Australian Government

Private Health Insurance Ombudsman

# State of the Health Funds Report 2010

An independent assessment of the comparative performance and service delivery of Australia's private health insurance providers.

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# STATE OF THE HEALTH FUNDS REPORT 2010

*Relating to the financial year 2009-10*

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

# Foreword

I am pleased to present the seventh annual *State of the Health Funds* report relating to the financial year 2009/2010. 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, 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 product. 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 and 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 2011*

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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.

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## 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 Product' includes important advice on what to consider and what questions to ask when selecting a hospital cover product. 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 or obtained on request from the Ombudsman's office.

The report does not include detailed information on price and benefits for particular health insurance products. Information on these is available from the consumer website 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 product.*

## 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-MBF |
| Illawarra Health Fund | Medibank-AHM |
| IOOF | NIB |
| IOR | HCF |
| Mutual Community | BUPA-MBF |
| Mutual Health | Medibank-AHM |
| NRMA Health | BUPA-MBF |
| SGIC (SA) | BUPA-MBF |
| SGIO (WA) | BUPA-MBF |
| 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 products to purchase. Virtually all funds offer more expensive products that can be expected to provide better than average benefits as well as cheaper products 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 products 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 Products

The information included in the report on fund contributions and benefits indicates the average outcomes across all of a fund's products and should not be taken as an indicator of the price or benefit levels that can be expected for any particular product. Virtually all funds offer more expensive products that can be expected to provide better than average benefits and most also offer cheaper products that provide less.

The website 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' products 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 insurer 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

Complaints to the Private Health Insurance Ombudsman in 2009-10 continued to be low compared to other forms of insurance.

Service issues and level of cover caused the highest number of complaints, while complaints about premium increases and Informed Financial Consent remained relatively low.

The provision of consumer information and advice has been a key priority for PHIO during the year, including a major review and update of the www.privatehealth.gov.au website.

## 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; its consumer education and advisory services (which include the *State of the Health Funds Report* (the Report) and the www.privatehealth.gov.au website); its 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 one of the main reporting mechanisms for providing this information.

The Report provides independent and reliable information to consumers about the service and performance of all 37 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 performance, the Report also encourages funds to improve their service 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 meet their needs, which in turn leads to better private health insurance outcomes for consumers.

## Level of Complaint to the PHIO

Compared with other industry Ombudsman organisations, PHIO receives a relatively low number of complaints about private health insurance issues. In the *State of the Health Funds Report* 2005, the Ombudsman estimated that about one in 1600 members complain to PHIO about private health insurance issues each year.[1]

There are a number of reasons why private health insurance attracts a lower level of complaint than other industries. Firstly, the industry is strictly regulated under the *Private Health Insurance Act 2007* (the Act), which contains a number of important consumer protections. These include the community rating provisions[2] that prevent a fund from discriminating against a member on a number of grounds, including age or health status and the requirement for the Minister for Health and Ageing to approve a fund's annual premium increase.

In addition, most members do not claim on their hospital policy every year, although almost all members will lodge regular claims against their extras policy. Lastly, until quite recently, the industry was largely comprised of not-for-profit mutual organisations with a strong customer focus that remains to this day.

In 2008-09, the profile of the industry changed significantly, from one where the majority of the market operated on a not-for-profit basis, to one where the majority of the market now operates on a for-profit basis.
All funds must still, however, comply with the consumer protections required under legislation. To date, PHIO has not identified an

[1] Page 6
[2] *Private Health Insurance Act 2007*, Division 55

impact on complaint levels attributable to this change in the industry's profile, but this is an area PHIO will continue to monitor.

All of the factors outlined above contribute to the relatively low level of complaints to the PHIO.

At the same time, however, it is important to recognise that people will not complain to a third party Ombudsman unless the issue is of significance to them. This means that complaints to PHIO are a pointer to issues of genuine concern to members. They are also pointers to systemic issues within a fund or the industry as a whole, bearing in mind that while only a small proportion of people affected by a problem are likely to complain to PHIO, there will usually be many more people affected by the same problem. It follows that complaints to the PHIO elucidate genuine issues and problems within the industry.

There were 2618 complaints to the PHIO during 2009-10, which represented a 5% increase on the 2,502 complaints received in 2008-09. The industry regulator, the Private Health Insurance Administration Council, notes in its "*Operations of the Private Health Insurers*" Annual Report for 2009-10[3] that there was a 2.5% increase in people covered by a private hospital policy during that time, so the increase in complaints overall is within expectations.

This relatively small increase in complaints overall appears to be spread across all complaint issues and not caused by an increase in any particular issue. There has been an increase in complaints about some issues, but these have been offset by decreases in complaints about other issues. (For example, complaints about payment delays increased from 94 in 2008-09 to 135 in 2009-10, but complaints about general service issues decreased from 305 in 2008-09 to 252 in 2009-10).

The number of higher level complaints requiring more detailed investigation by PHIO decreased slightly to 684 during 2009-10, down from 708 the previous year. PHIO attributes the downward trend in higher level complaints requiring investigation to a number of factors, including work by the PHIO with funds to improve their internal complaints handling and investigation processes, as well as access to better independent information services for consumers, particularly the resources available through the www.privatehealth.gov.au website managed by the PHIO.

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

Accordingly, some immediate priorities in the coming year include working more closely with individual funds that have higher levels of complaints to assist them in implementing strategies to reduce complaints; the regular PHIO industry seminar in March 2011 will enable PHIO to meet with industry stakeholders and focus on issues presented to PHIO by consumers; and working with funds to reduce complaints about systemic issues that cause complaints, such as processes for applying the Pre-existing Condition waiting period.

### Complaint Issues

The issues causing the most complaints to PHIO in 2009-10 were general service issues (relating to service provided by fund staff members in the branch or over the telephone) and level of cover, with 252 and 236 complaints respectively. Although these two issues accounted for the highest number of complaints to PHIO during the year, there was a decline in complaints about both of these issues from the previous year.

Complaints about the level of cover held decreased to 236 in 2009-10, down from 262 in 2008-09. Members now receive a Standard Information Statement (SIS) at least once each year, which outlines the main features of their cover, including any excess, restrictions or exclusions. The SIS is a good tool for reminding members about any restrictions or exclusions they may have on their policy and prompting them to upgrade their policy if these restrictions will not meet their needs over the coming year.

In addition, in its publications and communications, PHIO focuses on reminding members to check their cover every year to ensure their level of cover will continue to meet their needs over the coming year. The ideal time to do this is when members receive their SIS each year.

Funds must also send members a new SIS if a detrimental change is made to the policy, such

[3] Page 6

as removing benefits for a service (e.g. lap banding or hip replacements) or increasing the cost of the excess. Members can use the SIS to assist them with deciding whether to remain on that cover, or change their cover, depending on their needs.

PHIO also works with funds that have higher levels of complaints about this issue to ensure their communications to members are sufficiently clear about limitations on their policies. All of these initiatives have assisted in reducing complaints about issues relating to the level of cover held.

PHIAC's recent report on the *"Operations of the Private Health Insurers*" for 2009-10 notes that the proportion of exclusionary covers rose 11.2% to 24%.[4] Most of this increase can be attributed to the decision last year by a large fund to change the restrictions on some of its policies to exclusions. The impact of this change is that members who were previously covered as a private patient in a public hospital for restricted services no longer have any cover for these services, as they are now excluded under the policy.

As has been noted in previous reports, developing policies with restrictions and exclusions, or adding them to existing policies, assists funds in managing premium costs and meeting demand from consumers for more affordable policies.

Some restrictions or exclusions tend to be more problematic than others. A particular example is plastic surgery, which some consumers equate with cosmetic surgery and therefore consider a service they can trade off in return for a lower premium. There are, however, many medically necessary procedures that are classified as plastic and reconstructive surgery, including reconstructive procedures after cancer surgery to repair the site where a tumour has been removed.

PHIO has produced a Fact Sheet about plastic and reconstructive surgery restrictions to assist consumers understand the implications of choosing a policy with this restriction. This is available at www.phio.org.au, under *Facts and Advice*, or by contacting the PHIO office.

The www.privatehealth.gov.au website was upgraded this year and has an excellent comparison feature to assist consumers to compare their health insurance policy with others. The comparison feature enables consumers to compare policies on price and features and assists them to find a policy that is suited to their needs. Importantly, the comparison feature provides a new level of transparency enabling consumers to more easily compare policies between funds.

