a href="http://www.manchesterunity.com.au">www.manchesterunity.com.au</a>
NIB	NIB Health Funds Ltd	131 463	<a href="http://www.nib.com.au">www.nib.com.au</a>
Onemedifund	National Health Benefits Fund Australia Pty Ltd	1800 148 626	<a href="http://www.onemedifund.com.au">www.onemedifund.com.au</a>
Peoplecare	Lysaght Peoplecare Limited	1800 808 690	<a href="http://www.peoplecare.com.au">www.peoplecare.com.au</a>
QCH	Queensland Country Health Fund Ltd	1800 813 415	<a href="http://www.qldcountryhealth.com.au">www.qldcountryhealth.com.au</a>
St Lukes	St. Lukes Health	1300 651 988	<a href="http://www.stlukes.com.au">www.stlukes.com.au</a>
Westfund	Westfund	1300 552 132	<a href="http://www.westfund.com.au">www.westfund.com.au</a>

### *Restricted Access Health Funds*

<b>Abbreviation</b>	<b>Full name or other names</b>	<b>Phone Number</b>	<b>Website</b>
ACA	ACA Health Benefits Fund	1300 368 390	<a href="http://www.acahealth.com.au">www.acahealth.com.au</a>
CBHS	CBHS Health Fund Limited	1300 654 123	<a href="http://www.cbhs.com.au">www.cbhs.com.au</a>
Defence Health	Defence Health Limited	1800 335 425	<a href="http://www.defencehealth.com.au">www.defencehealth.com.au</a>
Doctors' Health	The Doctors' Health Fund Limited	1800 226 126	<a href="http://www.doctorshealthfund.com.au">www.doctorshealthfund.com.au</a>
HCI	Health Care Insurance Limited	1800 804 950	<a href="http://www.hcilt.com.au">www.hcilt.com.au</a>
Navy	Navy Health Ltd	1300 306 289	<a href="http://www.navyhealth.com.au">www.navyhealth.com.au</a>
Phoenix	Phoenix Health Fund	1800 028 817	<a href="http://www.phoenixhealthfund.com.au">www.phoenixhealthfund.com.au</a>
Police Health	Police Health Limited	1800 603 603	<a href="http://www.policehealth.com.au">www.policehealth.com.au</a>
RT Health Fund	Railway and Transport Health Fund Ltd	1300 886 123	<a href="http://www.rthealthfund.com.au">www.rthealthfund.com.au</a>
Reserve Bank	Reserve Bank Health Society Limited	1800 027 299	<a href="mailto:rbhs@rba.gov.au">rbhs@rba.gov.au</a>
Teachers Health	Teachers Health Fund	1300 728 188	<a href="http://www.teachershealth.com.au">www.teachershealth.com.au</a>
Transport	Transport Health	1300 806 808	<a href="http://www.transporthealth.com.au">www.transporthealth.com.au</a>
TUH	QLD Teachers' Union Health Fund	1300 360 701	<a href="http://www.tuh.com.au">www.tuh.com.au</a>

## Service Performance: Member Retention and Complaints

Fund Name (Abbreviated)	Member Retention (hospital cover)	Membership Change <sup>1</sup> % (number)	Complaints % compared to Market Share %					Code of Conduct Member
			Market Share	Benefits	Service	All Complaints	Complaints Investigated	
AHM	84.1%	2.2% (3559)	2.9%	3.1%	3.2%	4.1%	4.6%	●
AU	87.3%	6.9% (11489)	3.1%	3.3%	4.6%	4.0%	5.4%	●
BUPA	89.3%	2.3% (34764)	26.9%	32.2%	43.5%	36.0%	36.0%	●
GMHBA	86.6%	7.4% (6724)	1.7%	1.7%	0.5%	1.6%	1.0%	●
HBF	87.7%	4.0% (17103)	7.7%	1.7%	1.8%	2.2%	2.5%	●
HCF	89.8%	6.5 % (32718)	9.3%	5.5%	5.4%	5.9%	3.0%	●
HIF	87.4%	14.6% (4050)	0.6%	0.3%	0.3%	0.4%	0.3%	●
Healthguard	84.6%	11.2% (3000)	0.5%	0.8%	0.6%	0.6%	0.3%	●
Health Partners	91.3%	3.1% (1123)	0.7%	0.2%	0.0%	0.2%	0.5%	●
Latrobe	80.2%	6.8% (2597)	0.7%	0.3%	0.7%	0.7%	0.8%	●
Medibank	87.4%	0.8% (12584)	27.7%	33.9%	26.7%	28.8%	27.6%	●
MU	83.3%	-6.5% (-4504)	1.1%	2.1%	2.6%	2.0%	3.3%	●
NIB	86.7%	6.0% (24244)	7.5%	7.7%	3.8%	6.8%	7.2%	●
Westfund	91.4%	2.0% (880)	0.8%	0.7%	0.3%	0.6%	1.1%	●
CBHS	93.7%	4.8% (3393)	1.3%	1.0%	0.6%	1.0%	1.0%	●
Defence Health	90.9%	6.3% (5296)	1.6%	1.1%	0.8%	0.9%	0.7%	●
Teachers Health	93.6%	4.4% (4314)	1.8%	2.3%	2.2%	1.9%	2.6%	●

<sup>1</sup> The industry experienced a growth of 3.2% or 178 228 memberships overall.

