

# Australian Competition and Consumer Commission.

## Consumer Survey – Private Health Insurance.

### Full Report

Prepared for: The Australian Competition and Consumer Commission

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# 1. Executive summary

## 1.1. Introduction

In 2015, Colmar Brunton was approached by the Australian Competition and Consumer Commission (ACCC) to conduct research into the relationship between consumers and the private health insurance industry. This report presents the findings of the research.

### Research aims and objectives

The key purpose of conducting this research was to obtain insights into the issues consumers face in relation to the private health insurance industry and to determine any factors that may be contributing to any detriment experienced by consumers.

## 1.2. Methodology in brief

Two phases of research were conducted:

1. An online survey was conducted with a total of N=1,004 members the general public who currently have private health insurance. Recruitment was undertaken via online panels.

Interlocking quotas were set by location, age and gender to provide a demographic spread of responses similar to that of a nationally representative sample.

Fieldwork was conducted between 25<sup>th</sup> March and 7<sup>th</sup> April 2015.

2. Two online focus groups: one group (N=10) with people who had experienced occasions where their expectations were not met after accessing their private health insurance, and one group (N=10) with people who compared policies (either via a comparison website, or did their own comparisons).

Fieldwork was conducted the evening of 7<sup>th</sup> May 2015.

## 1.3. Key findings

### 1.1.1 Private health insurer details

The majority of the respondents surveyed indicated that they are the primary (or joint primary) decision-maker in their household regarding private health insurance (83%). Only 3% of all respondents identified as having private health insurance but having no role in the management of their policy. When looking at age, those aged 18-29 years were significantly less likely to be the primary decision-maker regarding their policy (63%), compared to their older counterparts 30 years and over (86-88%).

Just over three quarters (78%) of respondents have extras (ancillary) cover, whilst nearly 9 out of 10 (87%) have hospital cover. When looking at cover as a proportion of 100%, 65% of respondents had both hospital and extras cover, while 22% had hospital cover only, and 13% had extras cover only.

When looking at age, significantly more of the older age groups (ages 45 years and over) reported having both hospital and extras cover (72-73%), compared to their younger counterparts aged 18-29 years (46%) and 30-44 years (63%). A significantly greater proportion of those aged 18-29 years had hospital cover only (39%) compared to those in the two eldest age brackets (45-59 years; 15% and 60 years and over; 17%).

Just under two thirds of all respondents have had private health insurance for extras and/or hospital cover for 10 or more years (62% and 60% respectively). When looking at length of time with private health insurance overall, those aged 60 years and over were significantly more likely to have been covered for 10 years or longer (91%), compared to younger age groups. BUPA and Medibank (AHM) were the top two choices for both extras (26% and 24% respectively) and hospital cover (27% and 24% respectively). Close to half (43%) of all respondents have not been with any other provider in the past. Many of the remainder had been covered by Medibank (19%), and BUPA (15%), showing that while these two insurers boast highest proportions of membership, they also may have the highest levels of turnover of membership.

#### Satisfaction with current insurer

Two thirds (66%) of all respondents indicated that they are satisfied (rated 7 to 10 out of 10) with their current private health insurance, whilst 6% indicated dissatisfaction (rated 0 to 3 out of 10).

Those with hospital cover only, registered significantly lower levels of satisfaction (56%; and consequently higher levels of neutrality), compared to those with both levels of cover (68%), and extras cover only (75%). Those aged 60 years and over registered significantly higher levels of satisfaction (76%) compared to those aged 30-44 years (59%) and 45-59 years (62%).

The primary reason for dissatisfaction was that the premium is too expensive (79%). This was particularly the case for those aged 30 years and over (77%-90%), while only 38% of those aged 18-29 years mentioned this as a primary reason for their dissatisfaction. Those with both levels of cover were also more likely to mention expense as a primary driver of dissatisfaction (89%) compared to those with hospital cover only (62%).

Not surprisingly, the qualitative research found divisions in participant satisfaction with their private health insurance, such that the group recruited for having encountered unexpected issues with their private health insurance had lower levels of satisfaction than those who were recruited on the basis of having made comparisons.

There were many skeptical consumers who reported having private health insurance primarily to avoid having to pay the Medicare levy surcharge. The less satisfied participants felt that policies were changing over time – becoming more expensive, for less benefit and lower rebate, paying for benefits not used or needed, and that staying in a public hospital would have been cheaper in comparison to a private hospital which came with many unforeseen expenses.

Reasons underpinning satisfaction included having cover of the relevant type, having an affordable premium and feeling like the premium is justified (even if expensive). There was some skepticism about choice even among those satisfied with their current cover.

### 1.1.2 Insurer search and comparison

The most popular actions taken by respondents prior to signing up with their current provider were to compare different insurers (70%) and to contact a private health insurer (64%). Thirteen percent of respondents did not do any of these preparatory activities prior to signing up with their current private health insurer.

When looking at differences by age:

- Respondents aged 30-44 years were significantly more likely to search for individual insurers on the internet (70%) compared to all other age groups (38-60%) – in particular the eldest age group 60 years and over
- Those aged 30 years plus were significantly more likely to contact a private health insurer prior to signing up (65-67%) compared to their younger counterparts (aged 18 to 29 years; 52%)
- Respondents aged 60 years and over were significantly less likely to compare different insurers (62%) compared to those aged 30 to 44 years and over (77%). Older respondents were significantly more likely to have been with their provider for 10 or more years.

#### Making own comparisons

Qualitative research was conducted with consumers who conducted comparisons across various insurers before selecting an insurer. It found that for these more engaged individuals, they undertook more than one activity in an effort to determine which cover was best for them. Activities undertaken in one's own searching included:

- Searching for information online on insurers' individual websites,
- Reading reviews on review sites (e.g. Whirlpool, blog sites),
- Making phone call/s to individual insurers,
- Visiting individual insurer shopfront/s,
- Asking family / friends / colleagues.

Overall, participants all acknowledged that it is very difficult and frustrating making comparisons between different insurers and levels of cover. It is a very difficult exercise involving a large degree of uncertainty as to whether the end outcome is indeed the best value for money, even among the more engaged segments of consumers. Most felt that it is much more difficult comparing health insurance over other insurance products, as there are more variables to consider in the comparison, and each individual's circumstances are unique and very specific.

During this process, many sought advice from friends, family or colleagues as to their experiences. Talking to family and friends was not done in isolation for either group, but formed part of the comparison process.

The good things about conducting one's own comparisons were thought to include trust in one's own information gathering, satisfaction that all relevant options have been explored in depth and covered all bases, and feeling more in control of the outcome and choice. Whereas, the bad things about conducting one's own comparisons were thought to be time taken to make thorough comparisons, not knowing the right questions to ask to feel reassured that you know what you're entitled to, and risking being followed up and "harassed" when contacting insurers.

## Comparator websites

The qualitative research delved into the use of comparator websites. The primary websites used by participants were [iselect.com.au](http://iselect.com.au) and [comparethemarket.com.au](http://comparethemarket.com.au); however, these were largely met with skepticism as to what insurers and information they present, and the difficulties in how to interpret the information presented. For many, they were a starting point to more in-depth individual research.

The good things about using a comparator website were felt to be convenience and saving time. The bad things were felt to include confusing presentation of information, not representing the whole market, as well as presentation of limited, superficial and generic information only.

### 1.1.3 Information seeking

There was variation in information seeking, based on the type of information sought. The overall cost of the policy, including monthly premium was the most sought after information (58%).

The majority (80%) of respondents were able to find the information they were looking for. The information sought that was most commonly found to be unavailable included lifetime health cover (12%), the dollar value to be paid back per visit (11%) and preferred providers / doctors / hospitals (11%).

These findings were also reflected in the qualitative research. Participants noted that significant effort was required to obtain the information they sought, and this was further complicated by not necessarily knowing what questions to ask and when, to ensure the majority of likely life circumstances were "future-proofed".

## Evaluation of information accessed prior to policy purchase

There were reasonably high levels of agreement with the statements relating to information being accurate (67%), sufficient (62%) and easy to find (55%). In general, those with hospital cover only had lower levels of agreement that the information was easy to find (46%), accurate (57%), and left them feeling sufficiently informed (56%), compared to those with both levels of cover (58-68%) and those with extras only (57-75%).

Respondents aged 60 years and over were significantly more likely than their younger counterparts to agree that the information found / provided was accurate (75%), the information made them feel sufficiently informed to choose an insurer that best suited them (74%), and that the information needed was easy to find (65%).

Interestingly, when looking at frequency of access of information, compared to those who frequently accessed their private health insurance, those who rarely accessed their private health insurance or had not yet accessed it were significantly less likely to agree that the information they found or was provided was accurate (58% compared to 72%); the information they found or was provided made them feel sufficiently informed to choose an insurer that best suited them (52% compared to 69%); and the information they needed was easy to find (46% compared to 62%).

There were moderate levels of agreement with the statements *it would have been more helpful if the information was easier to understand* (46%) and *the information I received was overwhelming* (40%).

Significantly more respondents with both levels of cover agreed that the information received was overwhelming (42%) compared to those with hospital cover only (32%).

Looking at **those who agreed** that the information would have been more helpful if it was easier to understand, and who agreed that the information received was overwhelming, the highest proportions in each group comprised those with both levels of cover, 30-44 year olds, females, and primary decision-makers over the policy.

Findings from the qualitative research showed that overwhelming or confusing information comes directly from insurers (e.g. on their websites, sent directly to consumers), as well as via comparator websites. Participants reported information not being straight-forward or easily accessible despite being self-reported avid researchers with high engagement with their private health insurance policies.

Confusion stemmed from provision of too little information before purchase, difficulties locating relevant information, as well as unfamiliar terminology and legal jargon used, making it ambiguous and difficult to interpret. The need to consult the fine print and attend to clauses marked with asterisks was another driver of dissatisfaction, making people feel that insurers are not upfront or transparent.

### Challenges encountered during the information search

The majority of respondents reported not encountering any challenges in the information searching process prior to signing up to their selected insurer (74%). The challenges reported were difficulty in comparing the different policy options (7%), followed by confusion over terminology used in the information provided (6%). Those with both levels of cover or extras only were significantly more likely to report encountering challenges (30% for each), compared to those with hospital cover only (22%); the primary issue being difficulty in comparing the different policies / options (9%).

By age, the 45-59 year olds were significantly more likely to report encountering challenges (37%) compared to other age groups (20-28%). The primary problem for this age group was difficulty in comparing the different policies / options (11%).

Looking further at the experience of a challenge: those who have encountered a challenge were significantly more likely to have seriously thought about changing health insurers but have not done so (53%), compared to those who have not encountered any challenges (35%).

Again, this was reflected in the qualitative research with those whose expectations were not met, as well as those who experienced challenges before selecting an insurer. The main challenges arise during comparison of insurers, where participants reported experiencing issues when trying to understand information such as coverage and benefits, and receiving wrong and inconsistent information.

In terms of managing expectations, participants called for more transparency and simplicity of information provided by insurers at all points of the journey, especially up front in the initial information search and insurer comparison phase. Many felt that they did not know the questions to ask to get the information they needed. Knowing these questions would have helped in getting the outcome they desired in terms of cost and coverage.

## 1.1.4 Insurer selection and purchase

The most popular reason for insurer selection was cost-related. When looking at all key reasons for insurer selection (without ranking), for approximately half of all respondents the main reason for selecting their current insurer was the *overall cost of the policy, including the monthly premium* (53%).

Looking at cover type, preferred providers, doctors and hospitals were of most importance to those with hospital cover only (23%), compared to those with both levels of cover (16%) and those with extras only (9%). Those with extras cover only were driven by the need for a specific benefit (19%) compared to the other groups (11% each).

The qualitative research provided more investigation into criteria used to compare and select insurers. The criteria felt to be the most important for determining which insurer to select for cover were a combination and balance of benefits, inclusions, exclusions; out of pocket costs, hospital excess, co-payments; claim / rebate amount; and monthly premium. Participants felt that value for money was an important thing, and understood it to be an equation of cost versus benefit, and a balance of the important criteria listed above. However, many also felt that value for money is becoming more and more difficult to achieve from private health insurers, and that it's difficult to know if a private health insurance policy is good value for money before using it.

### Ease of the overall process of purchasing private health insurance

Nearly two thirds of all respondents suggested that the overall process of purchasing private health insurance was easy (65%). Only 6% indicated that it was difficult, with the remaining 29% falling somewhere in between.

When looking at differences by age, respondents aged 60 and over were significantly more likely to indicate that the process was easy (76%) compared to all younger counterparts (60-61%).

### Evaluation of private health insurance purchase

With regard to the information or advice received at the point of selecting and purchasing insurance, there were reasonably high levels of agreement with the statements relating to feeling informed (64%), the information being accurate (63%) and the information being easy to find (55%).