PHIO recommends that consumers consider taking out the most comprehensive hospital policy they can afford and choosing a higher excess or lower ancillary policy to save on premium costs, rather than a restriction or exclusion on their hospital policy.

Other issues that accounted for higher numbers of complaints during 2009-10 were problems associated with cancelling or suspending memberships, fund rule changes, premium payment problems and waiting periods.

### 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 2009-10, PHIO changed its classification for complaints about IFC in order to provide more accurate reporting on complaints about this issue. Instead of one general category for complaints about IFC, there are now three covering complaints about hospitals, doctors and other providers.

In 2009-10, PHIO received 34 complaints about IFC not being obtained by hospitals, 33 by doctors and 2 by providers. These are not large numbers of complaints and do not reflect the results of consumer surveys, where consumers report higher rates of IFC not being obtained. This suggests that the incidence of IFC not being obtained may be greater than complaints to PHIO would suggest.[5]

PHIO's experience in investigating complaints about IFC is that there has been an improvement in recent years, particularly in relation to specialities such as anaesthetics, where IFC can be more difficult because the doctor may not see the patient until just prior to surgery. Many anaesthetists now have a

[4] Page 13

[5] See for example the *"Health Care & Insurance Australia 2009"*, Report by Ipsos Australia. This report is copyright and available to subscribers only.

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.

In the majority of complaints investigated by PHIO that relate to IFC by private hospitals and medical practitioners, some form of IFC was obtained from the patient.

An issue for PHIO in investigating complaints about IFC by doctors is that in some cases, by the time the complaint comes to PHIO, there has been a break down in relations between the doctor and the patient, which can make it difficult to negotiate a resolution between the parties.

An important aspect of PHIO's investigation of complaints about IFC is that in the small number of cases where IFC has been insufficient or not obtained, PHIO is able to offer advice to the provider about good practice IFC with the aim of preventing similar complaints in future.

### Premium Increases

PHIO received 75 complaints about premium increases during 2009-10, compared with 89 the previous year. These complaints represented about 3% of complaints received by the office.

Complaints about premium increases have remained low over a number of years, due to a number of factors. These include government measures that support private health insurance, including the Private Health Insurance Rebate, Lifetime Health Cover penalty loading and Medicare Levy Surcharge.

The introduction some years ago of a once only rate increase each year at a pre-determined time also assisted in reducing complaints about this issue, by enabling members to have certainty about when their premium increase is due.

Better communication to members about premium increases and the reasons they are required has also assisted in reducing complaints about this issue.

In 2007, the introduction of the *Private Health Insurance Act* provided for more rigorous scrutiny of premium increases, by requiring the Minister for Health and Ageing to formally approve each fund's increase.

The objectives for regulating private health insurance premiums include:

- ensuring an attractive private health insurance product for consumers;
- keeping downward pressure on private health insurance premiums;
- protecting the Government's interests in private health insurance;
- transparency in the approval of private health insurance premiums;
- timeliness in the approval of private health insurance premiums; and
- consistency in the approval of private health insurance premiums.[6]

The legislation requires private health funds to apply to the Minister for Health and Ageing for approval of premium changes.[7] Premium changes include both increases and decreases in premiums.

Private health funds must provide an extensive amount of information to support their premium application.

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).

Premium increases must be approved unless they are not in the public interest.[8]

The Minister assesses premium applications made by private health funds to ensure requested 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.

Each fund's application is assessed on its own merits.

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

[6] Source: PHI Circular 03/11 available at http://www.health.gov.au/internet/main/publishing.nsf/Content/privatehealth-summary-premiumincreases2010
[7] See section 66-10(1) of the *Private Health Insurance Act 2007*
[8] See section 66-10(3) of the *Private Health Insurance Act 2007*

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

For example, in the 2010 premium round, the Minister wrote to a number of funds several times requesting they consider resubmitting with a lower premium increase or provide further justification for the increase sought.

If, in the end, the Minister is still not satisfied with any lower premium increase sought or the further justification provided by the fund, the fund's request for a premium increase may be refused. A refusal by the Minister must be tabled in Parliament along with the reasons for refusal.[9]

This process means 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 has been a key priority for PHIO during the year.

PHIO undertook a major review and updating of the www.privatehealth.gov.au website. Updates to the site were informed by consultation with stakeholders, consumer focus testing and insights gained from consumers via the "Ask a Question" and "Website Survey" features of the website.
The updated site includes:

- an improved site design;
- changes to the location of information to make it easier to find; and
- a new comparison feature which makes it easier for consumers to compare health insurance policies.

Consumers regularly report in consumer surveys that they find health insurance confusing.[10] While there are a number of reasons for this, one factor, paradoxically, is the wide range of policies available for them to choose from. There are currently 17,173 health insurance policies listed on www.privatehealth.gov.au as open policies, meaning they are available for purchase, out of a total of 27,385 policies listed on the site. (The remaining 10,212 policies listed on the site are closed policies which are not available for purchase.)[11] These figures reflect the need for funds to have policies for all States and Territories and for different scales (single, couple, etc).

This makes it critical, however, for consumers to have access to tools enabling them to navigate the wide range of policy options available to them. The new website comparison feature enables them to do this and provides much needed transparency in making comparisons between the policy offerings of different funds.

Each comparison search conducted via the website is randomised, to ensure the results are objective and that no fund is advantaged in the search over any other.

A challenge for PHIO is publicising the website to ensure consumers are aware of its resources and this will be a priority activity in the coming year.

This Report complements the information available on the www.privatehealth.gov.au website, by providing consumers with additional information they can use to compare between health funds or asses the performance of their own health fund.

As well as the printed version of the Report, which is available from the PHIO office, an enhanced website version of the Report will be available this year that 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 website on topics where the office frequently sees problems or receives questions from consumers.[12] Additional Fact Sheets will be added during the year.

The office has also translated two of its most popular brochures into the six most commonly used community languages in Australia[13] and these are also available from the office or to download from www.phio.org.au.[14]

[9] See section 66-10(6) of the *Private Health Insurance Act 2007*
[10] See for example the *"Health Care & Insurance Australia 2009"*, Report by Ipsos Australia. This report is copyright and available to subscribers only.

[11] Source: PHIO website data, February 2011.
[12] http://www.phio.org.au/facts-and-advice/facts-and-advice.aspx
[13] Source: Australian Bureau of Statistics: http://www.multiculturalaustralia.edu.au/doc/2006census-quickstats-australia.pdf
[14] http://www.phio.org.au/publications/publications/brochures-in-community-languages.aspx

# Health Fund Listing and Contact Details

### *Open Membership Health Funds*

| Abbreviation | Full name or other names | Phone Number | Website |
|---|---|---|---|
| AHM | Australian Health Management Pty Ltd | 134 246 | www.ahm.com.au |
| AU | Australian Unity Health Limited | 132 939 | www.australianunity.com.au |
| BUPA | Bupa Australia Health Pty Ltd, HBA, Mutual Community | 131 243 | www.bupa.com.au |
| CDH | CDH Benefits Fund Ltd | 02 4990 1385 | www.cdhbf.com.au |
| CUA Health | CUA Health Ltd | 133 282 | www.cuahealth.com.au |
| GMHBA | GMHBA Limited | 1300 446 422 | www.gmhba.com.au |
| GU Corporate | Grand United Corporate Health | 1800 249 966 | www.guhealth.com.au |
| HBF | HBF Health Limited | 133 423 | www.hbf.com.au |
| HCF | The Hospitals Contribution Fund of Australia Limited | 131 334 | www.hcf.com.au |
| Healthguard | GMF Health, Central West Health Cover | 1300 653 099 | www.healthguard.com.au |
| Health Partners | Health Partners Limited | 1300 113 113 | www.healthpartners.com.au |
| HIF | Health Insurance Fund of Australia Ltd | 1300 134 060 | www.hif.com.au |
| Latrobe | Latrobe Health Services | 1300 362 144 | www.latrobehealth.com.au |
| MBF | Bupa Australia Pty Ltd (formerly MBF Australia Pty Ltd) | 131 137 | www.mbf.com.au |
| MBF Alliances | MBF Alliances Pty Ltd, NRMA, SGIO, SGIC | 133 234 | www.mbf.com.au |
| Medibank | Medibank Private | 132 331 | www.medibank.com.au |
| Mildura | Mildura District Hospital Fund | 03 5023 0269 | |
| MU | Manchester Unity Australia Limited | 131 372 | www.manchesterunity.com.au |
| NIB | NIB Health Funds Ltd | 131 463 | www.nib.com.au |
| Onemedifund | National Health Benefits Fund Australia Pty Ltd | 1800 148 626 | www.onemedifund.com.au |
| Peoplecare | Lysaght Peoplecare Limited | 1800 808 690 | www.peoplecare.com.au |
| QCH | Queensland Country Health Fund Ltd | 1800 813 415 | www.qldcountryhealth.com.au |
| St Lukes | St. Lukes Health | 1300 651 988 | www.stlukes.com.au |
| Westfund | Westfund | 1300 552 132 | www.westfund.com.au |