### Smaller Funds (less than 0.5% National Market Share)

Fund Name (Abbreviated)	Member Retention (hospital cover)	Membership Growth <sup>1</sup> %	Number Complaints Received	Below market share?	Number Complaints Investigated	Below market share?	Code of Conduct Member
CDH	90.6%	3.7% (97)	0	Yes	0	Yes	
CUA Health	86.5%	8.3% (1860)	3	Yes	0	Yes	●
GU Corporate	73.6%	18.9% (3451)	16	No	4	No	●
Mildura	91.1%	-0.2% (-34)	1	Yes	0	Yes	
Onemedifund	95.6%	11.2% (475)	0	Yes	0	Yes	
Peoplecare	99.1%	15.7% (3310)	3	Yes	0	Yes	●
QCH	88.8%	7.2% (969)	3	No	1	Yes	●
St. Luke's	89.7%	2.4% (517)	3	Yes	0	Yes	●
ACA	93.7%	0.5% (24)	1	No	0	Yes	●
Doctors' Health	91.2%	16.9% (1082)	0	Yes	0	Yes	●
HCI	92.7%	0.8% (29)	0	Yes	0	Yes	●
Navy Health	92.1%	3.9% (544)	0	Yes	0	Yes	●
Phoenix	93.4%	1.8% (114)	0	Yes	0	Yes	●
Police Health	91.7%	6.0% (962)	6	No	3	No	●
RT Health Fund	90.5%	-1.6% (-382)	19	No	3	No	●
Reserve Bank	92.3%	0.9% (19)	0	Yes	0	Yes	●
Transport	88.6%	10.6% (401)	3	Yes	0	Yes	●
TUH	93.4%	6.3% (1456)	5	Yes	2	Yes	●

<sup>1</sup> The industry experienced a growth of 3.2% or 178 228 memberships overall.

# Service Performance

The level of complaints that the PHIO receives about a fund (relevant 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.

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## Member Retention

The member retention indicator is used as one measure of the comparative effectiveness of health funds and is a measure 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 PHIO.

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 2010 to 30 June 2011. 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 Private Health Insurance Ombudsman (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 % compared to Market Share %

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 2011) is shown in the shaded column. Subsequent columns show the % 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 % than their percentage market share, it indicates that members of that fund are more likely to complain (about that issue) than the average of all fund members.

**Benefits** 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

Most complaints to the Ombudsman can be finalised by referral of the matter to fund staff to resolve, or by PHIO staff providing information about the rules applying to health insurance. Complaints which fund staff have not been able to resolve to a member's satisfaction are investigated by the Ombudsman's office.

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 % 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, dealing with the quality of advice provided to consumers. It 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 2012).

# Hospital Cover

Fund Name (Abbreviated)	% Hospital Related Charges Covered <sup>1</sup>							
	NSW	VIC	QLD	WA	SA	TAS	ACT	NT
AHM	87.7%	88.0%	88.1%	86.9%	92.7%	91.8%	80.8%	85.6%
AU	87.5%	91.3%	89.1%	85.4%	92.6%	90.4%	80.8%	87.0%
BUPA	86.5%	92.6%	89.2%	86.6%	95.1%	92.3%	78.5%	86.8%
CDH	95.6%	93.5%	89.4%	95.0%	96.3%	79.8%	88.4%	-
CUA Health	90.7%	91.0%	92.3%	83.7%	95.1%	93.1%	91.9%	93.0%
GMHBA	84.2%	92.1%	87.4%	87.2%	90.1%	88.1%	81.5%	81.8%
GU Corporate	87.5%	89.2%	85.6%	82.1%	92.6%	83.3%	86.3%	91.3%
HBF	86.3%	91.5%	88.7%	94.3%	93.0%	92.0%	86.9%	91.2%
HCF	91.6%	96.6%	94.5%	93.6%	98.3%	95.7%	84.5%	84.1%
Healthguard	92.9%	96.1%	94.1%	92.7%	98.1%	92.7%	84.9%	94.7%
Health Partners	82.2%	92.2%	89.4%	80.6%	96.2%	95.1%	85.2%	86.8%
HIF	82.6%	90.7%	88.8%	90.7%	94.6%	93.7%	90.1%	85.4%
Latrobe	85.1%	92.8%	85.8%	87.4%	89.3%	90.9%	73.8%	93.7%
Medibank	87.0%	92.8%	89.8%	90.2%	92.8%	92.8%	81.4%	88.2%
Mildura	88.7%	90.4%	83.6%	87.9%	87.6%	86.3%	60.6%	89.8%
MU	92.7%	93.2%	92.3%	92.3%	95.3%	94.7%	86.9%	90.9%
NIB	84.4%	83.0%	81.0%	79.8%	84.6%	86.4%	71.6%	77.3%
Onemedifund	89.7%	94.7%	93.1%	93.2%	96.1%	94.4%	96.0%	-
Peoplecare	89.5%	92.4%	90.5%	90.5%	94.2%	90.5%	85.1%	89.9%
QCH	84.6%	93.8%	89.5%	91.9%	97.9%	88.9%	85.9%	85.4%
St. Luke's	90.6%	92.3%	87.0%	91.4%	96.4%	93.6%	83.3%	88.2%
Westfund	92.3%	96.2%	89.4%	88.9%	96.3%	97.8%	87.1%	87.7%
<i>ACA</i>	93.5%	96.1%	96.1%	92.0%	97.2%	92.0%	81.3%	100.0%
<i>CBHS</i>	89.4%	94.7%	92.0%	91.7%	95.5%	94.8%	79.1%	92.0%
<i>Defence Health</i>	89.9%	93.3%	91.4%	89.6%	95.3%	93.7%	83.6%	90.0%
<i>Doctors' Health</i>	94.3%	95.9%	94.5%	96.6%	95.1%	91.1%	82.7%	95.9%
<i>HCI</i>	92.6%	95.6%	93.3%	96.2%	98.0%	94.1%	84.4%	92.1%
<i>Navy Health</i>	91.3%	94.7%	90.6%	88.8%	96.3%	95.2%	83.4%	87.8%
<i>Phoenix</i>	95.5%	97.3%	93.7%	94.3%	98.2%	97.6%	76.4%	98.7%
<i>Police Health</i>	95.8%	97.5%	92.5%	92.2%	98.5%	93.8%	84.5%	91.1%
<i>RT Health Fund</i>	93.0%	94.3%	92.4%	91.0%	96.5%	98.1%	90.9%	78.2%
<i>Reserve Bank</i>	92.4%	98.3%	97.8%	96.8%	98.8%	98.8%	80.3%	-
<i>Teachers Health</i>	90.9%	93.6%	92.5%	87.9%	95.9%	93.2%	85.9%	88.9%
<i>Transport</i>	85.5%	95.0%	94.6%	87.8%	97.3%	-	-	-
<i>TUH</i>	91.3%	93.9%	91.4%	93.2%	97.3%	87.5%	85.1%	79.5%