Those with hospital cover only were significantly less likely to agree that at the point of purchase they felt informed about the insurer they'd chosen and the benefits they were entitled to (56%) compared to those with extras only (73%) and those with both (65%). The same pattern was present for agreement that the information or advice was accurate.

Those aged 60 years or over were significantly more likely to agree that the information or advice received was easy to understand (67%), compared to their younger counterparts (49-52%). Similarly, this pattern was observed regarding agreement that the information or advice received was accurate, and agreement that they felt informed about the insurer chosen and the benefits they were entitled to.

However, many respondents reported that the information or advice received was confusing (29%) or overwhelming (36%). Those aged 60 years and over were the least likely to agree that the information and advice received was confusing (19%; compared to younger counterparts: 29-36%) or overwhelming (28%; compared to younger counterparts: 33-45%).

### 1.1.5 Readership and understanding of information provided by insurer after policy purchase

Readership of any information was moderately high (76% of respondents reporting having read at least one piece of information). Significantly more 18-29 year olds reported not having read any information (31%) compared to 30-44 year olds (21%) and those aged 60 years and over (22%).

Readership of specific information provided by insurers after policy purchase was low to moderate. Information regarding the overall cost of the policy, including monthly premiums was the most read material that was provided after purchase, with 32% of respondents indicating that they read and understood this information. Policy benefits and exclusions (25%) and waiting periods (25%), came in at an equal second in terms of readership and understanding. The underwriter of the policy and overseas private health cover both received the lowest levels of readership and understanding (3% each).

The qualitative research highlighted that even among more engaged individuals, most read website summaries, but few read Standard Information Statements. Almost all participants reported reading the PDS, as well as terms and conditions before purchasing the policy, though many disliked this experience, finding the PDS confusing. Those who did not read much information opted to call the insurer to talk through options instead. Few participants reported reading information from the insurer when they're about to make a claim, or only if their expectations were not met.

Information that was met with relatively higher levels of confusion and misunderstanding included: gap and gap cover amounts (8%), policy benefits and exclusions, waiting periods, the claims process, annual rebate limits, terms and conditions, and accident and emergency (all 7%).

### 1.1.6 Accessing benefits and making a claim

Less than a fifth of respondents stated that they frequently access their private health insurance and regularly make claims (18%). A further 43% of respondents described themselves as sometimes accessing their private health insurance and 30% indicated that they rarely access their private health insurance. Only 8% had not yet accessed their private health insurance.

Those with both levels of cover or extras cover only were significantly more likely to access their private health insurance either *frequently* or *sometimes*, compared to those with hospital cover only.

Those with hospital cover only were significantly more likely to have not yet accessed their private health insurance with no foreseeable need to do so anytime soon (16%), compared to those with extras only (4%) and those with both levels of cover (2%).

#### Perceived freedom of choice to select health care provider

Two thirds (66%) of all respondents reported feeling that they have a large freedom of choice when it comes to selecting a health care provider. Respondents aged 60 years and over were significantly more likely to feel they have a large freedom of choice (73%).

#### Evaluation of feeling informed when accessing private health insurance

Positively, over half of all respondents agreed (rated 7 to 10 out of 10) with all of the statements relating to feeling informed when accessing private health insurance (59-61%).

Those who access their private health insurance frequently or sometimes, are significantly more likely to report feeling informed about the types of benefits they're covered for, the out of pocket expenses, the rebates they're entitled to, the process of selecting a health care provider, and are more confident

that the information provided to them is consistent (range of agreement: 66%-71%), compared to those who access their insurance rarely or have not accessed it (range of agreement: 43%-47%).

When looking at agreement by cover type, compared to those with hospital cover only, significantly more respondents with both levels of cover reported feeling informed about the types of benefits they're covered for (65%), the out of pocket costs (60%), the rebates they're entitled to (62%), and that the information provided by their insurer and doctor or health care provider was consistent (52%).

A trend by age emerged such that those aged 60 years or over in general reported feeling informed significantly more than their younger counterparts, across all aspects when accessing their private health insurance.

In the lead up to accessing private health insurance, respondents reported looking to the private health insurance company (45%) and the health care provider who would provide the service (43%) for information.

Respondents aged 18 to 29 were significantly more likely to receive information from friends, family or colleagues (30%), whilst those aged 60 and over were more likely to look to the health care provider who would provide the service (51%) for information.

### Confidence in rebate / claim amounts

Just over two thirds (68% rated 7 to 10 out of 10) of respondents who have accessed their private health insurance indicated that they are confident that they got all they expected in terms of the rebate / claim amount.

Those with extras cover only felt significantly higher levels of confidence in terms of having gained their entitled amount in rebate on their most recent claim (74%), compared to those with hospital cover only (62%).

Those aged over 60 years reported significantly higher levels of confidence associated with receiving the expected rebate / claim amount (79%), compared to their younger counterparts (58-69%).

### Expectations not met

For respondents who have accessed their private health insurance, one quarter (26%) have had an occasion or occasions where their expectations were not met (either before or after accessing their private health insurance).

Not surprisingly, those whose expectations were not met were significantly less likely to agree that they felt informed about the benefits they were entitled to, the process of selecting a health care provider and so on, compared to those whose expectations were met.

Of the respondents whose expectations were not met, the primary reason for this was that they were dissatisfied with the claim amount (48%). This was closely followed by respondents believing they were covered for something that they weren't (41%). Of the 48% who were dissatisfied with the claim amount, 62% disagreed or felt neutrally that the information and advice received in the search process was easy to understand. Close to half of this group felt that the information received was overwhelming (48%), and confusing (44%).

The qualitative research with consumers whose expectations were not met called for more transparency and simplicity of information provided by insurers at all points of the journey as they felt this was a primary factor underpinning why their expectations were not met. Many felt that they did not know the questions to ask to get the information they needed. Knowing these questions would have helped in getting the outcome they desired in terms of cost and coverage.

Participants also felt that changes in relation to how information is provided **before selecting an insurer** (i.e. in the comparison phase – listed above) would create positive change overall and enable achievement of the desired outcomes.

As a result of having their expectations not met, many participants reported intending to switch cover to a cheaper more basic package (if they hadn't already done this), and some mentioned intending to drop all cover and pay the Medicare levy surcharge instead.

### 1.1.7 Policy changes

Nearly two thirds (61%) of all respondents indicated that their current private health insurance policy has changed. Those with both levels of cover were significantly more likely to report that their policy had changed since taking out this insurance (66%) compared to those with hospital cover only (46%).

When looking at differences by age, respondents aged 45 to 59 or 60 plus were significantly more likely to have experienced a change to their policy (70% and 71% respectively). Conversely, respondents aged 18 to 29 and 30 to 44 were significantly less likely to have experienced a change (35% and 52% respectively). This trend was also observed for longevity of insurance cover.

For the respondents who had experienced changes to their current policy, approximately one third (32%) incurred unexpected expenses as a result of these changes in policy. Respondents aged 30 to 44 years who had experienced changes to their current policy were significantly more likely to have incurred unexpected expenses (42%). When looking at differences by state, respondents living in Victoria / Tasmania were significantly less likely to have sustained unexpected expenses (24%).

Despite having incurred unexpected expenses, the majority of this 32% indicated they had read information provided to them. Further, they were significantly less likely to agree that information was easy to understand, and that they felt informed about changes to their policy and how it would affect them, compared to their counterparts who had not incurred any unexpected expenses. This group was also significantly more likely to agree that the information was not clear, was overwhelming and should have been more visible and upfront.

This cohort (those who incurred unexpected expenses) were more likely to have seriously thought about changing private health insurers but not yet done so, compared to those who have not incurred unexpected expenses.

A letter (60%) was the most common communication channel for private health insurers to communicate policy changes, followed by email (33%). Two percent reported no communication from the insurer at all.

### Evaluation of the information received in relation to policy changes

In relation to information received about policy changes, 61% of respondents agreed that the information was easy to understand and 60% agreed that they felt informed about the changes to their policy and how that would affect them.

Again, those aged 60 years and over were significantly more likely to agree that the information received regarding policy changes was easy to understand (68%), and that they felt informed about the changes and how they would be affected (68%), compared to their younger counterparts.

However, a quarter of respondents felt that the information they received should have been more visible and upfront, and was overwhelming. A fifth felt that it was unclear as to the impact of the change. Twelve percent reported that the information received was not relevant at the time so they did not read it.

Younger age groups overall were significantly more inclined to agree that the information received was not clear about the impact of the change (26-34%), compared to their older counterparts (14-15%). Similarly, younger age groups were significantly more likely to agree that the information was not relevant at the time and they didn't read it (21-24%) compared to the older age groups (5-7%). The younger respondents were also significantly more likely to report that the information should have been more visible and upfront (36-37% compared to 19% for both older age groups) and was overwhelming (24-35%, compared to 18-22% of older age groups).

### 1.1.8 Personal review of private health insurance

Six out of 10 respondents have at some stage reviewed their private health insurance.

Those with both levels of cover were significantly more likely to have reviewed their cover (66%) compared to those with hospital cover only (47%) and those with extras cover only (57%).

Respondents aged 60 and over were significantly more likely to have reviewed that insurance at some stage (72%), while respondents aged 18 to 29 and 30 to 44 were significantly less likely (45% and 55% respectively).

Participants in the qualitative research who had reviewed or switched insurers had taken it upon themselves to undertake relevant investigations; however, most participants felt that this review process should be offered by insurers proactively, as a matter of course.

### 1.1.9 Consideration of changing private health insurers

Approximately one quarter of all respondents have either changed private health insurers (14%) or have seriously thought about changing and have even taken steps to do so (8%). Of the remaining respondents, 39% have never thought about changing private health insurers and 40% have seriously thought about it, but have not done so.

Respondents aged 18 to 29 were significantly less likely to have thought about changing health insurance providers, compared to respondents aged 60 and over (which may be related to length of time with private health insurance overall). However, respondents aged 45 to 59 and 60 and over were significantly more likely to have actually changed private health insurance in the past.

For respondents who have thought about changing private health insurers but have not yet done so, the main reason for not changing was that they haven't found an insurer that meets their needs (21%), followed closely by being happy with their current insurer (19%) and not getting around to it (18%).

Participants in the qualitative research were divided in terms of considering switching insurers or policies. Some had done so already (one via the Big Switch offer<sup>1</sup>), some were intending to, and others were satisfied with their current insurer. For those who had changed insurers or were considering doing so, the main driver was a bad experience, followed by findings from a review suggesting their current policy was delivering poor value for money. Age tended to be a barrier to intending to shop around or switch insurers in the future (unless a bad experience was to happen), as many had already switched insurers in the past, and now into the future the stakes are higher and the likelihood of experiencing a negative health outcome during a waiting period between insurers is increased.

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<sup>1</sup> <https://www.onebigswitch.com.au/about-us>

### 1.1.10 Problems or complaints

The majority of respondents (87%) reported not ever experiencing a problem in relation to their private health insurance.

Those with extras cover only were significantly more likely to have experienced a problem in relation to their private health insurance (20%) compared to those with both (11%). Further, significantly more young people aged 18-29 years had experienced a problem related to their private health insurance (17%) compared to their older counterparts aged 60 years and over (10%).

Surprisingly, those who had been covered for less than ten years were significantly more likely to have experienced a problem with their private health insurance (17%), compared to those who had been covered for ten years or more (11%). Further, when looking at those who experienced a problem, a significantly greater proportion had read some information (15%) compared to those who had not read any information (7%).

Moreover, respondents who had experienced a problem in relation to their PHI were significantly less likely to agree that the information or advice was accurate or that they felt informed about their entitlements, compared to those who did not experience a problem. They were also significantly more likely to report that the information was overwhelming or confusing, compared to their counterparts.

For the 13% of respondents that have suffered a problem with their private health insurance, claim amounts (24%), claim processes (21%) and misinformation / inaccurate information provided were the top problems experienced.

Despite the follow-up qualitative research sampling participants who had experienced challenges and those whose expectations had not been met, the majority of participants had not made a complaint. Of those who had had done so, most had complained directly to their insurer only. This was due to not knowing who to complain to outside of the insurer itself, or feeling that escalating the complaint would create a more intimidating situation.

#### Awareness of Private Health Insurance Ombudsman

Twenty percent of respondents were aware of the role of the Private Health Insurance Ombudsman (PHIO).

Respondents aged 18 to 29 years were significantly less likely to be aware of the role of the PHIO (13%) compared to their older counterparts 30-44 years (22%) and those aged 60 years and over (23%).

While all participants in the qualitative research understood the role of an Ombudsman, they were not necessarily aware of the PHIO. There was also a division of optimism versus skepticism amongst participants as to the power of this Ombudsman and its terms of reference. One participant reported having made a complaint about their private health insurer to the PHIO, but felt that it wasn't given the attention it deserved.

### 1.1.11 No private health insurance cover

The main survey was of Australians with current private health insurance coverage. However, limited data was also collected for those without current cover (N=810).

