

PHIO Complaints and Investigations

Presentation to Australian Health Insurance
Association Fraud Forum
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Australian Government

Private Health Insurance Ombudsman

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"This is what happens when ethical standards are set artificially high."

PHIO Role

- Protect the interests of people who are covered by private health insurance by:
 - assisting people to resolve complaints; and
 - investigating the practices and procedures of private health insurers, brokers and health care providers; and
 - mediating between private health insurers and health care providers; and
 - disseminating information about private health insurance and the rights and obligations of privately insured people.

Complaint Issues

- Investigation or de-recognition of an ancillary provider;
- Complaints about waiting periods;
- Fund requests to have dental work checked;
- Delays in payment of claims;
- Cost of hospital accounts;
- Issues with join dates and requests to back date cover.

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Ancillary Claims

Members:

- Fund responsibility to verify claims and pay for legitimate services;
- Flexibility to assist members with delayed or unpaid claims;
- Explanation to members where fraud is an issue.

Providers:

- Fraud prevention and detection processes;
- Procedural fairness;
- Action taken on basis of fair assessment of whether fraud has occurred.

Disputes Between Hospitals & Health Funds

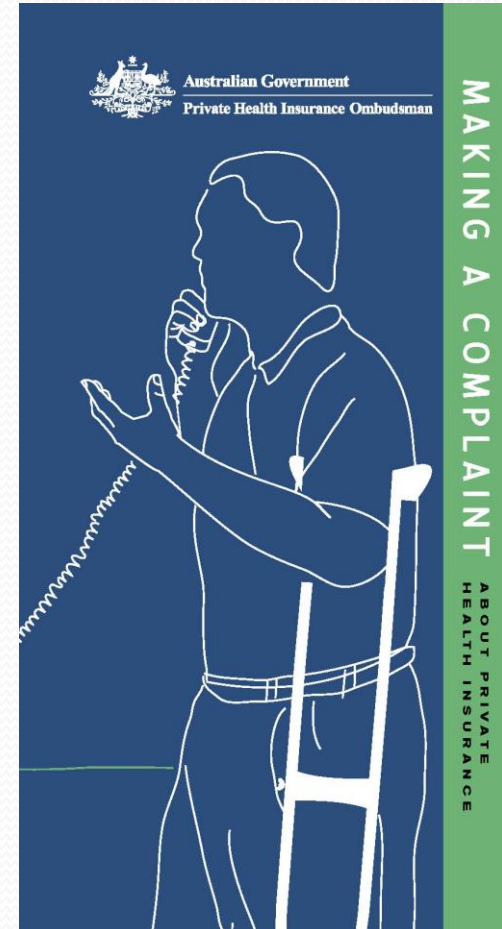
- Seek information from both parties;
- Review by independent medical adviser;
- Review process issues;
- Propose resolution of complaint;
- Mediate or make a Recommendation.

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Dealing with Complaints

- Seek information from all parties to the complaint;
- Make a judgement about merits of complaint;
- Has there been procedural fairness?
- Request parties to take action; or
- Negotiate a resolution; or
- Provide an explanation; or
- Power to make formal recommendation or mediate.



Private Health Insurance Act

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The Private Health Insurance Ombudsman may recommend any or all of the following:

(a) to a private health insurer, that the insurer take a specific course of action in relation to the complaint or make changes to its *rules, or both;

(b) to a private health insurer, that the insurer request a *health care provider or *private health insurance broker to take a specific course of action in relation to the complaint;

(c) to a health care provider or private health insurance broker, that the provider or broker take a specific course of action in relation to the complaint.

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The Private Health Insurance Ombudsman may report to the Minister on the outcome of the investigation (including any recommendations made to the subject of the complaint and any responses to those recommendations).

(3) The Private Health Insurance Ombudsman may recommend to the Minister either or both of the following:

- (a) general changes in regulatory practice or industry practices relating to the kind of subject of complaint;
- (b) possible means of dealing with specific problems arising in relation to the particular subject of the complaint.

PEC Best Practice

- Full disclosure of waiting periods on joining;
- Advice re PEC if member needs hospitalisation first year of membership;
- Use of correct medical certificates that identify signs and symptoms prior to joining;
- Advice to patient prior to
- hospital admission;
- Membership eligibility checking;
- IFC prior to admission;
- Best Practice timeframes.




Australian Government
Private Health Insurance Ombudsman



An explanation for consumers of how and why waiting periods operate including the rules on pre-existing conditions

WAITING PERIODS
FOR PRIVATE
HEALTH INSURANCE



“My role as a treating practitioner is quite specific and I cannot perjure myself when I fill out relevant documentation regarding the need for acute care”.

Conclusion

- Funds need adequate processes to identify, prevent and deal with fraud;
- These include education of providers, staff and members and well documented and transparent processes;
- Managing expectations;
- Processes must be fair and reasonable and include opportunity for review of decisions;
- PHIO acts as an independent, objective third party in relation to complaints.



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