

# Restrictions & Exlcusions – the Ombudsman’s Perspective

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Samantha Gavel, Private Health Insurance Ombudsman



Australian Government

Private Health Insurance Ombudsman

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*“How accurate is our misinformation?”*

# 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.

# Exclusions and Restrictions

- **Restrictions:** the benefits paid cover treatment as a private patient in a public hospital only;
- Benefits are insufficient to cover admission to a private hospital as a private patient.
- **Exclusions:** no benefits are paid for that service or treatment.

# PHIO Hospital Cover Definitions

- **19,781** hospital policies on PrivateHealth.gov.au:
- **TOP:** 10,701 (must cover all services except ignore list);
- **MEDIUM:** 2,562 (must fully cover cardiac, psyche, rehab, plastic surgery and palliative care. May have one or more other restrictions or exclusions);
- **BASIC:** 5,395 (Excludes one or more of the above);
- **PUBLIC:** 1,123 (self explanatory).

# Auto classification of Policies

	Fund	Policy Name	Level of cover Hospital	Max Excess	Monthly Premium
<input type="checkbox"/>	HBA - Bupa Australia Pty Ltd	Hospital Cover with Excess - Level 5 - Single	Top	\$500.00	\$73.60
<input type="checkbox"/>	HBA - Bupa Australia Pty Ltd	Hospital Cover with Excess - Single	Top	\$500.00	\$77.55
<input type="checkbox"/>	HBA - Bupa Australia Pty Ltd	Hospital Cover with Excess Bonus - Single	Top	\$500.00	\$86.65
<input type="checkbox"/>	HBA - Bupa Australia Pty Ltd	Hospital Cover with Excess Bonus Plus - Single	Top	\$500.00	\$90.75
<input type="checkbox"/>	HBA - Bupa Australia Pty Ltd	Hospital Saver - Single	Basic	\$500.00	\$50.15
<input type="checkbox"/>	HBA - Bupa Australia Pty Ltd	Hospital Saver Plus - Level 2 - Single	Medium	\$500.00	\$80.00
<input type="checkbox"/>	HBA - Bupa Australia Pty Ltd	Hospital Saver Plus - Level 3 - Single	Medium	\$500.00	\$75.70
<input type="checkbox"/>	HBA - Bupa Australia Pty Ltd	Hospital Saver Plus - Level 4 - Single	Medium	\$500.00	\$74.05
<input type="checkbox"/>	HBA - Bupa Australia Pty Ltd	Hospital Saver Plus - Level 5 - Single	Medium	\$500.00	\$70.10
<input type="checkbox"/>	HBA - Bupa Australia Pty Ltd	Hospital Saver Plus Nil Excess - Single	Medium	\$0.00	\$91.85
<input type="checkbox"/>	HBA - Bupa Australia Pty Ltd	Public Hospital Cover - Single	Public	\$0.00	\$71.45
<input type="checkbox"/>	HBA - Bupa Australia Pty Ltd	Top Hospital Cover - Single	Top	\$0.00	\$108.85
<input type="checkbox"/>	CDH Benefits Fund	Basic Hospital Cover (Single)	Public	\$0.00	\$60.67
<input type="checkbox"/>	CDH Benefits Fund	Top Hospital Cover (Single)	Top	\$0.00	\$94.03
<input type="checkbox"/>	Medibank Private Limited	Accident Cover	Basic	\$500.00	\$44.55
<input type="checkbox"/>	Medibank Private Limited	Blue Ribbon Hospital Cover	Top	\$0.00	\$102.40
<input type="checkbox"/>	Medibank Private Limited	Blue Ribbon Hospital Cover Level 1	Top	\$150.00	\$91.90
<input type="checkbox"/>	Medibank Private Limited	Blue Ribbon Hospital Cover Level 2	Top	\$250.00	\$85.80
<input type="checkbox"/>	Medibank Private Limited	Blue Ribbon Hospital Cover Level 3	Top	\$500.00	\$76.85
<input type="checkbox"/>	Medibank Private Limited	First Choice Hospital Cover Level 1	Basic	\$150.00	\$59.15
<input type="checkbox"/>	Medibank Private Limited	First Choice Hospital Cover Level 2	Basic	\$250.00	\$53.70
<input type="checkbox"/>	Medibank Private Limited	First Choice Hospital Cover Level 3	Basic	\$500.00	\$47.60
<input type="checkbox"/>	Medibank Private Limited	Intermediate Hospital Cover	Medium	\$0.00	\$91.90
<input type="checkbox"/>	Medibank Private Limited	Intermediate Hospital Cover Level 2	Medium	\$250.00	\$76.85

# Common Restrictions

- Psychiatric Treatment
- Cardiac Surgery
- Joint Surgery
- Pregnancy Services
- Plastic and Reconstructive Surgery
- Obesity Surgery
- Cataract and lens surgery

# Complaints to PHIO

- 236 complaints re “Level of Cover” in 2009/10;
- Complaint issues include:
  - Policy complexity;
  - Misunderstanding what the restrictions mean;
  - Adding restrictions/ exclusions to existing policies.