Of this group, over half had never had private health insurance (57%), despite 11% of this group having tried to purchase it. Of this smaller group (n=50), the main reason they did not commit to the purchase was the expense of the monthly premium (42%). Smaller subgroups reported being faced

with confusing information (n=4), and seeking a specific benefit that was not offered (n=4) as reasons they didn't go through with the purchase.

Of the 43% who had at some point in the past been covered by private health insurance, 72% had cancelled this as they felt that the monthly premium was too expensive.

## 1.4. Conclusions

### The impact of price

Across the board, expense of private health insurance (in particular the monthly premium) is a primary focus for consumers. Cost (in terms of monthly cover, and rebate amounts), almost always is the primary driver for any decision in relation to selection of insurer, change of insurer, cancellation of cover, as well as being responsible for the majority of those experiencing dissatisfaction at any point of the customer journey. Further, expenses in relation to premium and claim rebates comprise the information most sought.

Those with higher engagement with their private health insurance (e.g. as a result of experiencing challenges or having expectations not met, or those engaging in comparisons of insurers before selecting one) consider value for money of the insurer in an equation factoring in a balance of overall coverage and price (premium, rebates / excesses / out of pocket expenses). These consumers, despite having high engagement with their private health insurance, reported experiencing difficulty and confusion in understanding private health insurance information both provided by insurers and via comparator websites prior to selecting an insurer. This suggests that confusion and limited understanding of information provided by insurers and comparator websites would be a barrier for many when seeking private health insurance.

Therefore, for a large segment of consumers (those with lower engagement, those who find the information at the start of the process confusing or overwhelming), there is a risk that they may seek to simplify the process for themselves and may consider price as paramount in decisions regarding choice of insurer, type of cover and level of cover they select.

There is however, a segment of the population with private health insurance who are aware they have selected an insurer based on price alone, and have done so to avoid paying the Medicare levy surcharge. This group of consumers have knowingly lower engagement with their private health insurance, but do not have high expectations on the services and coverage it provides. This segment is at lower risk of encountering issues with their private health insurance and generally accept and understand that.

### Feeling informed and confidence in knowledge

While the majority of consumers reported feeling informed at each step in the customer journey, for each point of interaction, there appears to be a pattern observed by age group and length of time with private health insurance, such that older consumers who have had policies longer display higher levels of confidence in their knowledge of the benefits and entitlements, the rebates and out of pocket expenses, and the overall claims process. Further, this older age group has higher confidence in receiving what they're entitled to, and higher perceived ease in purchasing private health insurance. The qualitative research suggests that this may be a product of increased exposure to private health insurance matters and having established relationships with providers over time.

The older age group tends to have higher levels of trust that the information provided to them by their insurer is accurate, compared to the younger age groups. This may be due to increased levels of readership, as well as undertaking research and review of personal policies. There was acknowledgement by older participants that navigating private health insurance is becoming more

complicated over time. The higher levels of trust in the older age group may be linked to having purchased their policy more than 10 years ago when the policy and associated information was comparatively more straightforward relative to what it is like now.

They were also significantly less likely to report experiencing problems in relation to their private health insurance. Without quantifying this, it is unclear as to whether this is due to sufficient information and due diligence, or inflated trust / obliviousness. The qualitative research suggested a large degree of skepticism regardless of age group and length of time with private health insurance; however, those who had been covered by private health insurance for longer (generally older participants) seemed content and satisfied to concede to working through any difficulties experienced in relation to their private health insurance, compared to the younger newer members of insurers who seemed more actively dissatisfied.

## Information seeking and decision-making

Prior to selecting an insurer, the most common activity is to compare different insurers. The older age group tends to conduct their own independent comparisons of insurers and policies, whereas the younger age group tends to rely on comparison websites, suggesting either a degree of trust or a deferral of responsibility in undertaking investigations.

Sources of information differ by age group, such that younger groups consult heavily with family and friends, and are more self-reliant; whereas older age groups tend to consult health professionals and health care providers and have higher levels of trust in information in writing that is provided to them by the private health insurer. Consulting with family and friends however does not always happen in isolation, but instead helps to contribute to the overall decision of what insurer to select.

Discouragingly, regardless of consumer engagement with private health insurance, information provided by insurers and comparator websites at every point of the customer journey with private health insurance (especially prior to insurer selection), is seen as confusing, overwhelming, non-specific / too general, and difficult to locate for some. Further, some consumers feel that they may not know the right information to search for or the right questions to ask, which is an additional source of disadvantage, leading to expectations not being met.

## Age and length of time with insurance affects decision-making and satisfaction

Older participants (overlapping with those who have been covered by private health insurance for longer than 10 years) tended to display higher levels of engagement with insurers and information provided by insurers – evidenced by their higher levels of information readership, and active sourcing of independent information for which to personally compare insurers and policies. These consumers feel significantly more informed at each stage of the customer journey, and are significantly more confident that they are receiving what they are entitled to (compared to younger consumers who have less experience with private health insurance cover). These age-based differences are related to an underlying skepticism of the overall market and a feeling that issues will be encountered regardless of what insurer is selected (many older respondents having experienced more than one insurer).

Younger consumers in general are more actively dissatisfied as they feel less informed, more confused and overwhelmed about the information provided by insurers, and more skeptical in relation to their entitlements and claim rebates. Further, they are more likely to report experiencing problems related to private health insurance. Despite these issues and substantial levels of uncertainty, this doesn't seem to have increased engagement with their own private health insurance. Readership of information is lowest in this age group, and instead of conducting their own research they are more comfortable seeking word of mouth information about private health insurance from friends and family members, and are more reliant on insurer comparison websites (undertaking comparisons on the basis of cost rather than more comprehensive information). Instead of increasing engagement with

the private health insurance industry, high levels of confusion and overwhelming information seem to have had the opposite effect and seem to have contributed to low levels of engagement.

There appears to be a sense of powerlessness and pervasive skepticism of the overall industry, especially among younger consumers who have had their policy a shorter length of time (compared to older consumers), and as a result are more actively dissatisfied than older consumers. This is supported by the finding that while a substantial proportion have considered changing insurers, and many have done so, there is still a lingering level of dissatisfaction relating to price of policy and rebate amounts. Further, a large proportion of dissatisfied consumers have not been able to find an insurer that meets their needs or cannot be bothered changing insurers for fear of facing the same issues.

## Frequency of accessing private health insurance impacts risk

Compared to those who access their insurance frequently (or sometimes), this group displays significantly lower levels of readership of information, and are less likely to feel informed about their benefits, rebate entitlements, out of pocket expenses, and how to select a health care provider, and less confident that they have received consistent information. In spite of these findings, the majority of the group (52%) remains very satisfied with their current private health insurer, followed by a large proportion that feels neutrally (39%). Further, they are significantly less likely to have reviewed their policy compared to those who access their insurance more frequently.

Acknowledging that this group who do not access their insurance frequently may contain consumers who have purchased private health insurance solely to avoid the Medicare levy surcharge, the remaining consumers may have adopted a “set and forget” mentality. Should they need to access their private health insurance in the future, this segment may be at risk of incurring unexpected expenses or disadvantage given their lower levels of feeling informed about benefits, entitlements, out of pocket expenses, and rebates, combined with moderate levels of satisfaction.

## Next steps for the industry

Increasing engagement across the board may be achieved by making information easier to read, and less confusing and overwhelming. Simplifying language and terminology used in communications materials from insurers and on comparator sites right from the start would generate higher levels of readership and promote understanding of complex issues. Further, providing more information on specific claim rebate amounts (e.g. via scenarios) would go a long way to manage the expectations of consumers and potentially counteract potential problems hinging on incorrect perceptions of entitlements. In particular, consumers who access their private health insurance less frequently may require greater clarity and more active assistance in order for them to understand the detail of their private health insurance policy without the need to read through overwhelmingly large amounts of information.

Consumers also called for consideration of more tailored packaging of private health insurance services. This would enable more transparency of what one is paying for, increase satisfaction and more engagement. Increasing these factors would in turn lead to better health outcomes and less risk.

There is a call for more standardised information provided by insurers and comparator websites to facilitate comparisons. Furthermore, consumers see value in government regulation of comparator websites to ensure the entire market of insurers is represented, the information provided is transparent, easy to locate and sufficiently specific. The ACCC could communicate these specific needs to the industry as a first step towards increasing consumer engagement. Customer-centric change is needed at each stage of the customer journey, with particular regard to simplifying information provision before insurer selection, and clarifying expected outcomes at each point of the journey.

## 2. Introduction

### 2.1. Background

In Australia, there are two types of private health insurance cover. The first being 'hospital' cover, which covers a consumer's costs as an in-patient in a hospital, and the second being 'ancillary' or 'extras' cover, which assists with the cost of other health services such as dental, optical and physiotherapy.

Numerous government agencies take on different roles in relation to the administration and regulation of the Private Health Insurance (PHI) industry, these agency are as follows:

- The Department of Health;
- The Private Health Insurance Administration Council;
- The Private Health Insurance Ombudsman; and
- The Australian Competition and Consumer Commission (ACCC).

The ACCC has a defined role in relation to the PHI industry: to enforce and encourage compliance with the Competition and Consumer Act 2010 (CCA), which incorporates the Australian Consumer Law (ACL). As such, it is the role of the ACCC (under an Australian Senate order) to report on competition and consumer issues in the PHI industry. The report by the ACCC is required to include 'any anti-competitive or other practices by health insurers or providers which reduce the extent of health cover for consumers and increase their out-of-pocket medical and other expenses'.

The ACCC is in the process of preparing the 2013-14 Private Health Insurance Report. The purpose of this research is to determine whether information about private health insurance products impacts consumers' abilities to make informed decisions about policies and access health services that best suit their needs.

The findings from this research will be utilised as part of a broader research project by the ACCC exploring issues relating to the level of transparency, accuracy and consistency of information about private health insurance and the impact it may have on consumers and competition more broadly.

## 2.2. Research aims and objectives

The key purpose of conducting this research was to obtain insights into the issues consumers face in relation to the PHI industry and to determine any factors that may be contributing to any detriment experienced by consumers.

The primary objective was to provide insight into the adequacy of information available to consumers to assist them to:

- Understand the level of coverage provided under their health insurance policy (including understanding out of pocket expenses or limitations on cover);
- Understand their choices when accessing health care; and
- Determine which health insurance policy will best suit their needs.

Specific objectives include:

- Determining whether the information provided by health insurers (orally or in writing) is sufficiently clear to enable consumers to make informed choices regarding their policy and access to health care.
- Establishing the sources of information consumers are relying on when determining an appropriate private health provider and policy (including when looking to switch).
- Ascertaining whether there is any information that is not currently available or accessible that would assist consumers to choose an appropriate private health policy.
- Establishing if there is any information that would assist consumers in identifying the extent of their possible exposure to out of pocket costs when accessing health care.
- Verifying under what circumstances and how often consumers review the appropriateness of their cover and factors that trigger a review.
- Identifying if consumers have experienced any problems with their health insurance, in particular whether they have incurred out of pocket costs that they did not expect and why.
- Determining whether consumers have been adequately informed of changes to their policy, and whether they have experienced any problems or detriment arising from policy related changes.
- Understanding the adequacy and accuracy of advice provided to consumers by health insurance providers when purchasing or switching providers, or when accessing health care and making claims.
- Establishing if when accessing health care, whether consumers have been adequately informed or have access to accurate information about their options, including information about the freedom to choose their preferred health provider.
- Understanding the level of consumer awareness about how to resolve a problem experienced with a private health insurance provider and where to complain.

# 3. Methodology

## 3.1. Approach

- Phase 1: Scoping meeting;
- Phase 2: Quantitative online survey with those who have private health insurance;
- Phase 3: Qualitative online focus groups; and
- Phase 4: Analysis and reporting.

## 3.2. Phase 1: Scoping meeting

Colmar Brunton regards the scoping phase as one of the most important stages of a project. Through an intensive session with ACCC project team we were able to gain a deeper knowledge of the objectives of the research and how it will feed into the Private Health Insurance Report.

The scoping session ran for approximately 1 hour and allowed issues to be discussed in a flexible and insightful form. The session also provided an opportunity to outline the roles of project teams and establish informal communication lines and reporting structures

## 3.3. Phase 2: Quantitative online survey with people who have private health insurance

A 10 minute online survey was conducted with members of the general public who currently have private health insurance. A full copy of the questionnaire can be found in the appendix of this report.

### 3.3.1. Sampling and participant details

Recruitment was undertaken via our partners' online panel. Despite the targeted sample, interlocking quotas were set by location, age and gender to provide a demographic spread of responses similar to that of a nationally representative sample.

### 3.3.2. Fieldwork details

Fieldwork was conducted between 25<sup>th</sup> March and 7<sup>th</sup> April 2015.