<sup>1</sup> Includes charges for hospital accommodation, theatre costs, prostheses and specialist fees (not including the Medicare benefit) and associated benefits.

# Hospital Cover

This table allows 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.

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## Hospital Cover

This table contains information allowing a general comparison of health insurance for private hospital treatment (hospital cover) provided by each fund.

Hospital cover provides benefits to cover or partly cover:

- hospital fees for accommodation, operating theatre charges and other charges by private hospitals (or public hospitals for treatment as a private patient);
- the costs of drugs or prostheses required for hospital treatment; and
- the fees charged by doctors (surgeons, anaesthetists etc) for in-hospital treatment of private patients.

Most funds offer a choice of different policies providing hospital cover. These policies may differ on the basis of the range of treatments that are covered in full or partly, the level of excess or co-payments required, price and discounts available.

## 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) 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 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/reduced cover policies will have a lower average figure.

Information is not provided for some funds in some states, as there are insufficient numbers reported to PHIAC for states in which the fund does not have a large enough 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 cover provided through hospital covers refer to the separate *Medical Gap Cover* 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 cover such as the 'Medicare Levy Surcharge Exemption' and 'Lifetime Health Cover'. The brochure is available on [www.phio.org.au](http://www.phio.org.au) or by phoning 1800 640 695.

## PHIO Consumer Website

The [www.privatehealth.gov.au](http://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.



## Medical Gap Cover

Fund or Gap scheme	NSW	VIC	QLD	WA	SA	TAS	ACT	NT
	% of Services with No Gap							
AHM	90.5%	90.9%	89.7%	72.6%	95.4%	90.8%	83.0%	84.5%
BUPA	81.5%	89.2%	84.8%	66.6%	93.4%	88.9%	70.2%	72.1%
CDH	89.1%	61.4%	61.2%	56.5%	68.8%	33.3%	-	-
GMHBA	69.6%	83.3%	72.7%	59.2%	73.4%	74.0%	67.4%	64.1%
HBF	58.7%	58.7%	55.6%	82.2%	73.4%	73.2%	59.6%	62.0%
HCF	90.9%	97.2%	95.6%	92.9%	99.4%	96.5%	80.5%	91.8%
Healthguard	87.8%	91.2%	89.7%	81.7%	94.0%	75.8%	75.5%	82.3%
Latrobe	68.7%	82.9%	65.7%	44.2%	85.1%	77.1%	32.6%	60.3%
Medibank	87.8%	92.8%	90.2%	78.3%	94.3%	90.6%	81.4%	85.4%
Mildura	64.3%	72.8%	51.5%	26.9%	66.9%	50.0%	50.0%	-
MU	94.5%	97.2%	95.5%	93.7%	98.1%	96.7%	87.5%	94.8%
NIB	83.4%	77.3%	75.6%	64.7%	81.7%	83.6%	55.5%	64.1%
St Lukes	80.2%	81.5%	75.2%	54.7%	91.0%	87.3%	55.8%	50.0%
Access Gap Participants <sup>1</sup>	89.4%	93.2%	88.4%	75.5%	95.5%	88.2%	81.2%	87.0%
<b>Total / Industry outcome</b>	<b>86.8%</b>	<b>90.8%</b>	<b>87.6%</b>	<b>79.7%</b>	<b>94.0%</b>	<b>89.2%</b>	<b>76.7%</b>	<b>79.8%</b>
Fund or Gap scheme	% of Services with No Gap or Where Known Gap Payment Made							
AHM	94.1%	96.7%	94.2%	81.3%	98.9%	96.8%	88.7%	93.1%
BUPA	84.3%	91.8%	87.6%	72.7%	95.7%	91.9%	73.5%	76.1%
CDH	97.9%	91.4%	90.1%	87.0%	89.2%	88.9%	-	-
GMHBA	78.2%	91.8%	79.7%	68.7%	83.3%	86.6%	73.1%	81.5%
HBF	76.4%	76.7%	77.7%	99.2%	84.5%	84.6%	77.3%	94.9%
HCF	90.9%	97.2%	95.6%	92.9%	99.4%	96.5%	80.5%	91.8%
Healthguard	94.8%	96.7%	95.0%	87.8%	97.8%	89.8%	85.3%	83.9%
Latrobe	93.5%	96.6%	93.5%	92.1%	96.7%	96.6%	93.3%	88.2%
Medibank	91.5%	97.0%	94.1%	84.9%	98.0%	97.3%	85.6%	92.7%
Mildura	90.7%	94.7%	76.2%	80.8%	87.7%	78.1%	50.0%	100.0%
MU	94.5%	97.2%	95.5%	93.7%	98.1%	96.7%	87.5%	94.8%
NIB	83.4%	77.3%	75.6%	64.7%	81.7%	83.6%	55.5%	64.1%
St Lukes	83.1%	87.8%	79.3%	60.4%	93.5%	96.3%	58.9%	50.0%
Access Gap Participants <sup>1</sup>	93.3%	97.1%	92.9%	83.9%	98.3%	95.8%	85.5%	90.7%
<b>Total / Industry outcome</b>	<b>89.0%</b>	<b>94.8%</b>	<b>90.9%</b>	<b>92.9%</b>	<b>96.6%</b>	<b>94.8%</b>	<b>79.7%</b>	<b>85.4%</b>