- Facts and Advice
- Health Insurance Premium Increases
- Obstetrics Factsheet
- Informed Financial Consent
- Membership Arrears
- Policy Exclusions and Restrictions
- Mental Health Treatment and Private Health Insurance
- Plastic and Reconstructive Surgery

- make a complaint >
- view our publications >
- register for our bulletin >

## Welcome to the Private Health Insurance Ombudsman website.

The Private Health Insurance Ombudsman (PHIO) provides an independent service to help consumers with health insurance problems and enquiries.

The Ombudsman can deal with complaints from health fund members, health funds, private hospitals or medical practitioners. Complaints must be about a health insurance arrangement.

The Ombudsman publishes reports and consumer information about private health insurance.

PHIO also manages the website [www.privatehealth.gov.au](http://www.privatehealth.gov.au) where you can find out about private health insurance and search for and compare selected features for all private health insurance products offered in Australia.... [READ MORE](#)



### what's new?

Facts and Advice: Plastic and Reconstructive Surgery



### how to make a complaint

Complaints need to be about a health insurance related matter.






# Broader Solutions

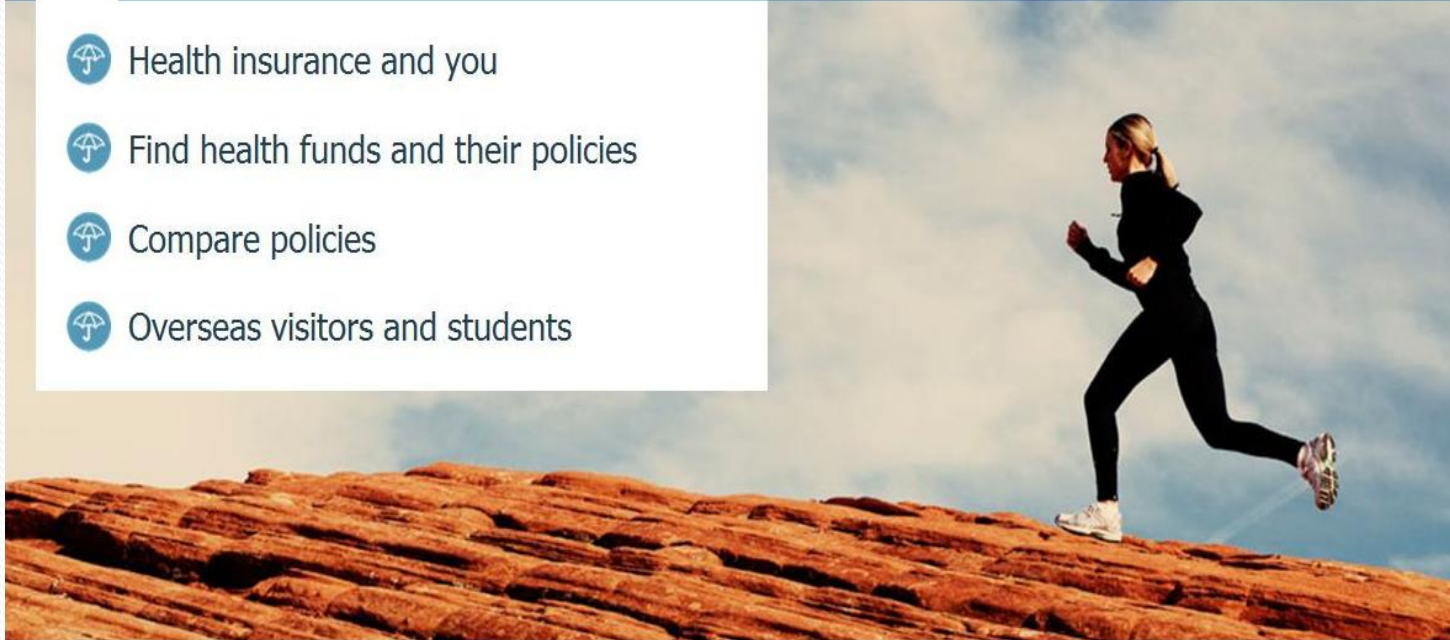
- Clear and simple policy design;
- Full disclosure at point of sale (clear, upfront, straightforward);
- Ongoing explanation and reminder of restrictions (SIS);
- Proactive approach to cover review;
- Informed Financial Consent;
- Consumers being diligent on their own behalf and using the resources available to them;
- Publicise [www.privatehealth.gov.au](http://www.privatehealth.gov.au).

may be available or higher level of Rebate that may apply.