## 3.4. Phase 3: Qualitative online focus groups

### 3.4.1. Sampling and participant details

Following the quantitative online survey of consumers with private health insurance, two online focus groups were undertaken with participants, recruited on the basis of their responses to the online survey:

1. Those who have experienced occasions where their expectations were not met after accessing their private health insurance, for the following reasons:
  - Dissatisfied with the claim amount
  - Thought they were covered for something that they were not
  - Felt pressured to use a preferred provider / doctor / hospital
  - Received misinformation / inaccurate information or inconsistent information.
  
2. Those who compared policies (either via a comparison website, or did their own comparisons)
  - Those who experienced any challenges during the information searching process
    - 50/50 split between those who used comparison websites, and those who did their own comparisons.
  - Those who did not experience any challenges during the information search process
    - 50/50 split between those who used comparison websites, and those who did their own comparisons.

Groups were mixed where possible in terms of participants' length of time with private health insurance, type of private health insurance, age and gender.

### 3.4.2. Fieldwork details

Fieldwork was conducted on the evening of Thursday 7th May 2015, at 5:30pm and 7pm AEST. The groups were 90 minutes in length and participants were remunerated \$70 for their time.

## 3.5. Phase 4: Analysis and reporting

Colmar Brunton employs advanced statistical tools and leading analysis and interpretation techniques to all of our quantitative research. Data from the quantitative research was analysed using descriptive techniques including:

- 6 Tabulation and graphing;
- 6 Cross-tabulation;
- 6 Calculation of proportions and frequencies; and
- 6 Comparison of sub-groups.

## 3.6. Interpreting the quantitative findings

### 3.6.1. Responses

A total of N=1,004 surveys qualified for completion based on the recruitment criteria. Overall, 905 surveys were screened out on a number of questions designed to achieve the correct quotas.

The qualifying response rate was 53%.

A small number of questions were asked before the survey was terminated. Results for this group are presented towards the end of this report.

### 3.6.2. Percentages

Respondents who completed a survey but did not answer a particular question were excluded from the tabulation of results and calculation of statistics for that question.

Percentages were generally rounded to whole numbers. Some percentages may not add to 100 percent due to rounding.

### 3.6.3. Recoding scaled variables

Some survey questions asked respondents to give a rating from 0 to 10.

The recording used for **satisfaction** ratings included:

- a rating of 0 to 3 was classified as dissatisfied;
- a rating of 4, 5 or 6 was classified as neither satisfied nor dissatisfied; and
- a rating of 7 to 10 was classified as satisfied.

The recording used for **agreement** ratings included:

- a rating of 0 to 3 was classified as disagree;
- a rating of 4, 5 or 6 was classified as neither agree nor disagree; and
- a rating of 7 to 10 was classified as agree.

The recording used for **easy / difficult** ratings included:

- a rating of 0 to 3 was classified as difficult;
- a rating of 4, 5 or 6 was classified as neither easy or difficult; and
- a rating of 7 to 10 was classified as easy.

The recording used for **choice** ratings included:

- a rating of 0 to 3 was classified as little to no choice;
- a rating of 4, 5 or 6 was classified as some choice; and
- a rating of 7 to 10 was classified as much choice.

The recording used for **confidence** ratings included:

- a rating of 0 to 3 was classified as little to not confidence;

- a rating of 4, 5 or 6 was classified as some confidence; and
- a rating of 7 to 10 was classified as high confidence.

#### 3.6.4. Sample sizes

Small sample sizes have been highlighted with an \* through-out the report (base size of under 30), these small sample sizes are to be interpreted with caution.

#### 3.6.5. Tests of statistical significance

Significance testing has been conducted between a number of sub-groups, including age group, location (state and metro vs regional), type of cover, and decision-making responsibility. Differences between these sub-groups have been discussed throughout the report.

Tests have been undertaken at a 95% confidence level. If there is a statistically significant difference between the result for a particular group and the result for the wider population, we can be confident that this difference has not occurred by chance, rather that it reflects a genuine difference among that group compared to the wider population.

# 4. Quantitative research findings

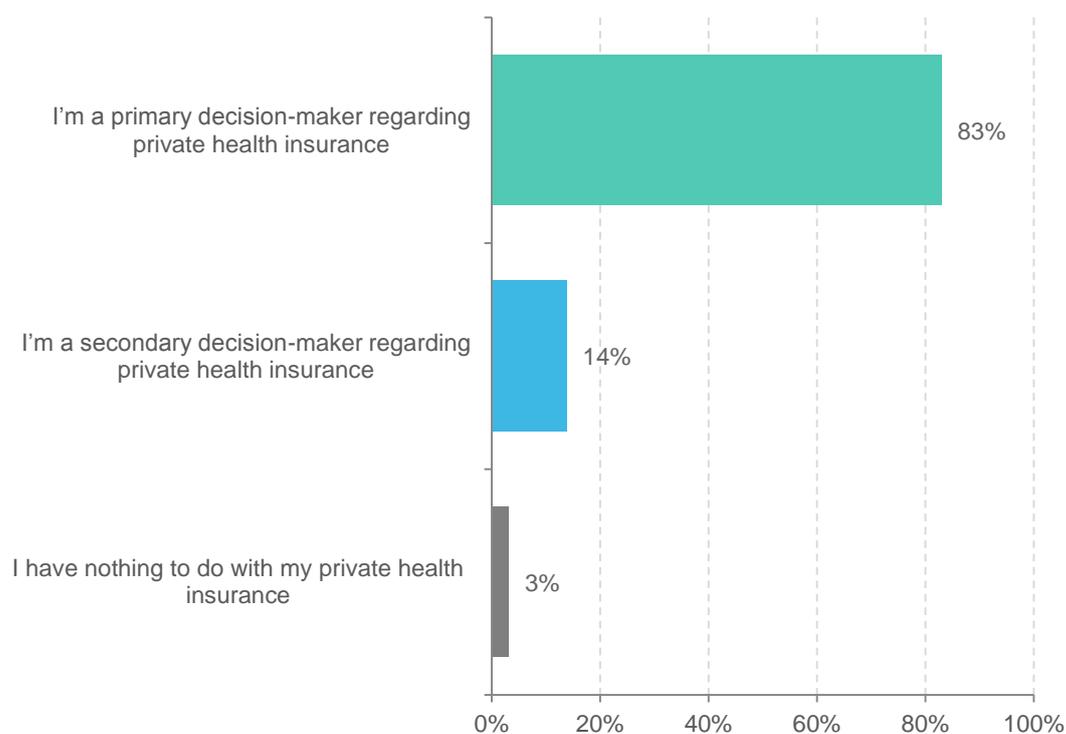
## 4.1. Private health insurer details

### 4.1.1. Private health insurance responsibility

The majority (83%) of all respondents surveyed indicated that they are the primary decision-maker regarding private health insurance. Only 3% of all respondents identified as having private health insurance but having nothing to do with management of their policy.

When looking at age, those aged 18-29 years were significantly less likely to be the primary decision-maker regarding their policy (63%), compared to their older counterparts 30 years and over (86-88%).

**Figure 1: Private health insurance responsibility**

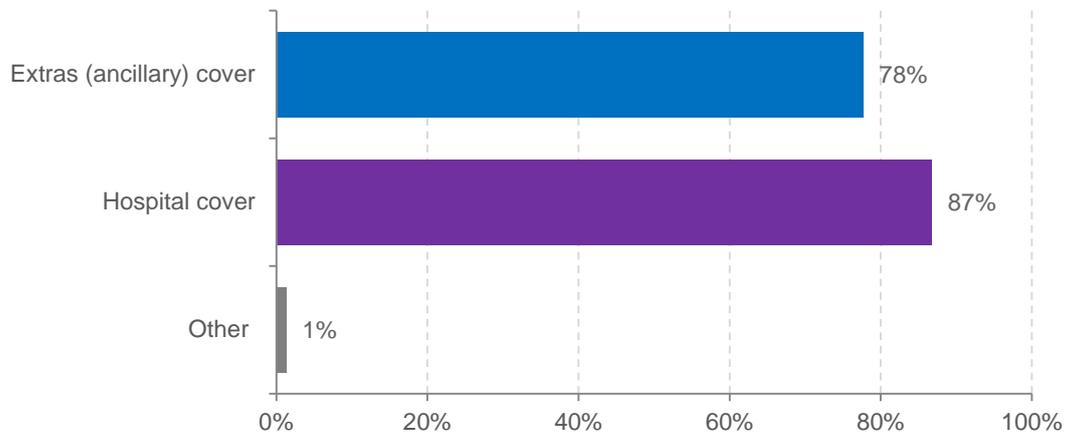


Q1. How would you describe your level of responsibility over your private health insurance? (Single response)  
Base: All respondents (n=1,004)

### 4.1.2. Type of private health insurance cover

Just over three quarters (78%) of respondents have extras (ancillary) cover, whilst nearly 9 out of 10 (87%) have hospital cover.

**Figure 2: Type of private health insurance cover**



Q2. Do you have: (Multiple response)  
Base: All respondents (n=1,004)

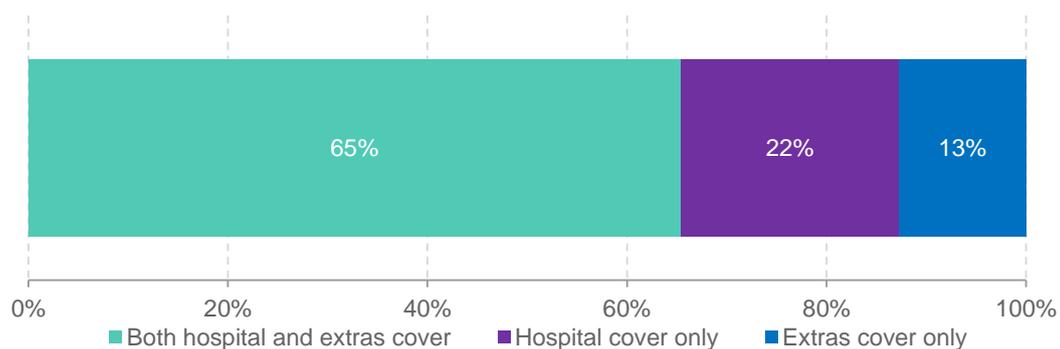
Other responses (verbatim) included *Ambulance cover; DVA gold card; OSHC; and Bronze cover.*

When looking at cover as a proportion of 100%, 65% of respondents had both hospital and extras cover, while 22% had hospital cover only, and 13% had extras cover only.

When looking at age, significantly more of the older age groups (ages 45 years and over) reporting having both hospital and extras cover (72-73%), compared to their younger counterparts aged 18-29 years (46%) and 30-44 years (63%).

Significantly greater proportion of those aged 18-29 years had hospital cover only (39%) compared to those in the two eldest age brackets (45-59 years; 15% and 60 years and over; 17%).

**Figure 3: Type of private health insurance cover**



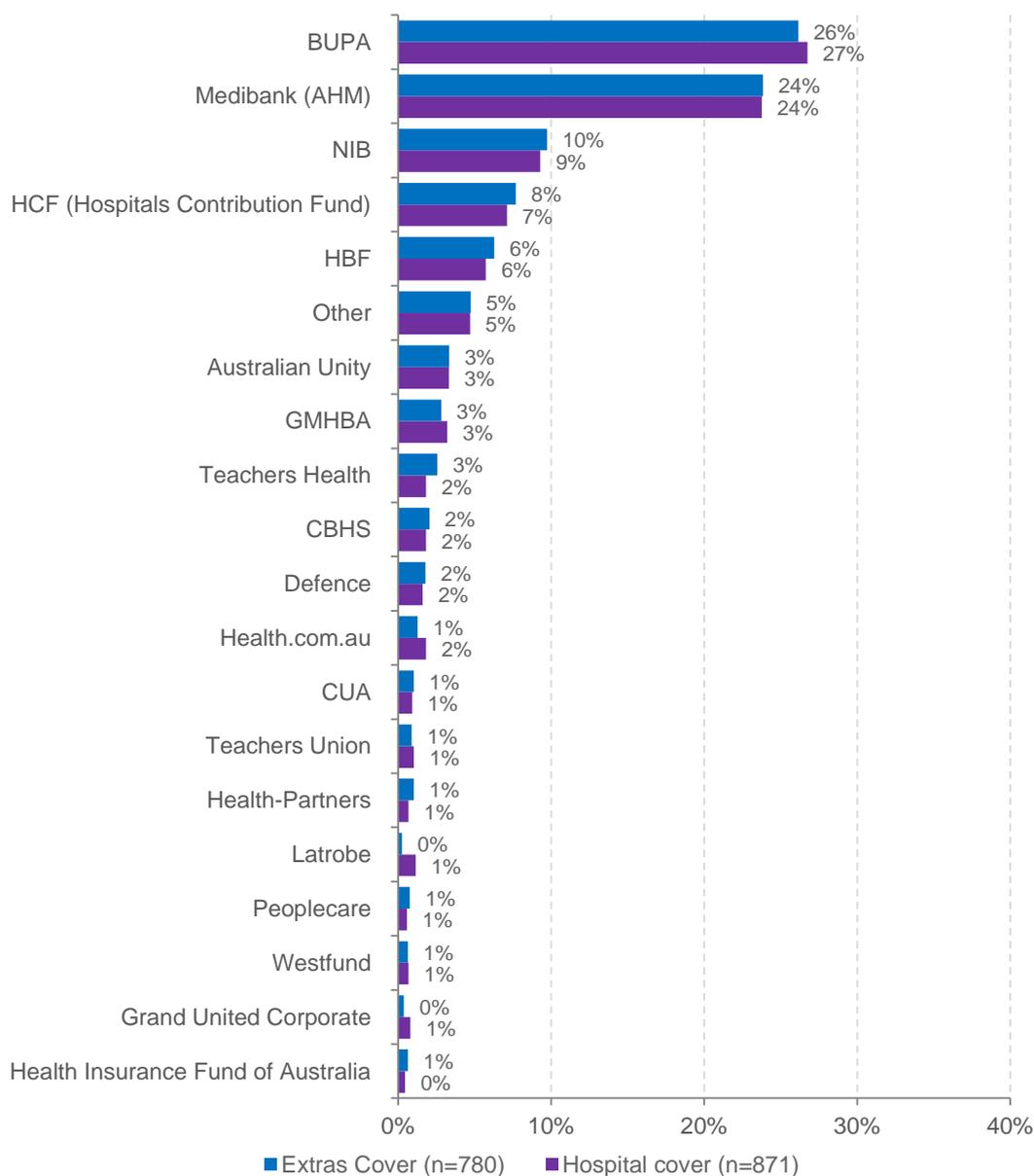
Q2. Do you have: (Multiple response)  
Base: All respondents (n=1,004)

### 4.1.3. Private health insurance providers

BUPA and Medibank (AHM) were the top two choices for both extras (26% and 24% respectively) and hospital cover (27% and 24% respectively).