<sup>1</sup> Access Gap Participants are listed on the following page.

# Medical Gap Cover

Medical gap schemes are designed to eliminate or reduce the out-of-pocket costs incurred by a patient for in-hospital medical services. No cost is incurred by the patient for a 'no gap' service. 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 is an indicator of 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.

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## Fund Gap Schemes and Agreements

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

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 MBS fee, there will be no gap to the fund member. In the main, this is due to the level of doctor's fees, which vary significantly between different states in Australia, and between regional areas and capital cities.

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 PHIAC for states in which the fund does not have a large enough membership (in which case, these figures are counted in 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 also 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.

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

**% 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 present the position taking into account all of the fund's policies. It 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 gap cover 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 account of any MPPAs established by the AHSa for participant funds.

### Access Gap Participants

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

## General Treatment (extras) Cover

Fund name (Abbreviated)	% General Treatment (extras) Charges Covered							
	NSW	VIC	QLD	WA	SA	TAS	ACT	NT
AHM	47.8%	47.4%	47.2%	46.6%	50.0%	45.1%	43.3%	44.7%
AU	47.9%	51.8%	51.5%	49.8%	53.4%	50.4%	43.8%	50.2%
BUPA	47.3%	47.1%	47.4%	49.9%	51.8%	46.1%	41.7%	44.5%
CDH	42.6%	42.0%	41.4%	39.7%	49.4%	45.6%	46.3%	0.0%
CUA	55.1%	54.9%	52.9%	51.9%	58.2%	57.2%	49.0%	48.6%
GMHBA	50.7%	50.3%	50.0%	51.8%	51.8%	48.1%	45.8%	51.3%
GU Corporate	72.2%	73.7%	71.3%	76.3%	72.9%	72.3%	68.6%	77.2%
HBF	37.9%	39.6%	39.0%	50.5%	41.0%	39.7%	37.4%	43.1%
HCF	50.0%	52.8%	52.8%	48.6%	57.4%	46.2%	44.7%	46.4%
Healthguard	45.8%	48.2%	43.5%	47.0%	47.9%	42.3%	36.0%	40.7%
Health Partners	42.2%	47.7%	44.9%	44.9%	57.0%	47.2%	42.2%	49.2%
HIF	45.7%	47.1%	45.5%	48.2%	48.1%	44.6%	46.0%	45.3%
Latrobe	42.1%	38.4%	37.6%	34.8%	39.3%	38.1%	30.8%	30.2%
Medibank	47.1%	45.5%	47.5%	45.4%	52.3%	47.7%	39.8%	44.2%
Mildura	50.3%	50.1%	48.6%	48.4%	51.9%	44.0%	53.2%	25.4%
MU	45.4%	48.4%	48.2%	46.1%	50.1%	43.6%	41.1%	40.8%
NIB	52.4%	60.7%	56.0%	59.2%	60.4%	54.5%	51.4%	50.7%
Onemedifund	49.1%	50.8%	49.8%	48.5%	54.0%	49.1%	44.5%	0.0%
Peoplecare	54.7%	53.7%	50.8%	49.5%	55.8%	50.3%	49.6%	54.1%
QCH	51.6%	53.8%	52.6%	48.1%	53.6%	46.3%	42.7%	51.8%
St. Luke's	52.7%	48.0%	48.2%	46.7%	60.0%	47.2%	39.5%	37.6%
Westfund	53.7%	47.5%	52.1%	51.4%	54.9%	50.2%	48.6%	54.5%
ACA	58.9%	59.8%	61.8%	61.0%	64.9%	60.1%	54.1%	68.8%
CBHS	48.4%	50.2%	51.5%	51.5%	55.1%	50.8%	44.5%	47.8%
Defence Health	44.9%	47.5%	45.7%	45.1%	49.6%	42.9%	40.1%	44.0%
Doctors' Health	47.7%	48.3%	51.2%	51.8%	59.0%	59.0%	42.5%	48.4%
HCI	41.4%	54.2%	50.6%	53.7%	55.6%	50.0%	36.7%	46.9%
Navy Health	46.7%	52.3%	48.8%	47.4%	53.2%	46.1%	42.6%	48.7%
Phoenix	55.9%	58.4%	57.0%	57.8%	59.2%	55.0%	50.1%	55.9%
Police Health	64.6%	67.2%	68.0%	68.0%	72.8%	67.8%	53.5%	67.8%
RT Health Fund	51.8%	51.1%	50.6%	48.3%	54.3%	47.8%	43.8%	46.9%
Reserve Bank	73.6%	73.8%	78.7%	79.1%	82.5%	65.7%	56.0%	0.0%
Teachers Health	51.3%	53.0%	51.4%	50.7%	54.6%	46.8%	47.6%	47.0%
Transport	57.0%	63.8%	52.4%	53.8%	53.6%	59.9%	54.8%	0.0%
TUH	46.7%	48.1%	52.7%	48.8%	45.8%	42.1%	47.7%	42.4%

# General Treatment (extras) Cover

General Treatment cover provides benefits towards a range of out-of-hospital health services. The most commonly covered 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.

