



**Submission to Inquiry into the Private Health
Insurance Amendment Bill (No.2) 2014**

April 2015

Introduction

The Consumers Health Forum of Australia (CHF) is the national peak body representing the interests of Australian healthcare consumers. CHF works to achieve safe, quality, timely healthcare for all Australians, supported by accessible health information and systems.

This submission focuses on the transfer of the Private Health Insurance Ombudsman (PHIO) and looks at how this might impact on people's access to timely handling of any complaints they may have about private health insurance.

The second part of the Bill which seeks to removing references to the base premium measure is a tidying up exercise that CHF does not have any comments on.

Issues

Transfer of Functions of the Private Health insurance Ombudsman

We apply the principles of consumer centred care to all our work and to our responses to policy initiatives. One of the key principles is that consumers should have a well-defined pathway for their complaints and that they need to have access to robust dispute resolution processes. The role of an Ombudsman is an important part of any complaints process and we are keen to ensure that access to such a service remains available to people with private health insurance. The functions of the Ombudsman to assist with resolution of complaints, investigate the practices and procedures of the insurers, provide mediation and disseminate information about consumers rights are all important to ensuring consumers rights are protected. This role can be performed as either a stand- alone Ombudsman or as part of a broader role.

We note that the policy intent is to reduce duplication, improve coordination and increase efficiency in how public funds are used. This should not be at the expense of providing timely and affordable access to complaints resolution. We believe there should be an additional explicit statement that there will be no diminution in the effectiveness of the role and that it will continue to be resourced appropriately to be able to carry out its functions.

The Bill maintains the role of Private Health Insurance Ombudsman will remain a separate statutory office but be performed by the Commonwealth Ombudsman. The provision in the Bill for the basic schema of the current functions to be maintained when the function moves under the Ombudsman Act 1976 is welcomed. However one of the reasons for making this change is to reduce costs and we are concerned that the new function will not be adequately resourced and so there will be a reduction in access to this important avenue of external dispute resolution. We would like the Bill to include an explicit provision that the Commonwealth Ombudsman's office will be adequately resourced with dedicated staff. This is necessary as there need a high level of expertise in private health insurance issues which are complex and in many ways quite different from the other issues covered by the Commonwealth ombudsman.

For an Ombudsman scheme to work effectively for consumers it needs to be publicised so that people know of its existence and how to contact it. There needs to be assurances that the

Private Health Insurance Ombudsman's role will be identifiable on the Ombudsman's website and some effort will be put into informing consumers about the change and details on how the scheme operates and how they can contact it. The current Commonwealth Ombudsman website is not easy to navigate and CHF would like to see this

An important part of the current arrangement is that the Private Health Insurance Ombudsman can make recommendations to Government about general changes in regulatory or industry practices and provide advice on remedial action. We are pleased that the Private Health Insurance Ombudsman will continue to be able to undertake own-motion investigations as a complaints only system limits the capacity to look at more systemic issues and to continue to provide advice to Government.

Conclusion

Given that the proposal does not diminish the functions of the Private Health Insurance Ombudsman in any way we do not have any in principle objection to the role of the private Health Insurance Ombudsman becoming part of the broader Commonwealth Ombudsman's responsibilities.



The Consumers Health Forum of Australia (CHF) is the national peak body representing the interests of Australian healthcare consumers. CHF works to achieve safe, quality, timely healthcare for all Australians, supported by accessible health information and systems.

CHF does this by:

1. advocating for appropriate and equitable healthcare
2. undertaking consumer-based research and developing a strong consumer knowledge base
3. identifying key issues in safety and quality of health services for consumers
4. raising the health literacy of consumers, health professionals and stakeholders
5. providing a strong national voice for health consumers and supporting consumer participation in health policy and program decision making

CHF values:

- our members' knowledge, experience and involvement
- development of an integrated healthcare system that values the consumer experience
- prevention and early intervention
- collaborative integrated healthcare
- working in partnership

CHF member organisations reach Australian health consumers across a wide range of health interests and health system experiences. CHF policy is developed through consultation with members, ensuring that CHF maintains a broad, representative, health consumer perspective.

CHF is committed to being an active advocate in the ongoing development of Australian health policy and practice.