Respondents who reported being covered by 'other' cover are not featured in the chart below due to small sample size, the breakdown of providers are this group are: BUPA (n=3), HBF (n=3) and other providers (n=7).

**Figure 4: Private health insurance providers**



Q3a. What private health insurance fund are you currently with for your hospital cover? (Single response)

Base: All respondents with hospital cover (n=871)

Q3b. What private health insurance fund are you currently with for your extras cover? (Single response)

Base: All respondents with extras cover (n=780)

Q3c. What private health insurance fund are you currently with? (Single response)

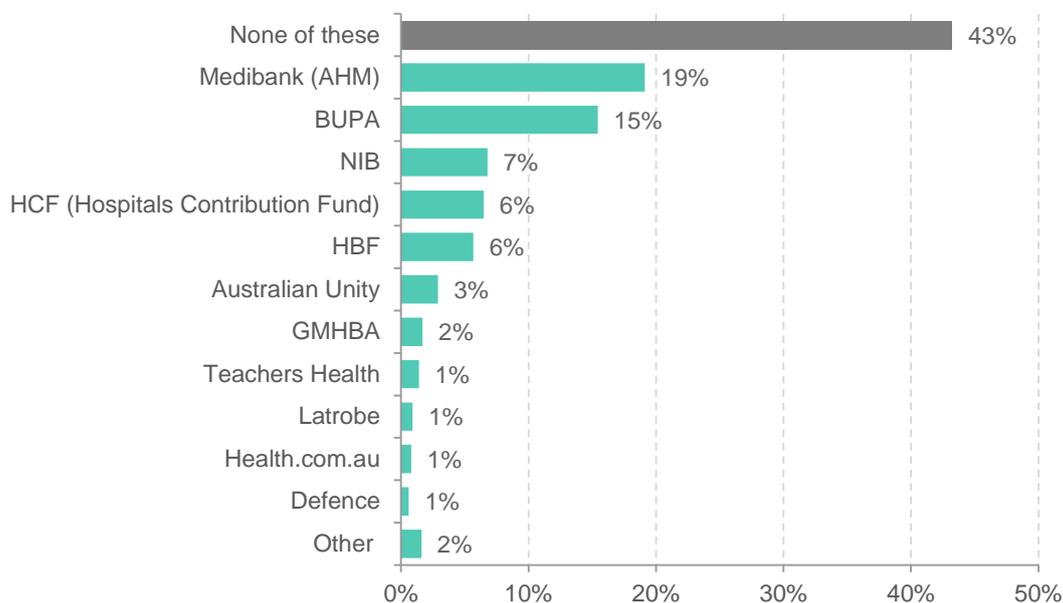
Base: All respondents with other cover (n=13\*)

Note: \*Small sample size, results should be interpreted with caution.

#### 4.1.4. Past private health insurance providers

Close to half (43%) of all respondents have not been with any other provider in the past. The remaining largest proportion has been covered by Medibank (19%), followed by BUPA (15%).

**Figure 5: Past private health insurance providers**



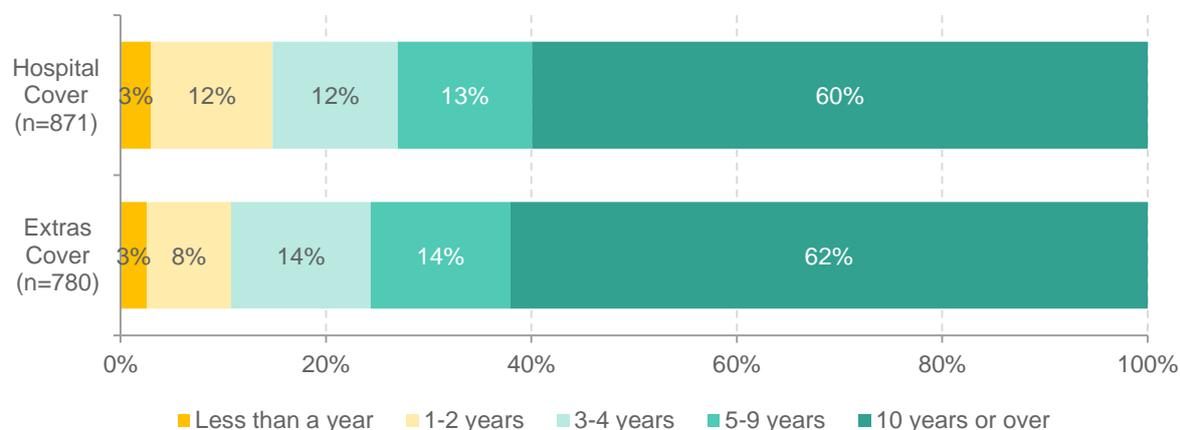
Q4. Have you been a member of any other fund in the past? (Multiple response)  
Base: All respondents (n=1,004)

#### 4.1.5. Length of time with private health insurance

Just under two thirds of all respondents have had private health insurance for extras and / or hospital cover for 10 or more years (62% and 60% respectively).

Unsurprisingly, those who indicated that they have had private health insurance (either extras or hospital) for 10 or more years were significantly more likely to be aged 45 years and over.

**Figure 6: Length of time with private health insurance**



Q5a. How long have you had private health insurance for hospital cover? (Single response)  
Q5b. How long have you had private health insurance for extras cover? (Single response)  
Base: All respondents with hospital cover (n=871); and respondents with extras cover (n=780)  
Note: Those who responded with having 'Other' cover comprised N=13 respondents and were excluded from the chart.

When looking at length of time with private health insurance overall, those aged 60 years and over, and those aged 45-59 years were significantly more likely to have been covered for 10 years or longer (91% and 72%, respectively), compared to younger age groups (18-29 years: 28%; 30-44 years: 35%).

**Table 1: Length of time with private health insurance overall, by age**

	All respondents (N=1004)	18-29 years (n=168)	30-44 years (n=304)	45-59 years (n=242)	60 years and over (n=290)
<b>2 years or less</b>	14%	30%	19%	10%	3%
<b>3-9 years</b>	27%	42%	47%	18%	7%
<b>10 years or more</b>	59%	28%↓	35%↓	72%↑	91%↑

Q5a. How long have you had private health insurance for hospital cover? (Single response)

Q5b. How long have you had private health insurance for extras cover? (Single response)

Base: All respondents (N=1,004)

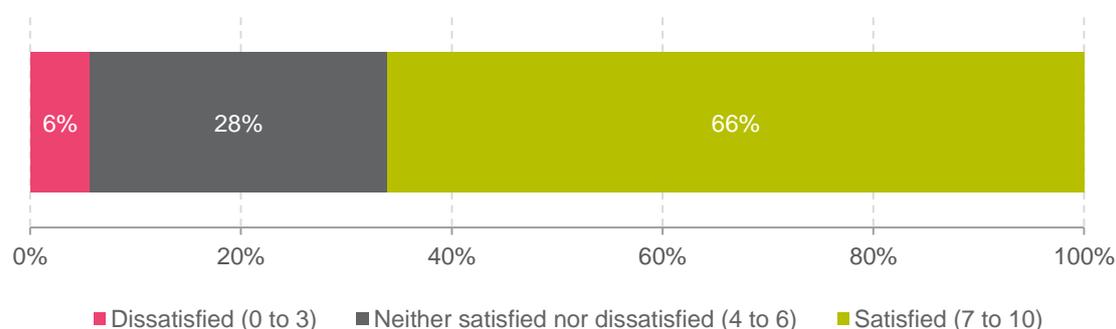
#### 4.1.6. Satisfaction with current private health insurer

Two thirds (66%) of all respondents indicated that they are satisfied (rated 7 to 10 out of 10) with their current private health insurance, whilst 6% indicated dissatisfaction (rated 0 to 3 out of 10).

Those with hospital cover only, registered significantly lower levels of satisfaction (56%; and consequently higher levels of neutrality), compared to those with both levels of cover (68%) or extras cover only (75%). Those aged 60 years and over registered significantly higher levels of satisfaction (76%) compared to their younger counterparts aged 30-44 years (59%) and those aged 45-59 years (62%).

When looking at time with private health insurance, those who had been with their insurer for ten years or longer were both significantly more satisfied (71%), compared to their counterparts who had been with their insurer less than 10 years (59% satisfied), who felt more neutrally towards their insurer.

**Figure 7: Satisfaction with current private health insurer**

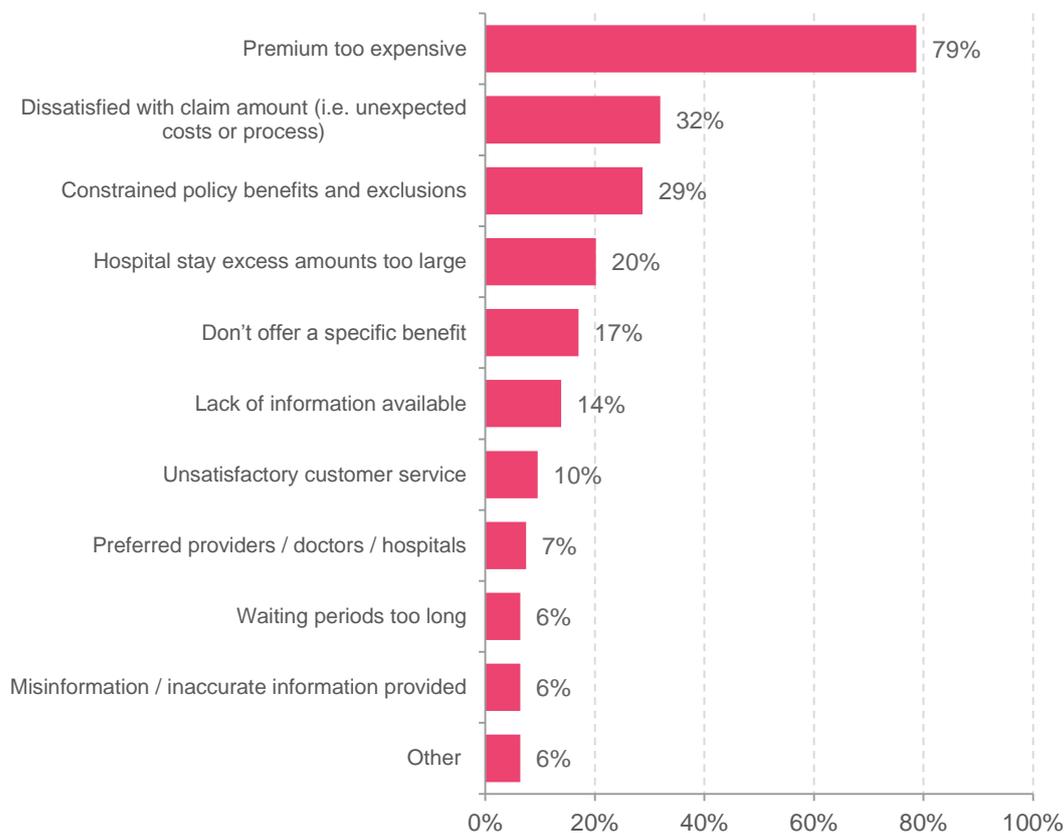


Q6. On a scale from 0 to 10 where 0 means 'totally dissatisfied' and 10 means 'totally satisfied', how satisfied are you with your current private health insurance? (Single response)

Base: All respondents (n=1,004)

The primary reason for this dissatisfaction was that the *premium is too expensive* (79%). When cut by age group, this first reason was mainly driven by those aged 30 years and over (77%-90%), while only 38% of those aged 18-29 years mentioned this as a primary reason for their dissatisfaction. Those with both levels of cover were also more likely to mention expense as a primary driver of dissatisfaction (89%) compared to those with hospital cover only (62%).