<p><b>WHAT'S COVERED IF I HAVE TO GO TO HOSPITAL?</b></p>	<ul style="list-style-type: none"> <li>✓ Hospital treatment, including accommodation as a private patient in a private or public hospital</li> <li>✓ Doctors' bills in hospital (see below)</li> <li>✓ Comprehensive cover for ambulance (see insurer for details) - 2 months waiting period applies</li> </ul>
<p><b>WHAT MEDICAL SERVICES ARE NOT COVERED AT ALL?</b> (Exclusions)</p>	<ul style="list-style-type: none"> <li>✗ Cardiac and cardiac related services</li> <li>✗ Cataract and eye lens procedures</li> <li>✗ Pregnancy and birth related services</li> <li>✗ Assisted reproductive services</li> <li>✗ Joint replacements ie shoulder, knee, hip and elbow, including revisions</li> <li>✗ Dialysis for chronic renal failure</li> <li>✗ Surgery by podiatrists</li> <li>✗ Sterilisation</li> <li>✗ Non-cosmetic plastic surgery</li> <li>✗ Hospital treatment for which Medicare pays no benefit eg most cosmetic surgery</li> <li>✗ Other services (see insurer for details)</li> </ul>
<p><b>WHAT MEDICAL SERVICES ARE ONLY COVERED TO A LIMITED EXTENT?</b> (Restrictions, Benefit Limitation Periods)</p>	<p>You are not fully covered for:</p> <ul style="list-style-type: none"> <li>• Rehabilitation</li> <li>• Psychiatric services</li> <li>• Palliative care</li> </ul> <p><i>No benefit limitation periods</i></p>
<p><b>HOW LONG ARE THE WAITING PERIODS FOR NEW AND UPGRADING MEMBERS?</b></p>	<ul style="list-style-type: none"> <li>• 2 months for palliative care, rehabilitation and psychiatric treatment</li> <li>• 12 months for treatments relating to other pre-existing ailments</li> <li>• 12 months for obstetric treatments</li> <li>• 2 months for all other treatments</li> </ul>
<p><b>WILL I HAVE TO PAY ANYTHING IF I GO TO HOSPITAL?</b> (Excesses, Co-payments, Medical/Hospital care)</p>	<p><b>EXCESS:</b> You will have to pay an excess of \$200 per admission. This is limited to a maximum of \$200 per person per year. Excess payments do not apply to hospital admissions for dependants.</p> <p><b>EXTRA COST PER DAY (CO-PAYMENTS):</b> No co-payments</p>



-  [Health insurance and you](#)
-  [Find health funds and their policies](#)
-  [Compare policies](#)
-  [Overseas visitors and students](#)



The PrivateHealth.gov.au site helps you get the best out of your health insurance.

## Quick Answers

- › [Just turned 30?](#)
- › [Are you are 457 visa applicant?](#)
- › [Visiting from overseas?](#)
- › [Student from overseas?](#)

State	ACT/NSW	ACT/NSW	ACT/NSW
Policy type	Hospital	Hospital	Hospital
Category	Two adults	Two adults	Two adults
Level of cover hospital	Top	Basic	Medium
Premium (per month)	\$204.80	\$95.25	\$183.80
<b>Hospital</b>			
Accommodation	Private patient - Private or Public	Private patient - Private or Public	Private patient - Private or Public
Cardiac & related services	✓	✗	✓
Cataract & eye lens procedures	✓	✗	✗
Pregnancy & birth related services	✓	✗	✓
Assisted reproductive services	✓	✗	✓
<b>Joint replacement (incl revisions)</b>			
Hip, knee, shoulder & elbow	✓	✗	✗
Hip & knee only	n/a	✗	✗
Hip only	n/a	✗	✗
Dialysis for chronic renal failure	✓	✗	✗
Surgery by podiatrists	R	R	R
Sterilisation	✓	✓	✓
Non-cosmetic plastic surgery	✓	✗	✓
Rehabilitation	✓	R	✓
Psychiatric services	✓	R	✓
Palliative care	✓	✓	✓
Ambulance	✓	✓	✓

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