### *Restricted Access Health Funds*

| Abbreviation | Full name or other names | Phone Number | Website |
|---|---|---|---|
| ACA | ACA Health Benefits Fund | 1300 368 390 | www.acahealth.com.au |
| CBHS | CBHS Health Fund Limited | 1300 654 123 | www.cbhs.com.au |
| Defence Health | Defence Health Limited | 1800 335 425 | www.defencehealth.com.au |
| Doctors' Health | The Doctors' Health Fund Limited | 1800 226 126 | www.doctorshealthfund.com.au |
| HCI | Health Care Insurance Limited | 1800 804 950 | www.hciltd.com.au |
| Navy | Navy Health Ltd | 1800 333 156 | www.navyhealth.com.au |
| Phoenix | Phoenix Health Fund | 1800 028 817 | www.phoenixhealthfund.com.au |
| Police Health | Police Health Limited | 1800 603 603 | www.policehealth.com.au |
| RT Health Fund | Railway and Transport Health Fund Ltd | 1300 886 123 | www.rthealthfund.com.au |
| Reserve Bank | Reserve Bank Health Society Limited | 1800 027 299 | rbhs@rba.gov.au |
| Teachers Health | Teachers Health Fund | 1300 728 188 | www.teachershealth.com.au |
| Transport | Transport Health | 03 8420 1888 | www.transporthealth.com.au |
| TUH | QLD Teachers' Union Health Fund | 1300 360 701 | www.tuh.com.au |

# Service Performance: Member Retention and Complaints

| Fund Name (Abbreviated) | Member Retention (hospital cover) | Membership Change[1] % (number) | Complaints % compared to Market Share % | | | | | Code of Conduct Member |
|---|---|---|---|---|---|---|---|---|
| | | | Market Share | Benefits | Service | All Complaints | Complaints Investigated | |
| AHM | 86.8% | 1.1% (1782) | 2.9% | 3.8% | 5.4% | 3.5% | 3.9% | ● |
| AU | 87.2% | 1.6% (2634) | 3.0% | 4.4% | 3.8% | 4.3% | 4.3% | ● |
| BUPA | 89.5% | 2.4% (12390) | 9.7% | 9.8% | 9.6% | 10.4% | 10.2% | ● |
| GMHBA | 87.6% | 6.2% (5375) | 1.6% | 1.5% | 1.1% | 1.4% | 2.0% | ● |
| HBF | 88.3% | 2.5% (10472) | 7.6% | 3.6% | 2.4% | 3.0% | 2.1% | ● |
| HCF | 89.4% | 4.1% (19943) | 9.0% | 5.9% | 7.2% | 6.4% | 4.8% | ● |
| Healthguard | 84.9% | -0.1% (-19) | 0.5% | 0.2% | 0.2% | 0.2% | 0.2% | ● |
| Health Partners | 92.1% | 3.8% (1312) | 0.7% | 0.2% | 0.5% | 0.4% | 0.2% | ● |
| Latrobe | 83.9% | 11.2% (3871) | 0.7% | 1.1% | 1.6% | 1.1% | 1.0% | ● |
| MBF | 89.2% | 2.7% (22729) | 15.7% | 19.2% | 25.2% | 21.0% | 23.6% | ● |
| MBF Alliances | 84.4% | -4.5% (-4529) | 1.7% | 3.8% | 5.3% | 4.0% | 3.8% | ● |
| Medibank | 88.0% | 2.1% (32707) | 28.4% | 23.3% | 22.2% | 23.4% | 20.8% | ● |
| MU | 84.0% | -7.1% (-5283) | 1.2% | 5.4% | 3.0% | 3.9% | 5.2% | ● |
| NIB | 87.0% | 5.9% (22641) | 7.3% | 10.0% | 7.8% | 9.0% | 10.8% | ● |
| Westfund | 92.1% | 6.2% (2573) | 0.8% | 1.0% | 0.5% | 0.7% | 0.7% | ● |
| *CBHS* | 93.9% | 5.3% (3567) | 1.3% | 0.8% | 0.7% | 0.8% | 0.7% | ● |
| *Defence Health* | 90.8% | 5.8% (4649) | 1.5% | 0.5% | 0.7% | 0.7% | 0.7% | ● |
| *Teachers Health* | 93.5% | 3.6% (3377) | 1.8% | 2.8% | 2.2% | 2.3% | 2.6% | ● |

[1] The industry experienced a growth of 2.9% or 158 599 memberships overall.

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

| Fund Name (Abbreviated) | Member Retention (hospital cover) | Membership Growth[1] % | Number Complaints Received | Below market share? | Number Complaints Investigated | Below market share? | Code of Conduct Member |
|---|---|---|---|---|---|---|---|
| CDH | 91.1% | 5.3% (132) | 0 | Yes | 0 | Yes | |
| CUA Health | 87.7% | 7.5% (1578) | 5 | Yes | 1 | Yes | ● |
| GU Corporate | 78.6% | 12.0% (1964) | 11 | No | 0 | Yes | ● |
| HIF | 87.5% | 14.4% (3477) | 10 | Yes | 3 | No | ● |
| Mildura | 91.1% | 0.9% (133) | 1 | Yes | 1 | Yes | |
| Onemedifund | 96.0% | 24.0% (818) | 0 | Yes | 0 | Yes | |
| Peoplecare | 92.3% | 10.1% (1938) | 4 | Yes | 0 | Yes | ● |
| QCH | 89.7% | 6.6% (834) | 3 | Yes | 0 | Yes | ● |
| St. Luke's | 89.1% | 3.1% (648) | 7 | Yes | 5 | No | ● |
| *ACA* | 93.7% | 1.3% (61) | 0 | Yes | 0 | Yes | ● |
| *Doctors' Health* | 93.0% | 11.7% (669) | 1 | No | 0 | Yes | ● |
| *HCI* | 94.1% | 1.6% (61) | 0 | Yes | 0 | Yes | ● |
| *Navy Health* | 92.4% | 4.2% (567) | 3 | Yes | 1 | Yes | ● |
| *Phoenix* | 93.3% | 0.8% (52) | 0 | Yes | 0 | Yes | ● |
| *Police Health* | 92.0% | 8.1% (1205) | 6 | No | 2 | No | ● |
| *RT Health Fund* | 93.3% | 12.6% (2639) | 24 | No | 1 | Yes | ● |
| *Reserve Bank* | 93.2% | 0.5% (10) | 0 | Yes | 0 | Yes | ● |
| *Transport* | 91.7% | 6.2% (221) | 0 | Yes | 0 | Yes | ● |
| *TUH* | 93.2% | 6.4% (1401) | 8 | Yes | 2 | Yes | ● |

[1] The industry experienced a growth of 2.9% or 158 599 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 insurers and is a measure of member satisfaction. This indicator measures what percentage of insurer members (hospital memberships only) have remained with the insurer for two years or more. Figures are not adjusted for policies that lapse when a member dies, as these are not reported to PHIAC.

Most restricted membership insurers rate well on this measure compared to open membership insurers. This may be due to the particular features of restricted membership insurers, 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 2009 to 30 June 2010. Both the percentage change and number are included. Negative figures indicate that the insurer 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 insurer membership.

There are a number of factors (other than service performance) that can influence the level of complaints the PHIO receives about a insurer. These include the information provided to insurer members about the PHIO through general publicity or by the insurer and the effectiveness of the insurer's own complaint handling.