**Figure 8: Primary reason for dissatisfaction with current private health insurer**



Q6a. What are the primary reasons you're dissatisfied? (Single response)  
 Base: All respondents who rated 0-4 at Q6 (n=94)

## 4.2. Insurer search activities

### 4.2.1. Activities undertaken while searching for an insurer

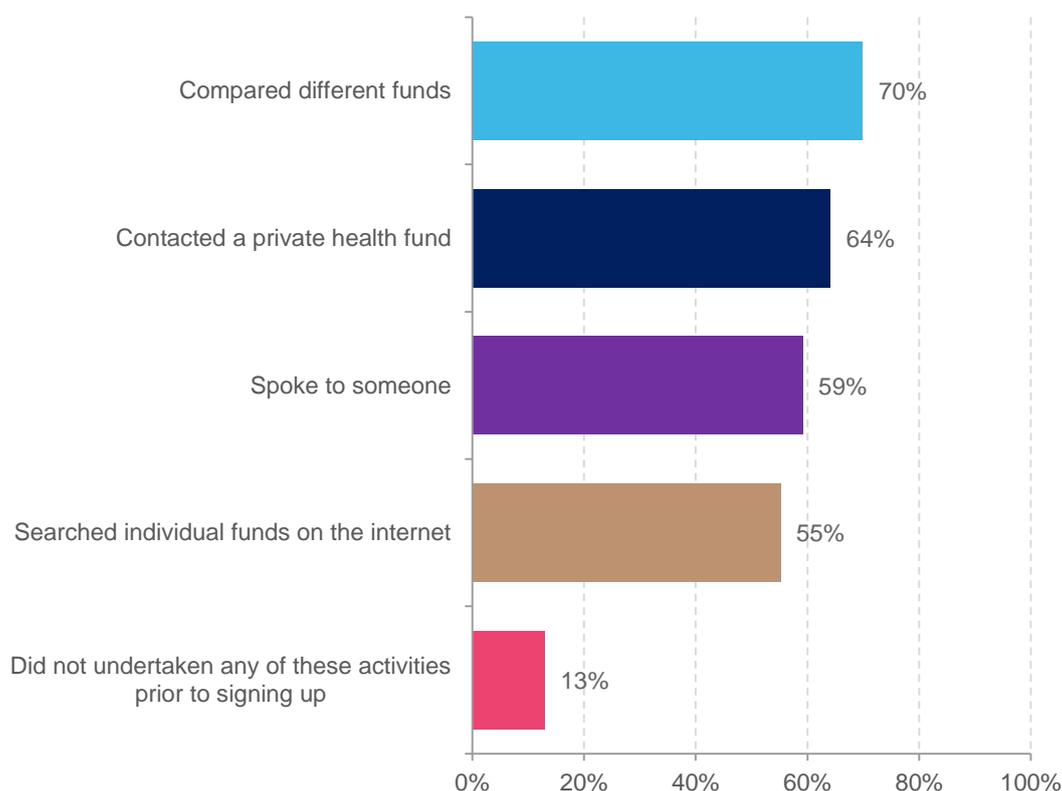
The most popular actions taken by respondents prior to signing up with their current provider were to *compare different insurers* (70%) and to *contact a private health insurer* (64%). Thirteen percent of respondents did not do any of these preparatory activities prior to signing up with their current private health insurer.

When looking at differences by age, age groups from 30 years plus were significantly more likely to contact a private health insurer prior to signing up (65-67%) compared to their younger counterparts (aged 18 to 29 years; 52%).

Respondents aged 30-44 years were significantly more likely to search for individual insurers on the internet (70%) compared to all other age groups – in particular the eldest age group 60 years and over (38-60%).

Respondents aged 60 and over were significantly less likely to compare different insurers (62%) compared to respondents aged 30 to 44 years and over (77%).

**Figure 9: Actions undertaken prior to signing up with current provider**



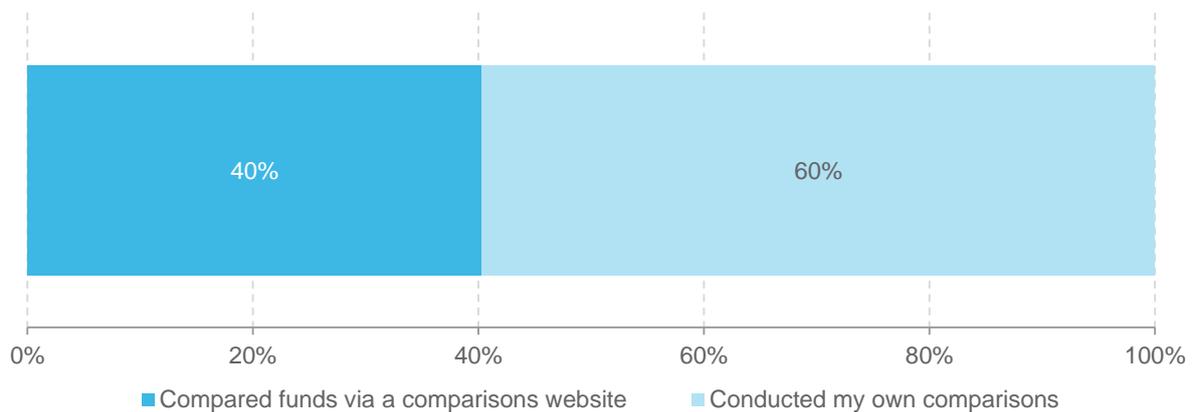
Q7. Before signing up to your current private health insurance fund, which of the following did you do? (Multiple response)  
Base: All respondents (n=1,004)

## 4.2.2. Compared different insurers

Of the respondents who compared insurers, 60% conducted their own comparisons. The remaining 40% utilised comparison websites, with the most popular comparison website being Iselect.com.au (58%).

The top two age brackets (45-59 years and 60 years and over) were significantly more likely to conduct their own comparisons (65% and 73%, respectively) compared to their younger counterparts (49-53%); who were significantly more likely to compare insurers using a comparisons website (47-51%) compared to the older age groups (27-35%).

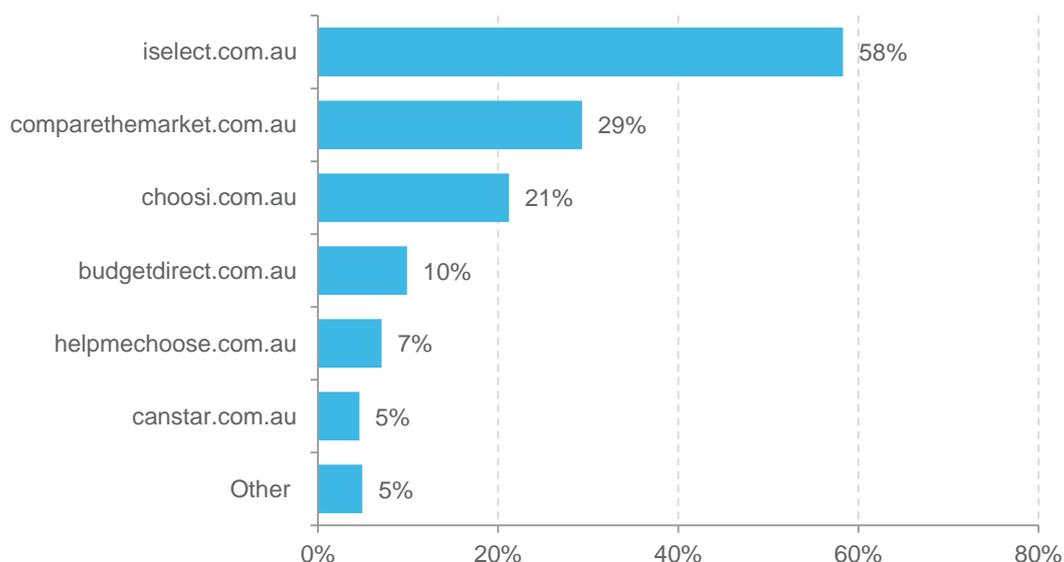
**Figure 10: Own comparison or comparison sites**



Q7d1. Did you compare funds via a comparisons website (e.g. iselect) or did you conduct your own comparisons? (Single response)

Base: All respondents who compared insurers (n=702)

**Figure 11: Comparison websites visited**



Q7d2. Which website/s did you visit? (Single response)

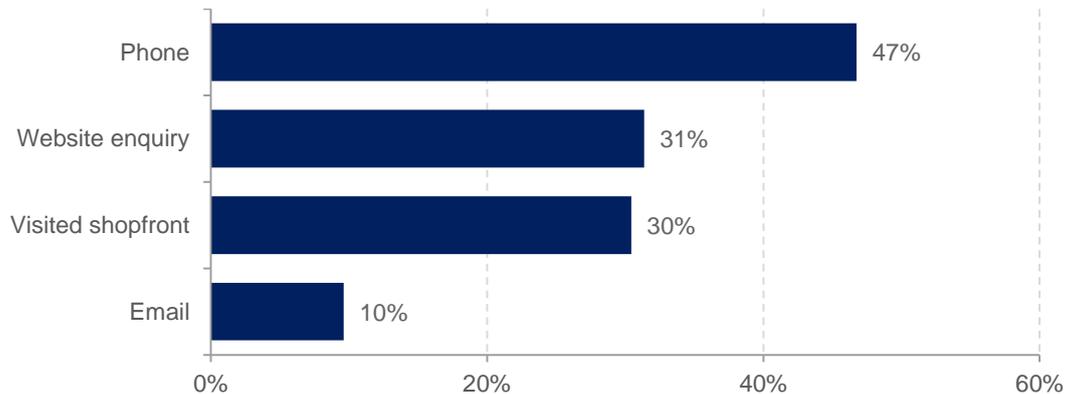
Base: All respondents who used a comparison website (n=283)

### 4.2.3. Contacted a private health insurer

For respondents that contacted a private health insurer prior to signing up with their current provider, the phone (47%) was the most popular channel for contact.

Respondents aged 60 and over were significantly more likely to select the phone (55%) as a contact channel, whilst being simultaneously less likely to use email (3%) or website enquiries (21%).

**Figure 12: Contact channels with private health insurers prior to signing up with current private health insurer**

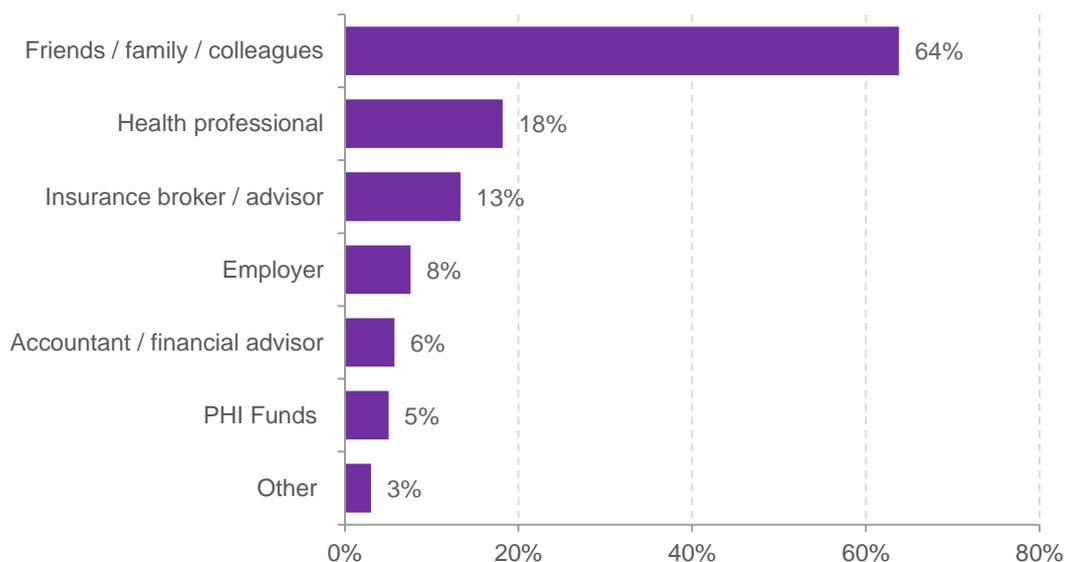


Q7b. How did you contact them? (Multiple response)  
Base: All respondents who contacted a private health insurer (n=644)

### 4.2.4. Spoke to someone

Of the respondents that claimed they spoke to someone prior to signing up with their current private health insurer, 64% indicated that this person was a friend, family member and / or colleague.