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## General Treatment

General Treatment cover, also known as “Ancillary” or “Extras”,<sup>1</sup> provides 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.

## % Charges Covered, All Services, By State

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

## ANCILLARY (EXTRAS) COVER (II) 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 ancillary policies).

This is intended to provide a broad comparative indicator of fund ancillary 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 an ancillary 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 'na' 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 extras (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.

## 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.phio.org.au](http://www.phio.org.au) or by phoning 1800 640 695.

PHIO's consumer website [www.privatehealth.gov.au](http://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.

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<sup>1</sup> Known as “Essentials” cover in WA

## General Treatment (extras) Cover (II)

### Average Amount of Costs Covered by Service

#### Open Membership Health Funds

Fund	Dental <sup>1</sup>	Optical <sup>1</sup>	Physiotherapy	Chiropractic	Pharmacy	Podiatry	Natural Therapies	Ambulance	Acupuncture	Psych/Group Therapy	Preventative Health Products	Hearing Aids & Audiology	Occupational Therapy
AHM	45%	65%	46%	58%	41%	49%	38%	100%	39%	34%	67%	31%	38%
AU	47%	65%	64%	52%	44%	54%	49%	na	46%	34%	66%	16%	52%
BUPA	49%	47%	52%	56%	39%	47%	39%	98%	48%	41%	25%	22%	47%
CDH	43%	45%	62%	50%	47%	43%	36%	100%	50%	27%	42%	0%	42%
CUA Health	55%	57%	50%	52%	38%	53%	41%	100%	42%	45%	51%	49%	52%
GMHBA	49%	61%	43%	46%	45%	52%	34%	92%	37%	32%	31%	19%	42%
GU Corporate	74%	65%	79%	78%	53%	76%	77%	na	77%	76%	69%	24%	87%
HBF	53%	43%	43%	39%	41%	50%	38%	100%	na	40%	66%	28%	70%
HCF	55%	50%	46%	53%	42%	49%	34%	100%	38%	50%	53%	32%	53%
Healthguard	38%	68%	48%	42%	38%	62%	32%	99%	na	32%	na	21%	47%
Health Partners	60%	54%	56%	46%	44%	44%	31%	98%	38%	42%	na	32%	50%
HIF	49%	47%	50%	46%	45%	46%	29%	99%	29%	39%	25%	32%	46%
Latrobe	33%	52%	42%	45%	24%	46%	31%	64%	46%	38%	32%	16%	46%
Medibank	46%	51%	46%	46%	34%	50%	43%	100%	51%	34%	63%	21%	38%
Mildura	53%	41%	55%	55%	na	49%	49%	51%	44%	24%	na	16%	na
MU	46%	43%	44%	55%	41%	50%	38%	100%	38%	35%	40%	24%	43%
NIB	55%	55%	60%	57%	34%	59%	51%	100%	54%	51%	50%	16%	51%
Onemedifund	52%	53%	51%	50%	41%	49%	40%	100%	38%	36%	82%	28%	50%
Peoplecare	52%	63%	51%	53%	42%	49%	45%	100%	47%	48%	74%	39%	53%
QCH	48%	54%	52%	73%	36%	71%	46%	na	57%	57%	54%	49%	43%
St. Luke's	46%	49%	49%	59%	43%	53%	46%	81%	41%	38%	51%	49%	32%
Westfund	54%	55%	42%	54%	43%	59%	46%	100%	46%	25%	na	45%	na

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

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

## General Treatment (extras) Cover (II)

### Average Amount of Costs Covered by Service

#### Restricted Membership Health Funds

Fund	Dental <sup>1</sup>	Optical <sup>1</sup>	Physiotherapy	Chiropractic	Pharmacy	Podiatry	Natural Therapies	Ambulance	Acupuncture	Psych/Group Therapy	Preventative Health Products	Hearing Aids & Audiology	Occupational Therapy
ACA	62%	67%	55%	61%	50%	71%	37%	99%	43%	36%	na	37%	72%
CBHS	49%	52%	56%	64%	49%	54%	43%	97%	52%	48%	23%	34%	45%
Defence Health	45%	46%	44%	48%	53%	45%	37%	100%	37%	37%	44%	28%	41%
Doctors' Health	50%	55%	44%	na	42%	52%	na	na	na	61%	na	14%	34%
HCI	50%	50%	52%	60%	51%	59%	50%	100%	45%	41%	70%	49%	48%
Navy Health	47%	46%	54%	60%	48%	52%	45%	100%	na	36%	na	27%	49%
Phoenix	62%	57%	59%	53%	46%	64%	33%	99%	46%	53%	na	47%	58%
Police Health	69%	68%	76%	78%	41%	69%	41%	100%	71%	76%	na	26%	65%
RT Health Fund	47%	60%	54%	66%	47%	61%	43%	96%	64%	32%	na	35%	43%
Reserve Bank	72%	73%	79%	81%	57%	81%	79%	100%	80%	80%	na	76%	81%
Teachers Health	55%	48%	53%	61%	43%	58%	52%	100%	56%	39%	33%	32%	59%
Transport	70%	58%	53%	64%	41%	65%	42%	100%	48%	38%	62%	33%	40%
TUH	54%	51%	52%	57%	42%	64%	51%	100%	48%	48%	57%	30%	50%