## Complaints % compared to Market Share %

The first table includes all insurers with a national market share of 0.5% or more.

In that table each insurer's market share (as at 30 June 2010) is shown in the shaded column. Subsequent columns show the % of PHIO complaints in various categories that each insurer accounts for. These percentages should be compared with the market share percentage.

If a insurer has a higher complaints % than their percentage market share, it indicates that members of that insurer are more likely to complain (about that issue) than the average of all insurer 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 insurer staff, the quality of oral and written advice and premium payment problems.

***All Complaints*** takes account of all complaints received by PHIO about the insurer. *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 insurer staff to resolve, or by PHIO staff providing information about the rules applying to health insurance. Complaints which insurer 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 insurer's own internal complaints handling.

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

For these smaller insurers, 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 insurer's market share.

While these insurers 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 insurers was introduced in 2005, dealing with the quality of advice provided to consumers. It sets standards for training of health insurer staff and others responsible for advising consumers about private health insurance. It also requires insurers to have effective complaint handling procedures.

Insurers that have completed the compliance processes for becoming a signatory to the code are indicated in the table (as at January 2011).

# Hospital Cover

| Fund Name (Abbreviated) | % Hospital Related Charges Covered[1] | | | | | | |
|---|---|---|---|---|---|---|---|
| | NSW & ACT | VIC | QLD | WA | SA | TAS | NT |
| AHM | 87.2% | 88.5% | 88.2% | 86.4% | 92.1% | 90.5% | 86.9% |
| AU | 87.5% | 91.0% | 88.6% | 85.2% | 92.6% | 89.0% | 77.6% |
| BUPA | 83.9% | 92.7% | 88.0% | 87.0% | 95.1% | 86.3% | 86.9% |
| CDH | 88.5% | 94.2% | 86.6% | 71.5% | 96.2% | 0.0% | 0.0% |
| CUA Health | 94.0% | 93.3% | 92.6% | 88.0% | 97.3% | 93.5% | 97.7% |
| GMHBA | 88.1% | 91.2% | 86.3% | 87.8% | 90.6% | 84.1% | 75.6% |
| GU Corporate | 94.0% | 87.5% | 85.4% | 81.2% | 88.7% | 82.9% | 80.3% |
| HBF | 87.2% | 89.0% | 89.9% | 93.6% | 93.2% | 88.9% | 90.2% |
| HCF | 91.1% | 96.0% | 94.1% | 93.3% | 98.2% | 95.5% | 91.5% |
| Healthguard | 92.3% | 96.2% | 95.4% | 93.1% | 98.4% | 89.9% | 88.7% |
| Health Partners | 83.5% | 91.8% | 89.3% | 89.9% | 96.5% | 82.0% | 91.4% |
| HIF | 91.0% | 84.4% | 89.2% | 90.5% | 95.1% | 93.3% | 78.2% |
| Latrobe | 81.4% | 93.2% | 84.5% | 85.4% | 87.8% | 90.6% | 68.8% |
| MBF | 84.7% | 86.6% | 85.5% | 85.8% | 92.1% | 91.2% | 85.3% |
| MBF Alliances | 85.9% | 87.8% | 87.1% | 87.3% | 95.3% | 89.0% | 88.0% |
| Medibank | 87.7% | 92.8% | 90.5% | 90.9% | 94.6% | 92.5% | 89.1% |
| Mildura | 86.1% | 90.3% | 78.7% | 95.5% | 86.3% | 80.1% | 63.7% |
| MU | 90.0% | 90.9% | 90.5% | 87.5% | 93.4% | 92.9% | 83.9% |
| NIB | 85.0% | 83.6% | 80.3% | 77.6% | 86.4% | 86.3% | 75.2% |
| Onemedifund | 93.5% | 93.8% | 91.6% | 91.8% | 95.8% | 94.7% | 0.0% |
| Peoplecare | 92.3% | 92.8% | 90.2% | 89.0% | 95.3% | 90.1% | 75.0% |
| QCH | 85.9% | 95.1% | 90.0% | 94.1% | 95.5% | 86.5% | 81.7% |
| St. Luke's | 88.4% | 92.0% | 87.9% | 85.5% | 95.7% | 93.7% | 81.9% |
| Westfund | 90.0% | 96.5% | 89.2% | 93.6% | 99.4% | 97.7% | 89.7% |
| *ACA* | 93.7% | 96.6% | 94.0% | 90.7% | 98.1% | 97.5% | 100.0% |
| *CBHS* | 84.7% | 94.5% | 92.1% | 91.2% | 97.0% | 92.7% | 89.3% |
| *Defence Health* | 88.1% | 93.4% | 91.9% | 88.4% | 95.4% | 93.3% | 90.7% |
| *Doctors' Health* | 91.0% | 95.1% | 94.7% | 93.0% | 97.2% | 92.8% | 90.6% |
| *HCI* | 87.3% | 94.5% | 89.0% | 92.3% | 93.0% | 95.0% | 100.0% |
| *Navy Health* | 89.6% | 93.3% | 91.7% | 87.8% | 95.8% | 93.0% | 90.5% |
| *Phoenix* | 89.3% | 96.7% | 94.8% | 93.1% | 98.5% | 90.3% | 100.0% |
| *Police Health* | 92.1% | 98.8% | 92.8% | 90.4% | 98.8% | 95.5% | 94.0% |
| *RT Health Fund* | 90.2% | 75.4% | 92.8% | 93.3% | 97.6% | 95.4% | 77.4% |
| *Reserve Bank* | 88.4% | 98.8% | 97.1% | 97.2% | 99.4% | 99.6% | 0.0% |
| *Teachers Health* | 93.7% | 93.4% | 92.6% | 89.9% | 95.7% | 93.7% | 96.1% |
| *Transport* | 87.7% | 94.9% | 94.9% | 98.4% | 91.8% | 0.0% | 0.0% |
| *TUH* | 93.0% | 93.5% | 91.3% | 88.8% | 93.7% | 95.8% | 96.2% |

[1] 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 product, 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 insurer.

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 insurers offer a choice of different products providing hospital cover. These products 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 insurer'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 insurer's hospital products. Higher cost products will generally cover a greater proportion of charges than indicated by this average. Cheaper products may cover less.

The use of an average figure applying across all of each insurer's products will mean that insurers with a high proportion of their membership in lower cost/reduced cover products will have a lower average figure.

Information is not provided for some insurers in some states, as there are insufficient numbers reported to PHIAC for states in which the insurer does not have a large enough membership.

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

## Additional Information

The separate *Health Insurer Operations by State or Territory* tables in this Report include information on the number of "agreement" hospitals under contract to each insurer 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 Product' includes important advice on what to consider and what questions to ask when selecting a hospital cover product. 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 or by phoning 1800 640 695.

## PHIO Consumer Website

The www.privatehealth.gov.au website provides information about all private health insurance products available in Australia, including benefits, prices and which hospitals a health insurer has agreements with.