**Figure 13: People spoken to prior to signing up with current private health insurer**



Q7a. Who did you speak to? (Multiple response)  
Base: All respondents who spoke to someone (n=594)

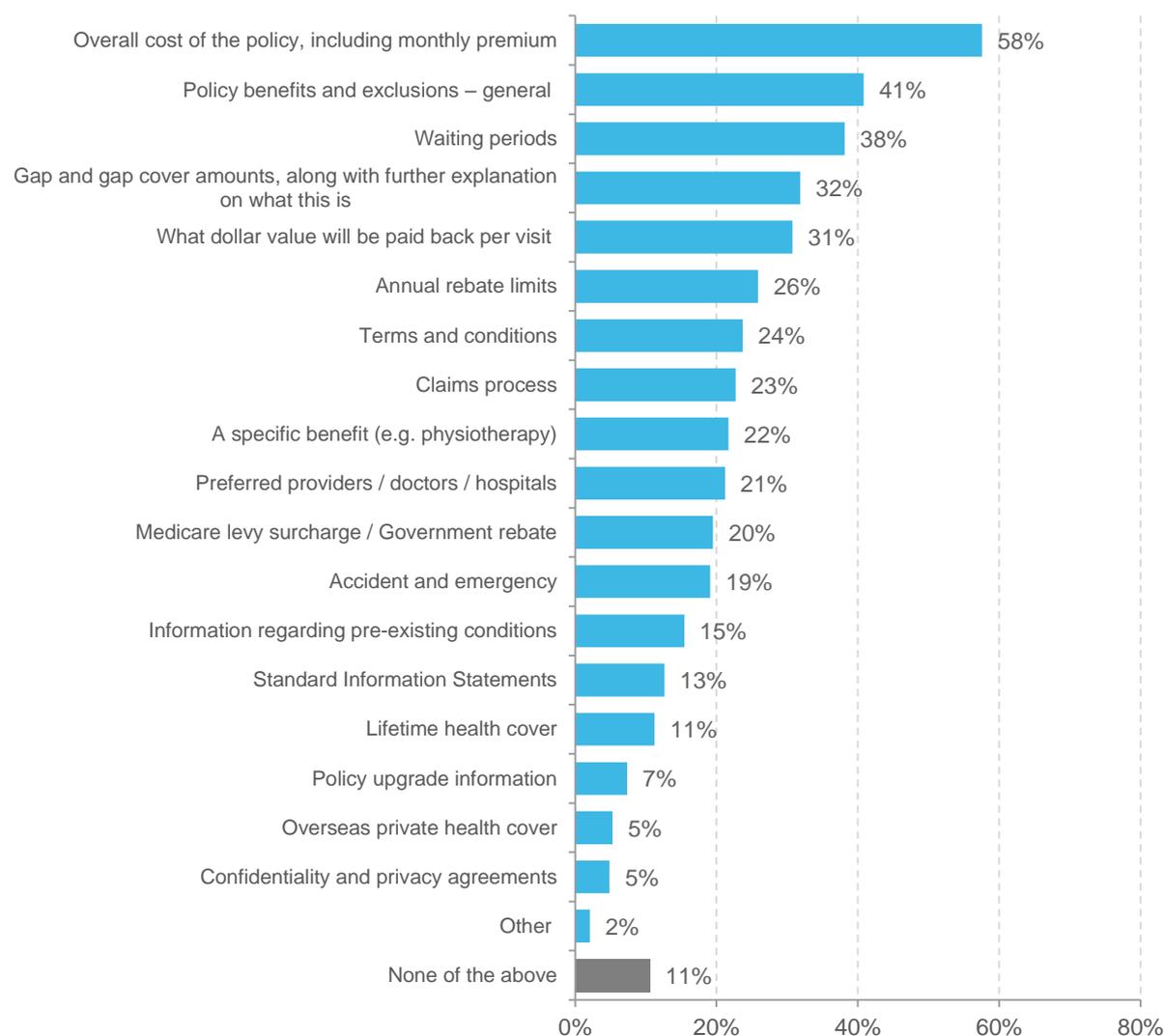
#### 4.2.5. Information seeking

There was variation in information seeking, based on the type of information sought. The *overall cost of the policy, including monthly premium* was the most sought after information, with just over half (58%) of all respondents indicating that this was something they looked for. Information about confidentiality and privacy agreements, and overseas private health cover were the least sought after pieces of information (5% each).

Regarding differences by cover type, in general, those with hospital cover only sought less information in comparison to those with both levels of cover and those with extras only.

When looking at differences by age, across the board respondents aged 18 to 29 years were generally less likely to select any of the information types. Older respondents (aged 60 and over) were significantly more likely than their counterparts to seek information about *overall cost of the policy, including monthly premium* (70%), *policy benefits and exclusions – general* (48%), *gap and gap cover amounts, along with further explanation on what this is* (41%), *terms and conditions* (30%) and *preferred providers / doctors / hospitals* (31%).

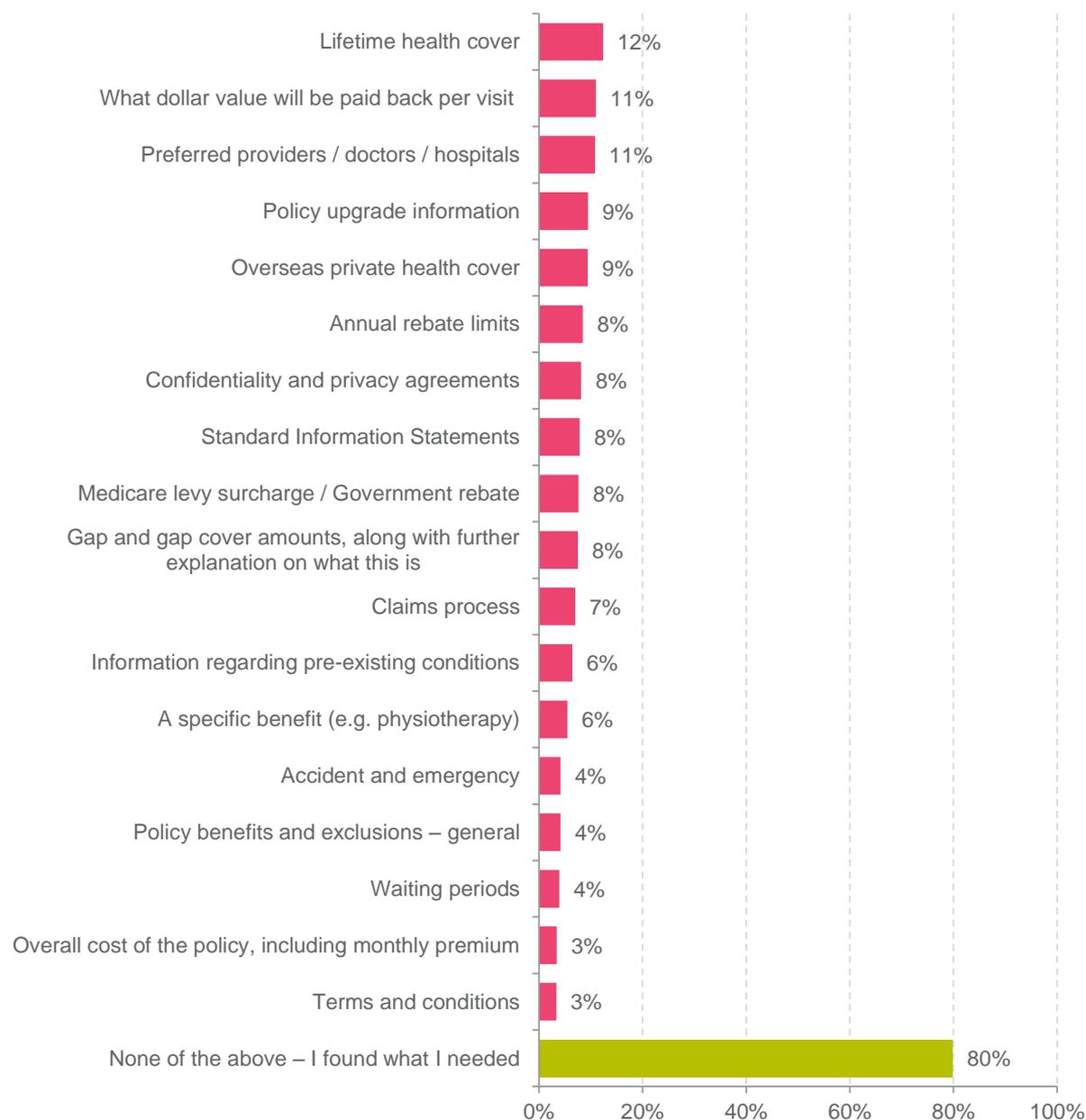
**Figure 14: Information specifically sought**



Q8. What information did you specifically seek? (Multiple response)  
Base: All respondents (n=1,004)

The majority (80%) of respondents were able to find the information they were looking for. The information sought that was most commonly found to be unavailable included lifetime health cover (12%), the dollar value to be paid back per visit (11%) and preferred providers / doctors / hospitals (11%).

**Figure 15: Information specifically sought that was unavailable**



Q9. What information were you looking for but were unable to find? (Multiple response)

Base: The proportions displayed in the figure below are based on the base sizes which form the proportions of those who sought information (from the figure above); (Minimum base size n=49).

#### 4.2.6. Evaluation of information accessed prior to policy purchase

There were reasonably high levels of agreement with the statements relating to information being accurate (67%), sufficient (62%) and easy to find (55%).

In general, those with hospital cover only had lower levels of agreement that the information was easy to find (46%), accurate (57%), and left them feeling sufficiently informed (56%), compared to those with both levels of cover (58-68%) and those with extras only (57-75%).

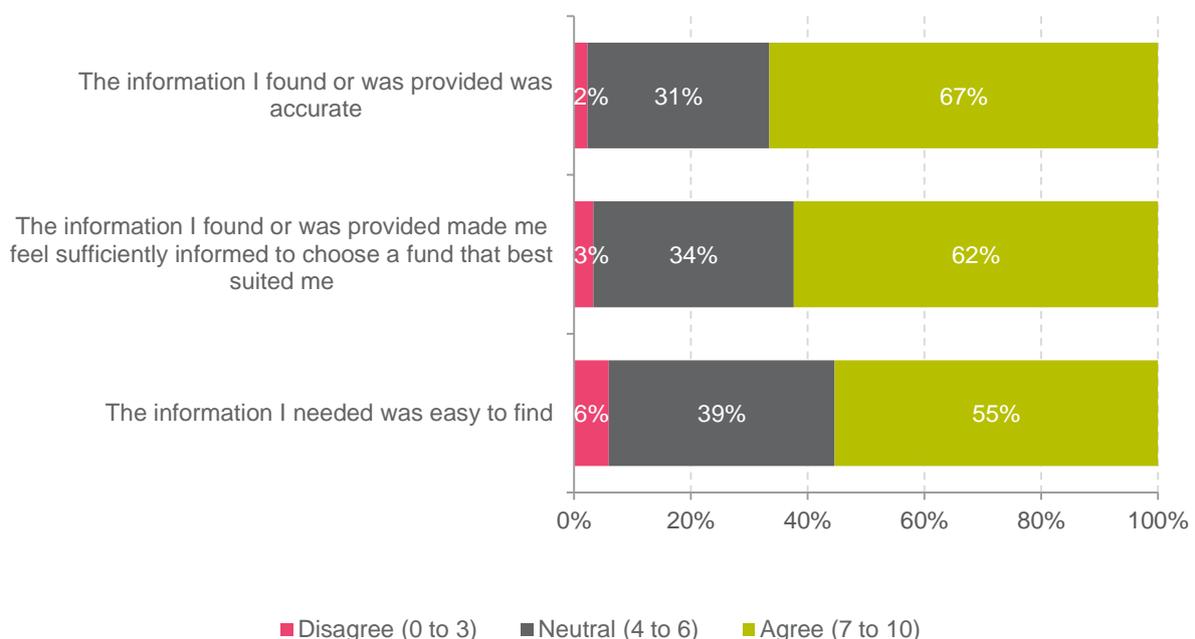
Respondents aged 60 and over were significantly more likely than their younger counterparts to agree (rating of 7 to 10 out of 10) with the following statements:

- The information I found or was provided was accurate (75% compared to 57-68%)
- The information I found or was provided made me feel sufficiently informed to choose an insurer that best suited me (74% compared to 53-64%)
- The information I needed was easy to find (65% compared to 50-54%).

