

Code of Conduct Compliance Committee Annual Report

1 September 2023

Code of Conduct Compliance Committee

The Code of Conduct Compliance Committee (**Committee**) comprises of Byron Gregory (Independent Chair), Sharon Waterhouse and Samantha Gavel.

Major General Gerard Fogarty resigned from the Committee with effect from the conclusion of the 27 October 2022 Committee meeting, following his retirement from Defence Health.

Following his retirement from Health Partners Ltd, Byron Gregory was appointed as the independent Chair of the Committee by the Private Healthcare Australia Board.

The Committee has held four meetings during July 2022-June 2023.

Private Health Insurance Code of Conduct submissions

Due to the implementation of Version 8 of the Private Health Insurance Code of Conduct, not all submissions fell within the 12 month timeframe and as such, are not included in the below list.

An absence from the below list is not an indication of non-compliance.

As at 30 June 2023, the following twenty two health funds have been deemed by the Code of Conduct Compliance Committee as being compliant with Version 8 of the Private Health Insurance Code of Conduct (**Code**) based on a full self-audit submission:

1. GMHBA
2. Queensland Teachers Union Health Fund
3. Doctors' Health Fund
4. Navy Health Limited
5. Defence Health Limited
6. Westfund Limited
7. St Luke's Medical and Hospital Benefits Association
8. Australian Unity Health Limited
9. BUPA Health Insurance
10. CBHS Corporate Health Pty Ltd
11. CBHS Health Fund Limited

12. CUA Health Pty Ltd
13. HBF Health Limited
14. Health Partners Limited
15. Medibank Private Limited
16. National Health Benefits Australia Pty Ltd (OneMediFund)
17. Peoplecare Health Limited
18. Police Health Limited
19. Queensland Country Health Fund Ltd
20. Reserve Bank Health Society Ltd
21. Teachers Health Federation
22. ACA

Committee activities

The Committee carried out its duties in accordance with the Terms of Reference.

The Committee also carried out a review of these Terms of Reference, to ensure it reflects the current Code.

Sanctions and issues of non-compliance

No sanctions have been issued by the Committee to date and no signatory health funds have been determined as being non-compliant with the Code.

Private Health Insurance Code of Conduct review

In June 2023 the Committee reviewed the Private Health Insurance Code of Conduct, Compliance Policy and Self-Audit Certification form.

Following its release, the Code of Conduct Compliance Committee invited and received feedback from signatories. Minimal feedback was received and minor amendments were made to the Code.

The final version of the Private Health Insurance Code of Conduct is expected to be released in September 2023.

The next review of the Private Health Insurance Code of Conduct will be undertaken in June 2026.

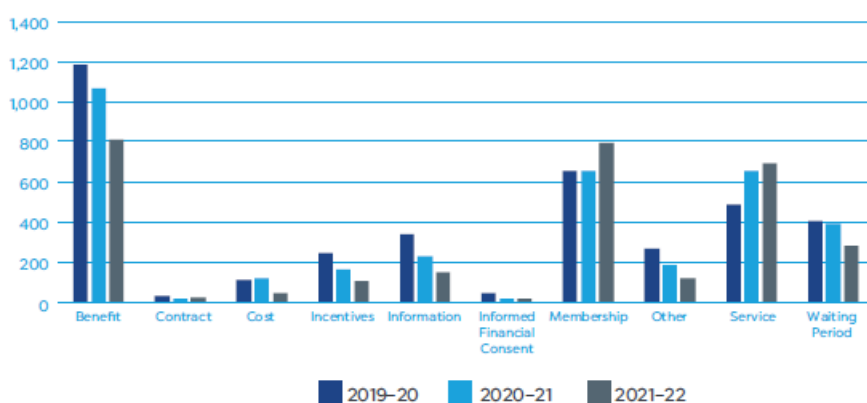
Private Health Insurance Ombudsman State of the Health Funds Report 2022

The Committee notes the importance and relevance of the 2022 Private Health Insurance Ombudsman State of the Health Funds Report (dated March 2023) particularly regarding the guidance it provides to health funds to assist in mitigating a number of ongoing issues.

In 2021-2022, the Office of the Commonwealth Ombudsman received 2,704 complaints about private health insurance, representing a 22.7 per cent decrease in complaints received compared to 2020-2021.¹ The Office of the Commonwealth Ombudsman received 3,496 complaints in 2020-2021, 3,706 complaints in 2019-2020 and 4,553 in 2018-19.²

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, membership and service were the dominant complaint categories received by the Office of the Commonwealth Ombudsman. The 2022 State of the Health Funds Report advised that benefit complaints ‘general treatment (extras/ancillary) benefits and unexpected hospital policy exclusions and restrictions [were] typically about the amount paid for the service or timeliness in processing claims.’³

Membership complaints were related mainly to ‘problems and delays in insurers processing requests to cancel memberships and handling associated payments or refunds. In most cases, [such issues] arise from consumers transferring from one insurer to another, rather than people leaving private health insurance altogether’.⁴

The Committee notes this is an ongoing issue and will continue to monitor.

The Commonwealth Ombudsman also noted that complaints regarding service were rarely the sole reason for their complaint, but rather ‘usually flow from another issue which, when

¹ 2022 State of the Health Funds Report <https://www.ombudsman.gov.au/publications-and-news-pages/publication-pages/reports/state-of-the-health-funds-report-2022.html>

² 2019 State of the Health Funds Report <https://www.ombudsman.gov.au/publications/reports/state-of-the-health-funds/all-reports/docs/2019-state-of-the-health-funds-report>

³ 2022 State of the Health Funds Report

⁴ 2022 State of the Health Funds Report

combined with poor customer service, inadequate or delayed responses and poor internal escalation processes, cause policy holders to become increasingly dissatisfied.⁵

This data again reinforces the importance of clear and concise language and effective and efficient administration processes.

Enquiries received via the code@pha.org.au email

For the period July 2022 – June 2023 queries were received:

1. from a signatory seeking clarification regarding if the PHI Code of Conduct applies only to health insurance business conducted by registered private health insurers, and not to Overseas Visitors Cover and Overseas Student Health Cover;
2. from a consumer, regarding availability of Fund Rules;
3. from a consumer, regarding an alleged breach in Direct Debit Service Agreement;
and
4. from a consumer, regarding their health fund covering hospital costs for a shoulder injury.

Responses were sent to the authors confirming Overseas Visitors Cover and Overseas Student Health Cover does not fall within the scope of the PHI Code of Conduct, requesting further information, information regarding Fund Rule availability and information regarding the Office of the Commonwealth Ombudsman

One email was also received that did not request any information or contain information that was relevant to the Code of Conduct and no further action was required.

⁵ 2022 State of the Health Funds Report