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

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

## 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	Per Average Policy			
AHM	82.1%	10.6%	\$304	7.3%	7.1%	No
AU	81.3%	11.5%	\$311	7.2%	5.7%	No
BUPA	83.5%	9.3%	\$282	7.2%	6.5%	No
CDH	88.5%	11.5%	\$339	0.0%	5.5%	Yes
CUA Health	85.3%	10.5%	\$327	4.2%	7.2%	Yes
GMHBA	87.5%	10.6%	\$277	2.0%	5.2%	Yes
GU Corporate	74.9%	14.9%	\$650	10.2%	8.3%	No
HBF	87.5%	9.4%	\$219	3.1%	12.2%	Yes
HCF	91.4%	6.9%	\$194	1.7%	5.8%	Yes
Healthguard	79.1%	11.0%	\$340	9.9%	16.3%	Yes
Health Partners	88.4%	8.5%	\$243	3.1%	9.6%	Yes
HIF	85.0%	10.7%	\$263	4.3%	9.5%	Yes
Latrobe	87.7%	9.5%	\$248	2.8%	9.2%	Yes
Medibank	85.2%	9.2%	\$240	5.5%	6.8%	No
Mildura	84.4%	7.4%	\$150	8.2%	18.1%	Yes
MU	82.7%	9.0%	\$301	8.4%	6.5%	Yes
NIB	84.8%	9.1%	\$216	6.1%	5.7%	No
Onemedifund	76.4%	9.6%	\$360	14.0%	11.6%	No
Peoplecare	86.3%	9.2%	\$300	4.5%	8.4%	Yes
QCH	81.1%	10.6%	\$388	8.3%	12.9%	Yes
St. Luke's	80.5%	10.8%	\$328	8.8%	13.0%	Yes
Westfund	87.6%	8.8%	\$225	3.7%	8.9%	Yes
<i>ACA</i>	89.7%	7.0%	\$272	3.2%	7.3%	Yes
<i>CBHS</i>	92.2%	5.4%	\$171	2.3%	5.7%	Yes
<i>Defence Health</i>	87.2%	5.9%	\$169	6.9%	11.7%	Yes
<i>Doctors' Health</i>	81.7%	13.1%	\$472	5.2%	11.5%	Yes
<i>HCI</i>	84.9%	12.7%	\$384	2.4%	7.7%	Yes
<i>Navy Health</i>	85.2%	9.3%	\$291	5.5%	13.0%	Yes
<i>Phoenix</i>	90.7%	8.8%	\$306	0.4%	4.3%	Yes
<i>Police Health</i>	83.0%	6.2%	\$262	10.7%	12.1%	Yes
<i>RT Health Fund</i>	83.7%	12.0%	\$409	4.3%	3.9%	Yes
<i>Reserve Bank</i>	74.7%	16.3%	\$750	8.9%	12.7%	Yes
<i>Teachers Health</i>	88.2%	6.9%	\$227	4.9%	8.9%	Yes
<i>Transport</i>	90.0%	8.0%	\$236	2.0%	6.4%	Yes
<i>TUH</i>	87.6%	8.8%	\$225	3.7%	8.9%	Yes

# 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.

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## 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 Act also establishes the Private Health Insurance Administration Council (PHIAC) – an independent organisation with responsibility for monitoring the financial performance of the funds and ensuring that they meet prudential requirements.

PHIAC produces an annual publication providing financial and operational statistics for the funds for each financial year.<sup>1</sup> Information included in the Financial Performance table is drawn from data collected by PHIAC for that purpose.

## Benefits as a % 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 % 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 Person 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.

## Surplus (-Loss) from health insurance

The surplus or loss (indicated as a negative figure) made by the fund in 2010-2011 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 % 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 % 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.

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<sup>1</sup> The "Operations of the Private Health Insurers" report is available on the PHIAC website: [www.phiac.gov.au](http://www.phiac.gov.au)



# Health Fund Operations by State or Territory

Only funds with a significant market share in a state or territory are listed in these tables. 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.

## 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 state or territory. Only those funds with a significant operation in the state or territory are listed in the relevant table.

Most funds now have websites where members can view information, join or change their policy and submit claims. Links to all health fund websites are available at [www.privatehealth.gov.au](http://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 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 Hospitals<sup>1</sup>

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).<sup>2</sup>

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, etc).

## 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/services;
- Obtain and lodge an application to join any of the fund's tables/policies;
- Obtain a "cover note" if necessary;
- Make a personal inquiry about their membership (contributions, payment arrangements, benefits);
- 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.

<sup>1</sup> According to [www.privatehealth.gov.au](http://www.privatehealth.gov.au), 15 February 2012

<sup>2</sup> These agreements do not apply to fees charged by private doctors for in-hospital treatment. However, such fees may be covered by a fund's medical gap scheme arrangements.

# Health Fund Operations by State or Territory

## New South Wales

Fund Name (Abbreviated)	% Fund Market Share this state	% Fund's Membership in this state	Agreement Hospitals		Fund Outlets	
			Private Hospitals	Day Hospitals	Retail Offices	Agencies
AHM	4.0%	44.8%	81	74	•	
AU	1.4%	14.3%	85	82	•	
BUPA	23.8%	29.3%	81	74	•	
CDH	0.1%	87.2%	73	51	•	
GMHBA	0.3%	6.4%	83	76		
GU Corporate	0.5%	43.7%	86	84		
HCF	19.9%	70.2%	79	82	•	
Healthguard	0.2%	12.1%	78	73		•
Medibank	22.0%	26.2%	78	70	•	•
Mildura	0.1%	10.9%	71	35		•
MU	2.1%	61.1%	79	81	•	
NIB	14.8%	65.0%	85	73	•	
Peoplecare	0.6%	48.5%	81	74	•	
Westfund	1.5%	64.9%	84	84	•	•
<i>ACA</i>	0.2%	59.4%	78	73	•	
<i>CBHS</i>	1.7%	43.1%	78	73	•	
<i>Defence Health</i>	0.8%	17.5%	86	84		•
<i>Doctors' Health</i>	0.2%	39.0%	78	73	•	
<i>Navy Health</i>	0.3%	32.4%	82	82		
<i>Phoenix</i>	0.2%	50.8%	78	73	•	
<i>RT Health Fund</i>	0.6%	52.4%	82	83	•	
<i>Reserve Bank</i>	0.1%	59.1%	81	83	•	
<i>Teachers Health</i>	4.1%	76.5%	78	73	•	