# Medical Gap Cover

| Fund or Gap scheme | NSW & ACT | VIC | QLD | WA | SA | TAS | NT |
|---|---|---|---|---|---|---|---|
| | % of Services with No Gap | | | | | | |
| AHM | 84.2% | 85.8% | 84.2% | 66.9% | 86.1% | 79.5% | 77.3% |
| BUPA | 72.5% | 87.6% | 75.7% | 68.3% | 91.9% | 74.5% | 74.9% |
| CDH | 86.3% | 69.2% | 50.7% | 0.0% | 65.0% | 0.0% | 0.0% |
| GMHBA | 71.0% | 79.2% | 69.1% | 60.8% | 77.3% | 64.8% | 50.0% |
| HBF | 60.3% | 67.5% | 61.2% | 82.8% | 74.0% | 68.5% | 58.8% |
| HCF | 90.1% | 96.7% | 95.1% | 89.7% | 99.1% | 95.6% | 91.0% |
| Healthguard | 85.4% | 89.3% | 89.9% | 75.3% | 94.8% | 77.3% | 63.4% |
| Latrobe | 67.6% | 82.4% | 59.4% | 47.4% | 70.9% | 65.6% | 69.6% |
| MBF | 81.9% | 85.0% | 81.9% | 69.8% | 93.3% | 87.9% | 72.3% |
| MBF Alliances | 43.5% | 23.8% | 28.0% | 19.7% | 35.8% | 24.7% | 20.8% |
| Medibank | 83.6% | 88.4% | 83.1% | 73.6% | 92.3% | 86.5% | 81.5% |
| Mildura | 68.1% | 70.5% | 52.0% | 63.6% | 73.5% | 53.3% | 50.0% |
| MU | 93.7% | 95.9% | 94.8% | 88.3% | 99.3% | 97.3% | 94.6% |
| NIB | 79.8% | 75.2% | 68.8% | 64.7% | 75.0% | 71.4% | 64.3% |
| St Lukes | 77.6% | 74.3% | 63.5% | 48.4% | 78.6% | 83.6% | 40.0% |
| Access Gap Participants[1] | 87.5% | 88.7% | 87.3% | 69.3% | 94.0% | 82.6% | 86.6% |
| Total / Industry outcome | 84.2% | 87.4% | 83.2% | 78.2% | 87.4% | 85.8% | 78.3% |
| Fund or Gap scheme | % of Services with No Gap or Where Known Gap Payment Made | | | | | | |
| AHM | 88.3% | 91.9% | 89.3% | 75.2% | 89.8% | 85.1% | 88.3% |
| BUPA | 74.7% | 90.0% | 78.3% | 71.1% | 94.6% | 79.9% | 78.5% |
| CDH | 96.2% | 98.0% | 83.6% | 100.0% | 92.2% | 0.0% | 0.0% |
| GMHBA | 77.3% | 91.7% | 74.9% | 67.3% | 83.2% | 77.5% | 70.3% |
| HBF | 79.0% | 86.2% | 81.0% | 99.3% | 85.6% | 84.4% | 89.4% |
| HCF | 90.1% | 96.7% | 95.1% | 89.7% | 99.1% | 95.6% | 91.0% |
| Healthguard | 92.1% | 94.8% | 92.4% | 80.8% | 97.4% | 91.3% | 91.2% |
| Latrobe | 95.0% | 95.5% | 90.6% | 89.9% | 95.3% | 95.1% | 91.3% |
| MBF | 81.9% | 85.0% | 81.9% | 69.8% | 93.3% | 87.9% | 72.3% |
| MBF Alliances | 84.4% | 85.7% | 81.1% | 75.8% | 96.0% | 75.8% | 80.4% |
| Medibank | 88.1% | 93.8% | 89.1% | 81.3% | 97.2% | 94.1% | 90.2% |
| Mildura | 91.1% | 92.3% | 76.6% | 72.7% | 88.9% | 86.7% | 50.0% |
| MU | 93.7% | 95.9% | 94.8% | 88.3% | 99.3% | 97.3% | 94.6% |
| NIB | 79.8% | 75.2% | 68.8% | 64.7% | 75.0% | 71.4% | 64.3% |
| St Lukes | 81.9% | 80.3% | 73.4% | 54.8% | 81.5% | 94.0% | 53.3% |
| Access Gap Participants[1] | 92.1% | 94.8% | 92.4% | 79.3% | 97.4% | 91.3% | 91.2% |
| Total / Industry outcome | 86.6% | 92.3% | 86.4% | 92.2% | 95.5% | 90.9% | 83.7% |

[1] 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 insurer 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 products. It is not indicative of any individual product 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 | MU |
| AHM | 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 (except WA) | Transport |
| Health Partners | TUH |
| HIF | QCH |
| Latrobe | Westfund |

# General Treatment (extras) Cover

| Fund name (Abbreviated) | % General Treatment (extras) Charges Covered | | | | | | |
|---|---|---|---|---|---|---|---|
| | NSW & ACT | VIC | QLD | WA | SA | TAS | NT |
| AHM | 47.4% | 47.9% | 46.0% | 46.6% | 49.8% | 45.9% | 47.2% |
| AU | 47.0% | 51.5% | 49.9% | 49.6% | 53.4% | 48.6% | 46.9% |
| BUPA | 55.3% | 46.4% | 45.5% | 49.4% | 51.2% | 39.0% | 42.9% |
| CDH | 44.7% | 40.6% | 42.0% | 43.8% | 44.1% | 45.2% | 39.4% |
| CUA | 54.5% | 55.9% | 52.9% | 54.7% | 64.1% | 52.4% | 50.5% |
| GMHBA | 50.2% | 51.5% | 50.0% | 52.6% | 52.8% | 49.9% | 45.9% |
| GU Corporate | 71.3% | 73.7% | 70.9% | 76.4% | 73.5% | 72.6% | 75.4% |
| HBF | 37.9% | 41.1% | 38.6% | 48.9% | 45.4% | 40.1% | 43.0% |
| HCF | 50.5% | 52.9% | 52.5% | 49.3% | 57.4% | 46.6% | 46.2% |
| Healthguard | 46.4% | 46.5% | 36.9% | 46.1% | 44.6% | 48.3% | 47.2% |
| Health Partners | 41.3% | 46.3% | 46.7% | 48.7% | 56.9% | 41.1% | 34.3% |
| HIF | 44.9% | 47.1% | 39.6% | 48.1% | 46.1% | 48.8% | 45.7% |
| Latrobe | 37.8% | 39.6% | 36.1% | 39.6% | 40.6% | 38.4% | 27.3% |
| MBF | 44.9% | 48.0% | 46.6% | 49.3% | 52.5% | 45.9% | 45.1% |
| MBF Alliances | 57.4% | 55.1% | 52.0% | 50.0% | 53.5% | 47.9% | 49.0% |
| Medibank | 46.9% | 45.8% | 46.9% | 45.7% | 51.8% | 47.8% | 43.6% |
| Mildura | 51.6% | 52.0% | 47.9% | 47.0% | 50.8% | 60.4% | 48.9% |
| MU | 44.3% | 47.5% | 45.5% | 39.3% | 49.4% | 43.4% | 42.1% |
| NIB | 51.6% | 60.8% | 56.1% | 58.5% | 61.5% | 54.8% | 51.3% |
| Onemedifund | 49.9% | 52.3% | 51.2% | 48.7% | 57.2% | 51.0% | 0.0% |
| Peoplecare | 54.6% | 54.3% | 50.6% | 49.2% | 55.6% | 54.5% | 51.8% |
| QCH | 50.6% | 53.2% | 52.6% | 45.2% | 55.6% | 47.8% | 46.9% |
| St. Luke's | 53.5% | 47.9% | 46.7% | 46.8% | 60.1% | 46.3% | 34.1% |
| Westfund | 58.3% | 53.6% | 56.1% | 55.3% | 54.4% | 47.9% | 58.1% |
| *ACA* | 59.7% | 59.7% | 60.9% | 60.7% | 63.0% | 56.9% | 64.1% |
| *CBHS* | 48.5% | 52.2% | 50.8% | 51.0% | 53.8% | 49.8% | 48.1% |
| *Defence Health* | 42.4% | 48.0% | 45.7% | 45.8% | 49.2% | 45.1% | 46.6% |
| *Doctors' Health* | 48.1% | 48.8% | 48.3% | 57.4% | 58.3% | 58.4% | 37.5% |
| *HCI* | 48.0% | 57.4% | 52.1% | 57.0% | 56.7% | 50.8% | 48.9% |
| *Navy Health* | 45.6% | 51.3% | 47.7% | 47.8% | 52.4% | 44.1% | 46.1% |
| *Phoenix* | 53.5% | 56.8% | 53.0% | 56.0% | 57.1% | 54.6% | 56.0% |
| *Police Health* | 64.4% | 67.3% | 67.7% | 67.8% | 71.3% | 65.8% | 69.7% |
| *RT Health Fund* | 51.5% | 51.1% | 50.6% | 51.7% | 53.1% | 52.0% | 51.9% |
| *Reserve Bank* | 74.5% | 78.7% | 80.0% | 79.7% | 77.3% | 71.2% | 88.7% |
| *Teachers Health* | 52.1% | 55.0% | 52.2% | 51.7% | 55.2% | 50.3% | 48.6% |
| *Transport* | 59.0% | 66.4% | 51.0% | 55.7% | 67.0% | 65.5% | 46.7% |
| *TUH* | 45.5% | 44.5% | 51.0% | 45.6% | 49.0% | 47.9% | 44.7% |

# 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 products and services. The second table shows the information according to the service being covered. Generally, higher cost products cover a higher proportion of charges.

