

# Code of Conduct Compliance Committee Annual Report



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25 October 2021

## Code of Conduct activities

As of 4 August 2021, the following 22 health funds have been deemed by the Code of Conduct Compliance Committee (the **Committee**) as being compliant with the Private Health Insurance Code of Conduct (the **Code**):

- CBHS Corporate Health
- CBHS Health Fund
- Defence Health
- Health Partners
- Latrobe Health
- NIB
- Onemedifund
- Police Health
- Queensland Country
- Reserve Bank
- Rt health
- HCF
- Health Care Insurance
- HIF
- Doctors Health
- ACA Health benefits
- Teachers Health
- HBF
- BUPA
- PeopleCare
- St.LukesHealth
- Australian Unity

To date, the Committee has considered 15 full audits and 7 triennial reviews.

The following remaining 8 audits were scheduled to be completed in September and December, however, following the release of the revised PHI Code of Conduct, the Committee granted an extension for all remaining audits to be completed by 31 December 2021:

- GMHBA
- Navy Health
- TUH
- Westfund
- CUA Health
- Medibank Private
- Phoenix Health
- Transport Health

The Committee will consider the remaining audits in February 2022.

## Private Health Insurance Code of Conduct release

The latest version of the Code was released in June 2021 at the Private Health Insurance Summit. The Committee considered the feedback received from health funds following the release and based on that feedback, a further version with minor amendments was released in September 2021.

## Review of the QualiPHI training module

The Committee reviewed the QualiPHI training module and recommends health funds utilise the module, particularly as an employee training program.

QualiPHI is operated by ARHG and is accessible via <https://www.qualiphi.com.au/>.

## Sanctions and issues of non-compliance

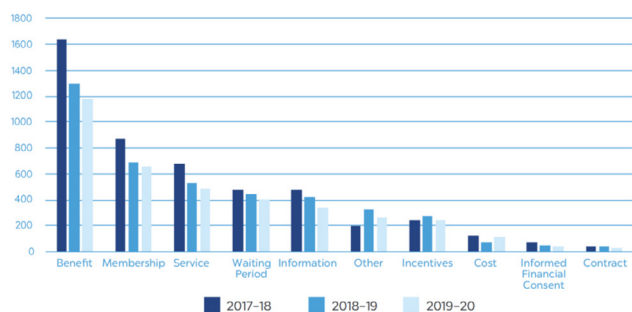
No sanctions or compliance concerns have been considered by the Committee to date.

## 2020 State of the Health Funds Report

The Committee notes the importance and relevance of the 2020 State of the Health Funds Report, particularly regarding the guidance it provides to health funds to assist in mitigating a number of ongoing issues. In 2019–20, the Office of the Commonwealth Ombudsman received 3,706 complaints about private health insurance, representing an 8.3 per cent decrease in complaints received compared to 2018–19.<sup>1</sup>

A breakdown of the complaint issues received by the Office of the Commonwealth Ombudsman is provided below.

Figure 2—Complaint issues over previous three years



Issues related to benefits were the dominant category of complaints received by the Office of the Commonwealth Ombudsman. The 2020 State of the Health Funds Report advises that general treatment complaints usually ‘concern disputes over the amount payable under ‘extras’ policies such as dental, optical, physiotherapy and pharmaceuticals, or the insurer’s rules for benefit payments (such as certain minimum claim criteria).’<sup>2</sup> Given that general treatment benefits make up 48–59.5 per cent<sup>3</sup> (state-dependent) of industry claims, the number of complaints related to general treatment benefits is not surprising but indicates that health funds have the opportunity to further educate their members regarding extras benefits and, exclusions and restrictions to minimise consumer confusion and aggravation.

Policy administration issues made up a number of membership complaints, which were the second highest area of complaint. Processing of cancellations or payment of premium arrears, delays in the provision of transfer certificates and membership suspensions due to COVID-19 were also significant causes of complaints.<sup>4</sup>

This data again reinforces the importance of written notice when communicating with consumers, the need for clear and concise language and effective and efficient administration processes.

The Committee has noted the need for effective communication with members and consumers and has taken care to ensure the Code reflects these member needs as a means of mitigating member dissatisfaction.

## COVID-19

212 complaints and 43 enquiries related to COVID-19 were received by the Office of the Commonwealth Ombudsman from February to June 2020.<sup>5</sup>

As health funds would be aware, all health funds postponed their 1 April 2020 premium increases to 1 October 2020. The majority of health funds also offered financial relief to people who lost their jobs, were underemployed, in hardship or had contracted the virus, and most insurers covered COVID-19 treatment for existing policy holders.<sup>6</sup>

## Enquiries received via the [code@pha.org.au](mailto:code@pha.org.au) email in 2021

Two queries were received regarding outpatient cover and an excessive premium increase.

Responses were sent advising the author to discuss the issue with their health fund as well as information regarding the Office of the Commonwealth Ombudsman.

Two queries were received regarding uploading documents for an audit which were responded to by the independent auditors.

1. 2020 State of the Health Funds Report available at <https://www.ombudsman.gov.au/publications/reports/state-of-the-health-funds/all-reports/docs/2020-state-of-the-health-funds-report>

2. 2020 State of the Health Funds Report  
3. 2020 State of the Health Funds Report  
4. 2020 State of the Health Funds Report

5. 2020 State of the Health Funds Report  
6. 2020 State of the Health Funds Report