# Health Fund Operations by State or Territory

## Victoria

Fund Name (Abbreviated)	% Fund Market Share this state	% Fund's Membership in this state	Agreement Hospitals		Fund Outlets	
			Private Hospitals	Day Hospitals	Retail Offices	Agencies
AHM	2.9%	23.1%	71	52		
AU	9.2%	68.9%	74	68	•	
BUPA	25.2%	22.0%	72	54	•	•
GMHBA	5.5%	74.5%	74	53	•	•
GU Corporate	0.3%	19.8%	74	69		
HCF	5.2%	13.0%	68	47	•	
Healthguard	0.7%	31.0%	72	53		
Latrobe	2.7%	88.6%	73	55	•	•
Medibank	35.0%	29.6%	72	51	•	•
Mildura	0.9%	85.9%	72	48	•	•
MU	0.7%	14.1%	68	47	•	
NIB	5.1%	15.9%	69	45	•	
Peoplecare	0.5%	29.5%	68	56	•	
St Luke's	0.1%	4.3%	73	50		
<i>CBHS</i>	1.5%	26.4%	72	53		
<i>Defence Health</i>	2.0%	30.3%	75	68	•	•
<i>Doctors' Health</i>	0.2%	33.6%	73	53		
<i>Navy Health</i>	0.3%	23.3%	74	64	•	
<i>Phoenix</i>	0.1%	14.2%	72	53		
<i>RT Health Fund</i>	0.2%	11.0%	75	66		
<i>Teachers Health</i>	0.9%	11.8%	72	53	•	
<i>Transport</i>	0.3%	91.5%	72	53	•	

# Health Fund Operations by State or Territory

## Queensland

Fund Name (Abbreviated)	% Fund Market Share this state	% Fund's Membership in this state	Agreement Hospitals		Fund Outlets	
			Private Hospitals	Day Hospitals	Retail Offices	Agencies
AHM	3.3%	10.2%	47	36		
AU	1.7%	9.6%	49	42	•	
BUPA	35.2%	23.4%	49	34	•	
CUA Health	1.9%	81.1%	49	43		•
GMHBA	0.8%	8.1%	49	40		
GU Corporate	0.3%	14.1%	49	42		
HCF	4.8%	9.2%	48	36	•	
Healthguard	0.2%	6.8%	47	36		
Latrobe	0.2%	3.8%	39	27		
Medibank	34.6%	20.4%	48	36	•	•
MU	0.9%	14.4%	48	36	•	
NIB	4.5%	10.6%	44	36	•	
Peoplecare	0.3%	12.1%	47	39		
QCH	1.4%	96.0%	49	40	•	•
St Lukes	0.1%	2.6%	41	25		
Westfund	1.4%	32.4%	49	43	•	•
<i>ACA</i>	0.1%	17.9%	47	36		
<i>CBHS</i>	1.2%	16.0%	47	36		
<i>Defence Health</i>	2.5%	28.4%	49	42		•
<i>Doctors' Health</i>	0.2%	20.1%	47	36		
<i>Navy Health</i>	0.2%	17.1%	49	43		
<i>Phoenix</i>	0.1%	13.5%	47	36		
<i>Police Health</i>	0.6%	35.2%	48	43		
<i>RT Health Fund</i>	0.8%	33.6%	49	43	•	
<i>Teachers Health</i>	0.2%	2.4%	47	36		
<i>TUH</i>	2.3%	97.1%	47	36	•	

# Health Fund Operations by State or Territory

## Western Australia

Fund Name (Abbreviated)	% Fund Market Share this state	% Fund's Membership in this state	Agreement Hospitals		Fund Outlets	
			Private Hospitals	Day Hospitals	Retail Offices	Agencies
AHM	0.7%	3.1%	19	11		
AU	0.4%	1.8%	17	20		
BUPA	7.2%	3.4%	18	14	•	•
GMHBA	1.2%	8.9%	17	17	•	•
GU Corporate	0.5%	17.9%	17	20		
HBF	59.0%	97.7%	20	18	•	•
HCF	1.1%	1.5%	6	5		
Healthguard	1.9%	47.4%	16	11	•	•
HIF	4.1%	93.7%	17	18	•	•
Medibank	20.2%	9.3%	19	14	•	•
MU	0.3%	3.1%	6	5		
NIB	1.1%	1.9%	16	9		
Peoplcare	0.1%	3.6%	16	14		
<i>CBHS</i>	0.6%	6.2%	16	11		
<i>Defence Health</i>	0.6%	4.6%	17	20		•
<i>Navy Health</i>	0.2%	9.1%	17	20		
<i>Police Health</i>	0.3%	12.0%	17	20		
<i>Teachers Health</i>	0.2%	1.3%	16	11		