## General Treatment

General Treatment cover, also known as "Ancillary" or "Extras",[1] 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 products and all ancillary services. Higher cost products will generally cover a greater proportion of charges than indicated by this average, while cheaper products 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 products).

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 ancillary products 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 Product' includes important advice on what to consider and what questions to ask when selecting a general treatment product. The brochure is available on www.phio.org.au or by phoning 1800 640 695.

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

[1] Known as "Essentials" cover in WA

# General Treatment (extras) Cover (II)

## Average Amount of Costs Covered by Service

### *Open Membership Health Funds*

| Fund | Dental[1] | Optical[1] | Physiotherapy | Chiropractic | Pharmacy | Podiatry | Natural Therapies | Ambulance | Acupuncture | Psych/Group Therapy | Preventative Health Products | Hearing Aids & Audiology | Occupational Therapy |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| AHM | 44% | 65% | 47% | 59% | 42% | 47% | 35% | 100% | 38% | 35% | 65% | 31% | 39% |
| AU | 46% | 64% | 64% | 53% | 42% | 55% | 50% | na | 47% | 37% | 59% | 17% | 55% |
| BUPA | 49% | 49% | 57% | 49% | 38% | 44% | 33% | 97% | 41% | 37% | na | 16% | 37% |
| CDH | 45% | 44% | 68% | 50% | 47% | 45% | 38% | 100% | 54% | 25% | 34% | na | 42% |
| CUA Health | 55% | 52% | 52% | 54% | 38% | 55% | 40% | 100% | 44% | 47% | 52% | 48% | 52% |
| GMHBA | 51% | 61% | 44% | 46% | 46% | 53% | 33% | 92% | 34% | 29% | 31% | 20% | 42% |
| GU Corporate | 74% | 64% | 78% | 77% | 53% | 77% | 78% | na | 76% | 75% | 65% | 19% | 87% |
| HBF | 51% | 41% | 43% | 38% | 41% | 50% | 35% | 99% | na | 39% | 65% | 26% | 54% |
| HCF | 55% | 48% | 47% | 47% | 42% | 52% | 35% | 100% | 41% | 53% | 53% | 33% | 55% |
| Healthguard | 37% | 67% | 48% | 40% | 39% | 63% | 31% | 100% | 25% | 35% | na | 19% | 51% |
| Health Partners | 59% | 54% | 56% | 48% | 43% | 44% | 33% | 97% | 40% | 45% | na | 33% | 50% |
| HIF | 49% | 43% | 52% | 48% | 44% | 47% | 30% | 98% | 30% | 41% | 23% | 28% | 46% |
| Latrobe | 35% | 51% | 39% | 43% | 20% | 48% | 36% | 72% | 41% | 39% | 33% | 13% | 47% |
| MBF | 47% | 43% | 49% | 61% | 41% | 50% | 40% | 100% | 53% | 45% | 24% | 26% | 53% |
| MBF Alliances | 53% | 49% | 55% | 62% | 42% | 62% | 57% | 100% | 69% | 55% | 26% | 20% | 61% |
| Medibank | 46% | 49% | 47% | 47% | 35% | 50% | 47% | 100% | 55% | 37% | 62% | 21% | 40% |
| Mildura | 55% | 39% | 54% | 57% | na | 49% | 52% | 56% | 47% | 28% | na | 19% | na |
| MU | 46% | 42% | 46% | 57% | 41% | 51% | 39% | 100% | 40% | 27% | 30% | 25% | 44% |
| NIB | 54% | 53% | 60% | 57% | 34% | 58% | 50% | 100% | 54% | 50% | 55% | 17% | 51% |
| Onemedifund | 53% | 53% | 53% | 52% | 42% | 51% | 41% | 100% | 43% | 49% | na | 28% | 53% |
| Peoplecare | 53% | 61% | 53% | 53% | 43% | 51% | 45% | 99% | 47% | 46% | 62% | 36% | 54% |
| QCH | 47% | 53% | 57% | 75% | 39% | 72% | 48% | na | 61% | 61% | 55% | 58% | 44% |
| St. Luke's | 45% | 47% | 48% | 61% | 44% | 55% | 46% | 86% | 44% | 38% | 52% | 47% | 33% |
| Westfund | 56% | 67% | 44% | 57% | 45% | 60% | 48% | 100% | 49% | na | na | 47% | na |

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

[1] For some insurers, 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[1] | Optical[1] | Physiotherapy | Chiropractic | Pharmacy | Podiatry | Natural Therapies | Ambulance | Acupuncture | Psych/Group Therapy | Preventative Health Products | Hearing Aids & Audiology | Occupational Therapy |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ACA | 62% | 64% | 57% | 63% | 51% | 72% | 36% | 100% | 42% | 38% | na | 39% | 73% |
| CBHS | 50% | 49% | 57% | 63% | 51% | 56% | 48% | 95% | 53% | 49% | 25% | 36% | 48% |
| Defence Health | 45% | 43% | 46% | 50% | 45% | 47% | 38% | 100% | 39% | 38% | 44% | 27% | 42% |
| Doctors' Health | 50% | 53% | 46% | na | 44% | 53% | na | na | na | 60% | na | 12% | 36% |
| HCI | 53% | 48% | 53% | 62% | 52% | 61% | 52% | 100% | 46% | 38% | 71% | 50% | 63% |
| Navy Health | 46% | 44% | 54% | 59% | 48% | 52% | 47% | 99% | na | 37% | na | 29% | 50% |
| Phoenix | 60% | 51% | 58% | 53% | 45% | 60% | 34% | 99% | 50% | 52% | na | 39% | 57% |
| Police Health | 69% | 67% | 76% | 78% | 44% | 69% | 41% | 100% | 73% | 76% | 100% | 26% | 66% |
| RT Health Fund | 47% | 56% | 56% | 68% | 48% | 64% | 44% | 100% | 68% | 38% | na | 33% | 45% |
| Reserve Bank | 75% | 74% | 78% | 80% | 55% | 83% | 77% | 100% | 81% | 81% | na | 72% | 78% |
| Teachers Health | 55% | 46% | 56% | 60% | 45% | 59% | 52% | 100% | 58% | 40% | 37% | 38% | 61% |
| Transport | 73% | 59% | 54% | 65% | 41% | 65% | 43% | 100% | 50% | 41% | 60% | 37% | 41% |
| TUH | 52% | 48% | 54% | 59% | 26% | 65% | 53% | 100% | 50% | 52% | 58% | 31% | 54% |

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

[1] For some insurers, 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 insurer |
|---|---|---|---|---|---|---|
| | | as % of Contribution | Per Average Policy | | | |
| AHM | 88.3% | 9.2% | $251 | 2.5% | 4.1% | No |
| AU | 82.0% | 9.9% | $254 | 8.1% | 7.4% | No |
| BUPA | 84.2% | 9.7% | $272 | 6.2% | 5.6% | No |
| CDH | 93.4% | 10.9% | $302 | -4.3% | 0.5% | Yes |
| CUA Health | 90.5% | 10.9% | $318 | -1.4% | 1.5% | Yes |
| GMHBA | 90.2% | 10.1% | $246 | -0.3% | 2.6% | Yes |
| GU Corporate | 74.8% | 12.0% | $512 | 13.1% | 10.6% | No |
| HBF | 87.9% | 9.3% | $209 | 2.8% | 9.7% | Yes |
| HCF | 91.3% | 7.3% | $194 | 1.4% | 4.8% | Yes |
| Healthguard | 80.0% | 9.9% | $296 | 10.1% | 17.7% | Yes |
| Health Partners | 90.9% | 8.6% | $231 | 0.6% | 7.6% | Yes |
| HIF | 85.9% | 11.4% | $281 | 2.7% | 7.5% | Yes |
| Latrobe | 87.3% | 9.7% | $244 | 3.0% | 8.5% | Yes |
| MBF | 85.3% | 10.6% | $282 | 4.1% | 5.2% | No |
| MBF Alliances | 77.9% | 6.4% | $179 | 15.7% | 10.2% | No |
| Medibank | 86.0% | 8.9% | $219 | 5.1% | 7.1% | No |
| Mildura | 86.8% | 7.5% | $146 | 5.6% | 14.2% | Yes |
| MU | 85.2% | 9.9% | $312 | 4.9% | 5.2% | No |
| NIB | 85.2% | 9.6% | $218 | 5.2% | 5.9% | No |
| Onemedifund | 75.0% | 10.4% | $369 | 14.6% | 11.8% | No |
| Peoplecare | 87.7% | 8.8% | $277 | 3.4% | 6.4% | Yes |
| QCH | 82.6% | 10.8% | $380 | 6.6% | 11.4% | Yes |
| St. Luke's | 82.5% | 11.3% | $326 | 6.1% | 10.3% | Yes |
| Westfund | 89.7% | 9.9% | $235 | 0.4% | 6.6% | Yes |
| *ACA* | 83.0% | 7.6% | $277 | 9.4% | 12.1% | Yes |
| *CBHS* | 92.6% | 5.4% | $161 | 2.0% | 5.0% | Yes |
| *Defence Health* | 88.5% | 5.9% | $162 | 5.6% | 9.4% | Yes |
| *Doctors' Health* | 81.5% | 13.2% | $454 | 5.3% | 11.8% | Yes |
| *HCI* | 87.0% | 13.4% | $384 | -0.3% | 4.2% | Yes |
| *Navy Health* | 81.1% | 9.5% | $286 | 9.5% | 15.6% | Yes |
| *Phoenix* | 86.0% | 7.4% | $246 | 6.6% | 9.4% | Yes |
| *Police Health* | 91.0% | 7.0% | $263 | 1.9% | 3.3% | Yes |
| *RT Health Fund* | 93.2% | 16.4% | $496 | -9.6% | -7.8% | Yes |
| *Reserve Bank* | 79.1% | 8.8% | $356 | 12.1% | 14.9% | Yes |
| *Teachers Health* | 88.7% | 6.8% | $213 | 4.5% | 8.1% | Yes |
| *Transport* | 93.4% | 8.0% | $221 | -1.4% | 2.7% | Yes |
| *TUH* | 85.0% | 9.6% | $353 | 5.4% | 7.6% | 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.

## 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.[1] 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 then 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 2007-2008 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 Insurer

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

[1] The "Operations of the Private Health Insurers" report is available on the PHIAC website: www.phiac.gov.au

# Health Fund Operations by State or Territory

Funds with a significant market share in your state or territory can often 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.

## 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 products 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 product and submit claims. Links to all health fund websites are available at www.privatehealth.gov.au.

## Percentage Market Share

This column indicates how much of the total health insurance business within each state or territory each fund accounts for. It is an indicator of the size and significance of each fund within each state.

Funds with a significant market share in the relevant state or territory can normally be expected to have more extensive networks of branch offices, agencies, agreement hospitals and preferred ancillary providers in those states/territories. They are also more likely to obtain the participation of doctors in their gap cover arrangements. However, funds participating in the Australian Health Services Alliance (AHSA) will generally have access to a wide range of agreement hospitals in all states. The Access Gap scheme operated by the AHSA also has a high level of acceptance from doctors in all states.

## Percentage of Fund's Membership in State

This column indicates how much of each fund's health insurance membership is within each state. It is an indicator how significant that state is to each fund's health insurance business.

In general, funds can be expected to design their products (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 products 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[1]

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).[2]

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 products and services provided by the fund;
- Obtain a quote for any of the fund's products/services;
- Obtain and lodge an application to join any of the fund's tables/products;
- 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.

[1] According to www.privatehealth.gov.au, 1 February 2011.
[2] 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 & 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 | 4.0% | 47.2% | 81 | 80 | ● | |
| AU | 1.1% | 13.3% | 82 | 79 | ● | |
| BUPA | 1.7% | 6.3% | 84 | 77 | ● | |
| CDH | 0.1% | 87.5% | 74 | 39 | ● | |
| GMHBA | 0.3% | 6.0% | 85 | 84 | | |
| GU Corporate | 0.4% | 47.1% | 81 | 80 | | |
| HCF | 19.4% | 75.4% | 83 | 89 | ● | |
| Healthguard | 0.1% | 9.3% | 81 | 80 | | ● |
| MBF | 20.0% | 44.8% | 84 | 77 | ● | ● |
| MBF Alliances | 1.9% | 39.6% | 84 | 77 | ● | ● |
| Medibank | 23.1% | 28.6% | 81 | 75 | ● | ● |
| Mildura | 0.1% | 10.8% | 74 | 40 | | ● |
| MU | 2.3% | 63.5% | 83 | 88 | | |
| NIB | 14.8% | 71.1% | 83 | 76 | ● | |
| Peoplecare | 0.6% | 51.4% | 84 | 81 | ● | |
| Westfund | 1.5% | 66.8% | 81 | 80 | ● | ● |
| *ACA* | 0.1% | 60.6% | 81 | 80 | ● | |
| *CBHS* | 1.6% | 44.2% | 81 | 80 | ● | |
| *Defence Health* | 1.1% | 25.4% | 86 | 90 | | ● |
| *Doctors' Health* | 0.1% | 42.1% | 80 | 80 | ● | |
| *Navy Health* | 0.3% | 43.6% | 85 | 91 | | |
| *Phoenix* | 0.2% | 51.1% | 81 | 80 | ● | |
| *RT Health Fund* | 0.6% | 52.9% | 85 | 89 | ● | |
| *Reserve Bank* | 0.1% | 59.5% | 86 | 89 | ● | |
| *Teachers Health* | 4.0% | 79.7% | 81 | 80 | ● | |

# 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% | 23.0% | 67 | 58 | | |
| AU | 9.2% | 71.8% | 73 | 64 | ● | |
| BUPA | 21.0% | 50.9% | 69 | 51 | ● | ● |
| GMHBA | 5.3% | 75.3% | 68 | 60 | ● | ● |
| GU Corporate | 0.3% | 22.3% | 67 | 58 | | |
| HCF | 4.6% | 12.0% | 68 | 45 | ● | |
| Healthguard | 0.6% | 32.9% | 67 | 58 | | |
| Latrobe | 2.6% | 89.1% | 68 | 58 | ● | ● |
| MBF | 4.4% | 6.5% | 69 | 51 | ● | |
| MBF Alliances | 0.1% | 1.7% | 69 | 51 | | |
| Medibank | 36.0% | 29.8% | 67 | 56 | ● | ● |
| Mildura | 1.0% | 86.1% | 68 | 51 | ● | ● |
| MU | 0.8% | 14.3% | 68 | 45 | | |
| NIB | 4.7% | 15.0% | 65 | 47 | ● | |
| Peoplecare | 0.5% | 29.1% | 64 | 59 | ● | |
| St Luke's | 0.1% | 4.3% | 70 | 60 | | |
| *CBHS* | 1.4% | 26.5% | 67 | 58 | | |
| *Defence Health* | 2.0% | 30.3% | 69 | 69 | ● | ● |
| *Doctors' Health* | 0.2% | 33.7% | 68 | 58 | | |
| *Navy Health* | 0.2% | 23.0% | 69 | 69 | ● | |
| *Phoenix* | 0.1% | 14.4% | 67 | 58 | | |
| *RT Health Fund* | 0.2% | 11.5% | 69 | 69 | | |
| *Teachers Health* | 0.9% | 11.4% | 67 | 58 | ● | |
| *Transport* | 0.3% | 95.5% | 67 | 58 | | |