## South Australia

Fund Name (Abbreviated)	% Fund Market Share this state	% Fund's Membership in this state	Agreement Hospitals		Fund Outlets	
			Private Hospitals	Day Hospitals	Retail Offices	Agencies
AHM	1.4%	3.9%	30	21		
AU	1.6%	4.0%	30	23		
BUPA	54.9%	16.4%	30	22	•	•
GMHBA	0.3%	1.2%	29	20		
GU Corporate	0.1%	2.3%	30	24		
HCF	3.2%	2.8%	27	16	•	
Healthguard	0.1%	1.1%	31	20		
Health Partners	7.8%	95.8%	31	23	•	•
Medibank	22.4%	6.5%	31	19	•	•
Mildura	0.1%	1.8%	22	7		
MU	0.5%	3.7%	27	16	•	
NIB	1.5%	1.6%	28	19	•	
Peoplcare	0.2%	4.6%	31	21		
St. Lukes'	0.1%	1.6%	22	10		
<i>CBHS</i>	0.8%	5.1%	31	20		
<i>Defence Health</i>	1.7%	8.6%	31	23		•
<i>Navy Health</i>	0.2%	5.4%	31	22		
<i>Phoenix</i>	0.2%	16.6%	31	20		
<i>Police Health</i>	1.6%	42.0%	31	23	•	
<i>Teachers Health</i>	0.9%	4.2%	31	20		

# Health Fund Operations by State or Territory

## Tasmania

Fund Name (Abbreviated)	% Fund Market Share this state	% Fund's Membership in this state	Agreement Hospitals		Fund Outlets	
			Private Hospitals	Day Hospitals	Retail Offices	Agencies
AHM	2.7%	2.1%	5	2		
AU	0.7%	0.5%	5	3		
BUPA	37.2%	3.0%	5	3	•	
GMBHA	0.3%	0.4%	5	3		
HCF	1.5%	0.4%	5	3		
Medibank	33.7%	2.7%	5	2	•	•
NIB	1.0%	0.3%	5	2		
St Luke's	15.5%	88.0%	5	3	•	•
<i>CBHS</i>	1.0%	1.6%	5	2		
<i>Defence Health</i>	0.8%	1.0%	5	3		
<i>HCI</i>	2.3%	76.2%	5	3	•	
<i>Navy Health</i>	0.2%	1.4%	5	3		
<i>Police Health</i>	0.4%	2.9%	5	3		
<i>Teachers Health</i>	0.9%	1.1%	5	2		

## Australian Capital Territory

Fund Name (Abbreviated)	% Fund Market Share this state	% Fund's Membership in this state	Agreement Hospitals		Fund Outlets	
			Private Hospitals	Day Hospitals	Retail Offices	Agencies
AHM	2.9%	2.0%	5	7		
BUPA	20.0%	1.5%	5	5	•	
HCF	12.9%	2.8%	3	7	•	
Medibank	31.5%	2.3%	3	5	•	
MU	1.7%	3.0%	3	7	•	
NIB	16.9%	4.5%	4	8	•	
<i>Defence</i>	6.1%	7.8%	4	9		•
<i>Navy</i>	1.3%	10.4%	3	9		
<i>Teachers Health</i>	2.1%	2.4%	3	7		

## Northern Territory

Fund Name (Abbreviated)	% Fund Market Share this state	% Fund's Membership in this state	Agreement Hospitals		Fund Outlets	
			Private Hospitals	Day Hospitals	Retail Offices	Agencies
AHM	2.6%	0.6%	1	0		
BUPA	38.8%	1.0%	1	1	•	•
GMHBA	0.2%	0.1%	1	1		
HCF	2.7%	0.2%	1	1		
Medibank	42.8%	1.1%	1	1	•	•
NIB	1.6%	0.1%	1	1		
<i>Defence Health</i>	3.9%	1.8%	1	1		•
<i>Navy Health</i>	0.3%	0.9%	1	1		
<i>Police Health</i>	2.7%	6.7%	1	1		

# About The Private Health Insurance Ombudsman

The Private Health Insurance Ombudsman (PHIO) protects the interests of people who are covered by private health insurance. Our office is independent of the private health funds, private and public hospitals and health service providers.

PHIO deals with inquiries and complaints about any aspect of private health insurance. Generally, anyone can make a complaint as long as it relates to private health insurance.

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## The Private Health Insurance Ombudsman

The Private Health Insurance Ombudsman (PHIO) 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:

**Call:** 1800 640 695 (free call from any Australian land line; charges apply for mobile phones).

**Write:** Private Health Insurance Ombudsman, Suite 2, Level 22, 580 George Street, SYDNEY NSW 2000

**Fax:** 02 8235 8778

**Website:** [www.phio.org.au](http://www.phio.org.au)

**Email:** [info@phio.org.au](mailto:info@phio.org.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 1800 640 695;
- Email us at [info@phio.org.au](mailto:info@phio.org.au); or
- Check our websites [www.phio.org.au](http://www.phio.org.au) and [www.privatehealth.gov.au](http://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 or Medicare?

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.

Complaints about Medicare should be directed to the Commonwealth Ombudsman on 1300 362 072.

## Your Health Insurance Checklist

Ten tips from the Private Health Insurance Ombudsman for avoiding health insurance problems.

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- 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](http://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](http://www.privatehealth.gov.au) and [www.phio.org.au](http://www.phio.org.au) or from the office of the Private Health Insurance Ombudsman.**



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Australian Government  
Private Health Insurance Ombudsman

# Protecting the interests of people covered by private health insurance

Other consumer publications available from the Private Health Insurance Ombudsman



[www.privatehealth.gov.au](http://www.privatehealth.gov.au)