# 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% | 20.1% | 47 | 37 | | |
| AU | 1.4% | 8.5% | 49 | 44 | ● | |
| BUPA | 2.5% | 4.6% | 48 | 33 | ● | |
| CUA Health | 1.9% | 85.4% | 49 | 42 | | ● |
| GMHBA | 0.7% | 7.4% | 50 | 41 | | |
| GU Corporate | 0.2% | 10.1% | 47 | 37 | | |
| HCF | 4.2% | 8.3% | 47 | 36 | ● | |
| Healthguard | 0.2% | 6.1% | 47 | 37 | | |
| Latrobe | 0.2% | 4.6% | 40 | 26 | | |
| MBF | 32.8% | 37.2% | 48 | 33 | ● | ● |
| MBF Alliances | 0.4% | 4.5% | 48 | 33 | ● | ● |
| Medibank | 35.4% | 22.2% | 49 | 36 | ● | ● |
| MU | 1.0% | 14.7% | 47 | 36 | | |
| NIB | 4.3% | 10.4% | 44 | 36 | ● | |
| Peoplecare | 0.2% | 10.9% | 48 | 39 | | |
| QCH | 1.3% | 95.9% | 50 | 40 | ● | ● |
| St Lukes | 0.1% | 2.6% | 41 | 27 | | |
| Westfund | 1.4% | 31.3% | 47 | 37 | ● | ● |
| *ACA* | 0.1% | 17.7% | 47 | 37 | | |
| *CBHS* | 1.1% | 16.1% | 47 | 37 | | |
| *Defence Health* | 2.4% | 28.3% | 50 | 44 | | ● |
| *Doctors' Health* | 0.1% | 19.1% | 30 | 20 | | |
| *Navy Health* | 0.2% | 16.7% | 50 | 43 | | |
| *Phoenix* | 0.1% | 13.2% | 47 | 37 | | |
| *Police Health* | 0.6% | 34.6% | 51 | 41 | | |
| *RT Health Fund* | 0.8% | 33.2% | 50 | 42 | ● | |
| *Teachers Health* | 0.2% | 2.4% | 47 | 37 | | |
| *TUH* | 2.3% | 97.2% | 47 | 37 | ● | |

# 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% | 2.9% | 16 | 11 | | |
| AU | 0.4% | 1.6% | 16 | 19 | | |
| BUPA | 1.4% | 1.7% | 15 | 16 | ● | |
| GMHBA | 1.3% | 9.7% | 17 | 17 | ● | ● |
| GU Corporate | 0.4% | 17.0% | 17 | 20 | | |
| HBF | 59.8% | 97.7% | 20 | 18 | ● | ● |
| HCF | 0.9% | 1.2% | 6 | 5 | | |
| Healthguard | 2.0% | 50.0% | 16 | 11 | ● | ● |
| HIF | 3.8% | 94.8% | 17 | 18 | ● | ● |
| MBF | 3.4% | 2.7% | 15 | 16 | ● | |
| MBF Alliances | 1.9% | 14.0% | 15 | 16 | ● | |
| Medibank | 20.7% | 9.1% | 19 | 14 | ● | ● |
| MU | 0.3% | 3.2% | 6 | 5 | | |
| NIB | 0.8% | 1.4% | 16 | 7 | | |
| Peoplecare | 0.1% | 3.6% | 16 | 14 | | |
| *CBHS* | 0.6% | 6.2% | 16 | 11 | | |
| *Defence Health* | 0.6% | 4.6% | 17 | 19 | | ● |
| *Navy Health* | 0.2% | 9.1% | 17 | 20 | | |
| *Police Health* | 0.3% | 11.4% | 18 | 16 | | |
| *Teachers Health* | 0.2% | 1.1% | 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% | 4.0% | 31 | 19 | | |
| AU | 1.6% | 4.2% | 31 | 21 | | |
| BUPA | 42.3% | 35.3% | 30 | 21 | ● | ● |
| GMHBA | 0.2% | 1.1% | 29 | 20 | | |
| GU Corporate | 0.1% | 2.3% | 31 | 21 | | |
| HCF | 2.9% | 2.6% | 26 | 16 | ● | |
| Healthguard | 0.1% | 1.1% | 31 | 19 | | |
| Health Partners | 7.7% | 95.8% | 31 | 23 | ● | ● |
| MBF | 4.8% | 2.5% | 30 | 21 | ● | |
| MBF Alliances | 8.4% | 39.8% | 30 | 21 | ● | |
| Medibank | 22.5% | 6.4% | 31 | 19 | ● | ● |
| Mildura | 0.1% | 1.8% | 22 | 6 | | |
| MU | 0.6% | 3.7% | 26 | 16 | | |
| NIB | 1.5% | 1.6% | 25 | 17 | ● | |
| Peoplecare | 0.2% | 4.2% | 32 | 20 | | |
| St. Lukes' | 0.1% | 1.5% | 22 | 12 | | |
| *CBHS* | 0.8% | 5.1% | 31 | 19 | | |
| *Defence Health* | 1.6% | 8.6% | 32 | 20 | | ● |
| *Navy Health* | 0.2% | 5.2% | 31 | 22 | | |
| *Phoenix* | 0.2% | 16.7% | 31 | 19 | | |
| *Police Health* | 1.6% | 43.7% | 31 | 20 | ● | |
| *Teachers Health* | 0.9% | 4.0% | 31 | 19 | | |

# 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 | 2.9% | 2.2% | 5 | 2 | | |
| AU | 0.6% | 0.5% | 5 | 4 | | |
| BUPA | 1.3% | 0.3% | 5 | 3 | | |
| GMBHA | 0.3% | 0.4% | 6 | 3 | | |
| HCF | 1.3% | 0.3% | 5 | 3 | | |
| MBF | 35.5% | 5.0% | 5 | 3 | ● | ● |
| Medibank | 34.5% | 2.7% | 5 | 2 | ● | ● |
| MU | 0.2% | 0.4% | 5 | 2 | | |
| NIB | 0.9% | 0.3% | 6 | 2 | | |
| St Luke's | 15.4% | 88.2% | 7 | 3 | ● | ● |
| *CBHS* | 0.9% | 1.7% | 5 | 2 | | |
| *Defence Health* | 0.7% | 1.0% | 5 | 3 | | |
| *HCI* | 2.3% | 76.7% | 6 | 2 | ● | |
| *Navy Health* | 0.2% | 1.4% | 5 | 3 | | |
| *Police Health* | 0.3% | 2.7% | 6 | 3 | | |
| *Teachers Health* | 0.9% | 1.1% | 5 | 2 | | |

## 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 | 2.4% | 0.6% | 1 | 1 | | |
| BUPA | 11.7% | 0.9% | 1 | 1 | ● | ● |
| GMHBA | 0.2% | 0.1% | 1 | 1 | | |
| HCF | 2.4% | 0.2% | 1 | 1 | | |
| MBF | 27.0% | 1.2% | 1 | 1 | ● | |
| Medibank | 42.9% | 1.1% | 1 | 1 | ● | ● |
| MU | 0.4% | 0.2% | 1 | 1 | | |
| NIB | 1.4% | 0.1% | 1 | 1 | | |
| *Defence Health* | 3.9% | 1.8% | 1 | 1 | | ● |
| *Navy Health* | 0.3% | 0.9% | 1 | 1 | | |
| *Police Health* | 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

**Email:** 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; or
- Check our websites www.phio.org.au and www.privatehealth.gov.au.

We also have brochures and publications about private health insurance arrangements which you can find on our website or which we can post on request.

## Who can I contact if my complaint is about a medical issue 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.

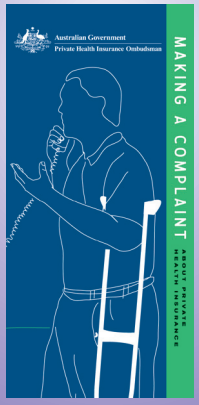
- ☐ Visit www.privatehealth.gov.au for information and advice about private health insurance.

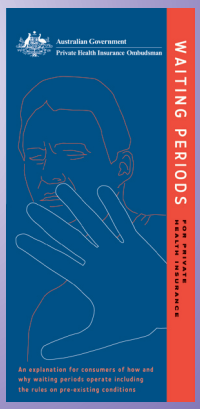
**More information can be found in the "Health Insurance Choice" and "Ten Golden Rules" brochures, available at www.privatehealth.gov.au and www.phio.org.au or from the office of the Private Health insurance Ombudsman.**

Australian Government

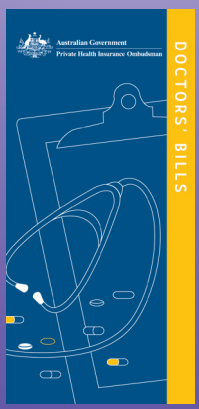
Private Health Insurance Ombudsman

# Protecting the interests of people covered by private health insurance

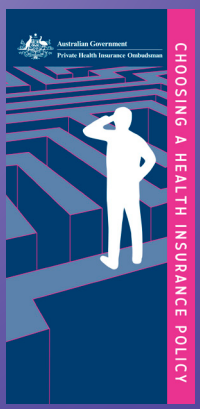












Other consumer publications available from the Private Health Insurance Ombudsman