Interestingly, when looking at frequency of access of information, compared to those who frequently accessed their private health insurance, those who rarely accessed their private health insurance or had not yet accessed it were significantly less likely to agree that:

- The information I found or was provided was accurate (58% compared to 72%)
- The information I found or was provided made me feel sufficiently informed to choose an insurer that best suited me (52% compared to 69%)
- The information I needed was easy to find (46% compared to 62%).

**Figure 16: Evaluation of information accessed prior to policy purchase**



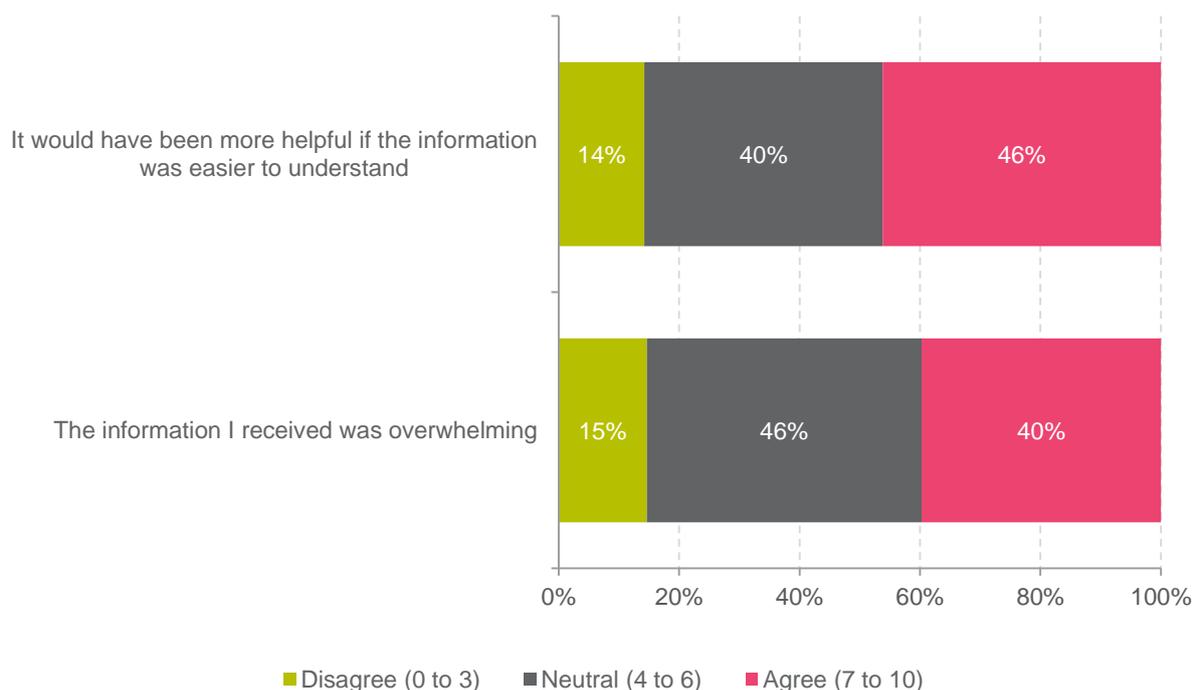
Q10. On a scale of 0 to 10, where 0 means 'strongly disagree' and 10 means 'strongly agree', please rate your level of agreement with the following statements regarding the information searching process prior to selecting the insurer: (Single response per row)  
Base: All respondents (n=1,004)

However, there were moderate levels of agreement with the statements *it would have been more helpful if the information was easier to understand* (46%) and *the information I received was overwhelming* (40%).

Significantly more respondents with both levels of cover agreed that the information received was overwhelming (42%) compared to those with hospital cover only (32%).

Looking at **those who agreed** that the information would have been more helpful if it was easier to understand, and who agreed that the information received was overwhelming, the highest proportions in each group comprised those with both levels of cover, 30-44 year olds, females, and primary decision-makers over the policy.

**Figure 17: Evaluation of information accessed prior to policy purchase**



Q10. On a scale of 0 to 10, where 0 means 'strongly disagree' and 10 means 'strongly agree', please rate your level of agreement with the following statements regarding the information searching process prior to selecting the insurer: (Single response per row)  
 Base: All respondents (n=1,004)

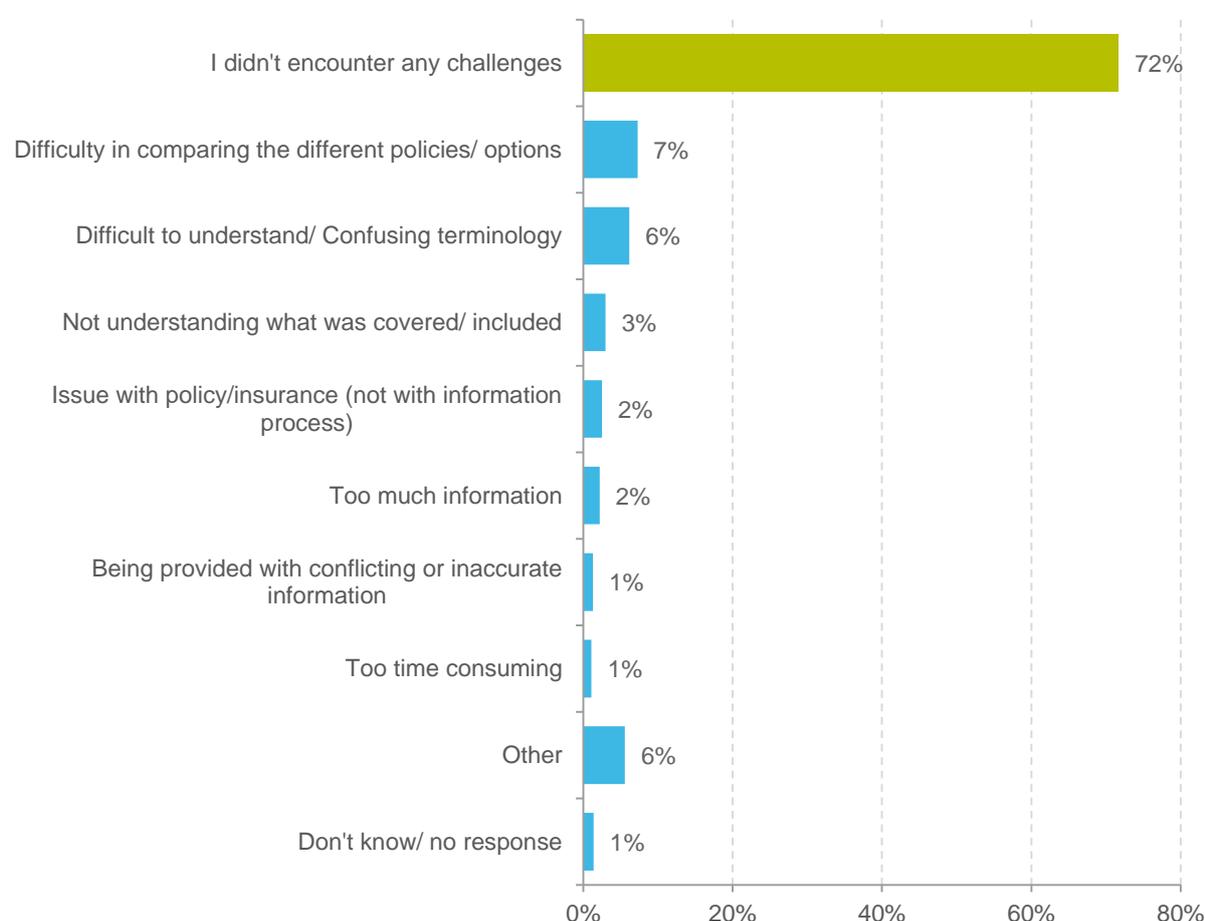
#### 4.2.7. Challenges encountered during the information searching process

The majority of respondents reported not encountering any challenges in the information searching process prior to signing up to their selected insurer (74%). The challenge encountered by most (albeit a modest proportion) was experiencing difficulty in comparing the different policy options (7%), followed by confusion over terminology used in the information provided (6%).

Those with both levels of cover or extras only were significantly more likely to report encountering challenges (30% for each), compared to those with hospital cover only (22%); the primary issue being difficulty in comparing the different policies / options (9%).

By age, the 45-59 year olds were significantly more likely to report encountering challenges (37%) compared to other age groups (20-28%). The primary problem for this age group was again difficulty in comparing the different policies / options (11%).

**Figure 18: Challenges encountered during information search**



Q11. What challenges did you encounter during the information searching process? (Open ended)  
Base: All respondents (n=1,004)

Looking further at the experience of a challenge: those who have encountered a challenge were significantly more likely to have seriously thought about changing health insurers but have not done so (53%), compared to those who have not encountered any challenges (35%). Not surprisingly, those who did not encounter any challenges were significantly more likely to have never thought about changing private health insurers (45%) compared to those who have encountered challenges (21%).

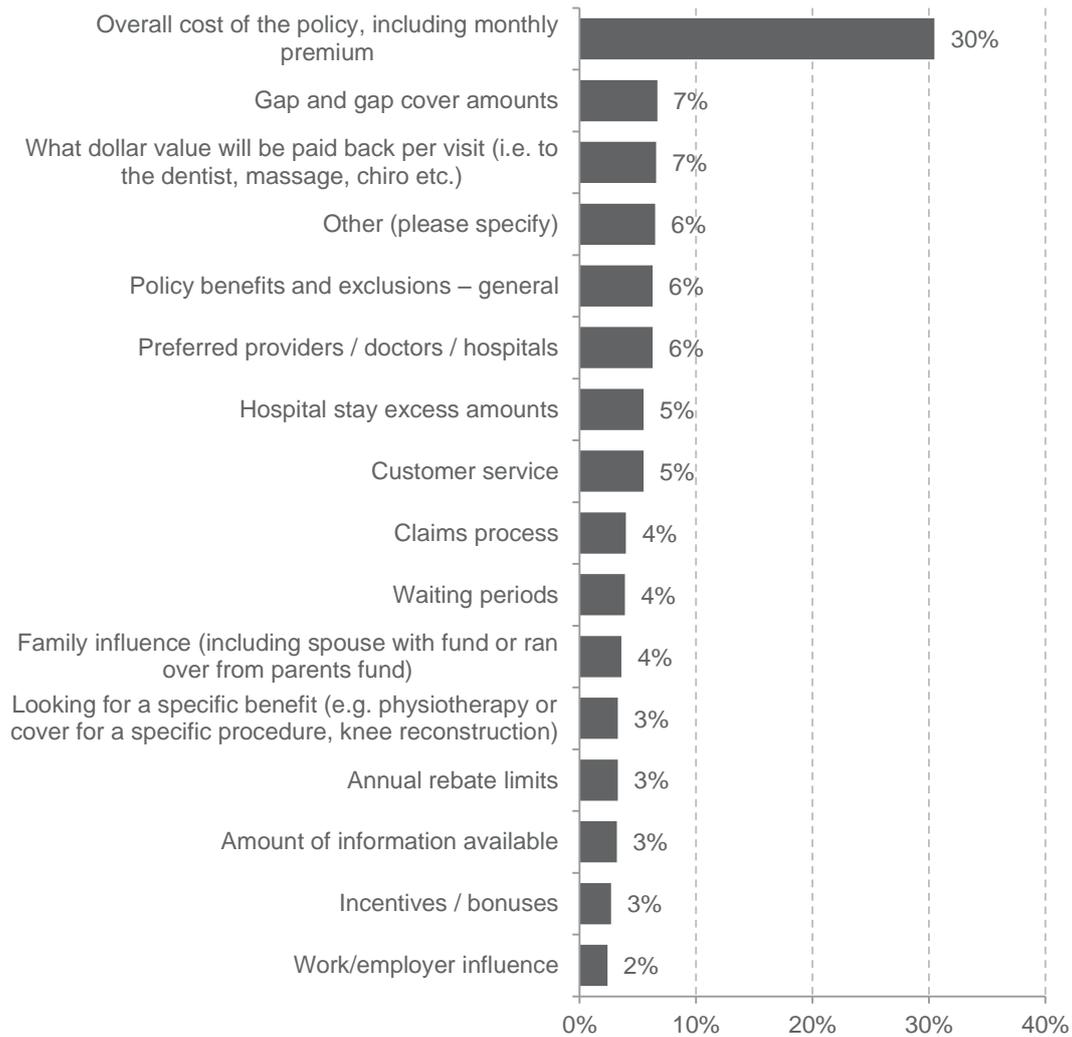


### 4.3. Insurer selection and purchase

#### 4.3.1. Reasons for selecting current insurer

The figure below shows the primary reasons respondents selected their current insurer. The most popular reason was cost-based, with 30% selecting their insurer based on the overall cost of the policy, namely the monthly premium.

**Figure 20: Primary reason for selecting current insurer**



Q12. What were the main reasons you selected the fund you're currently with? Please rank your top reasons (1 being the most important)... Select up to three reasons.

Note: Chart shows first ranked selections) Single response

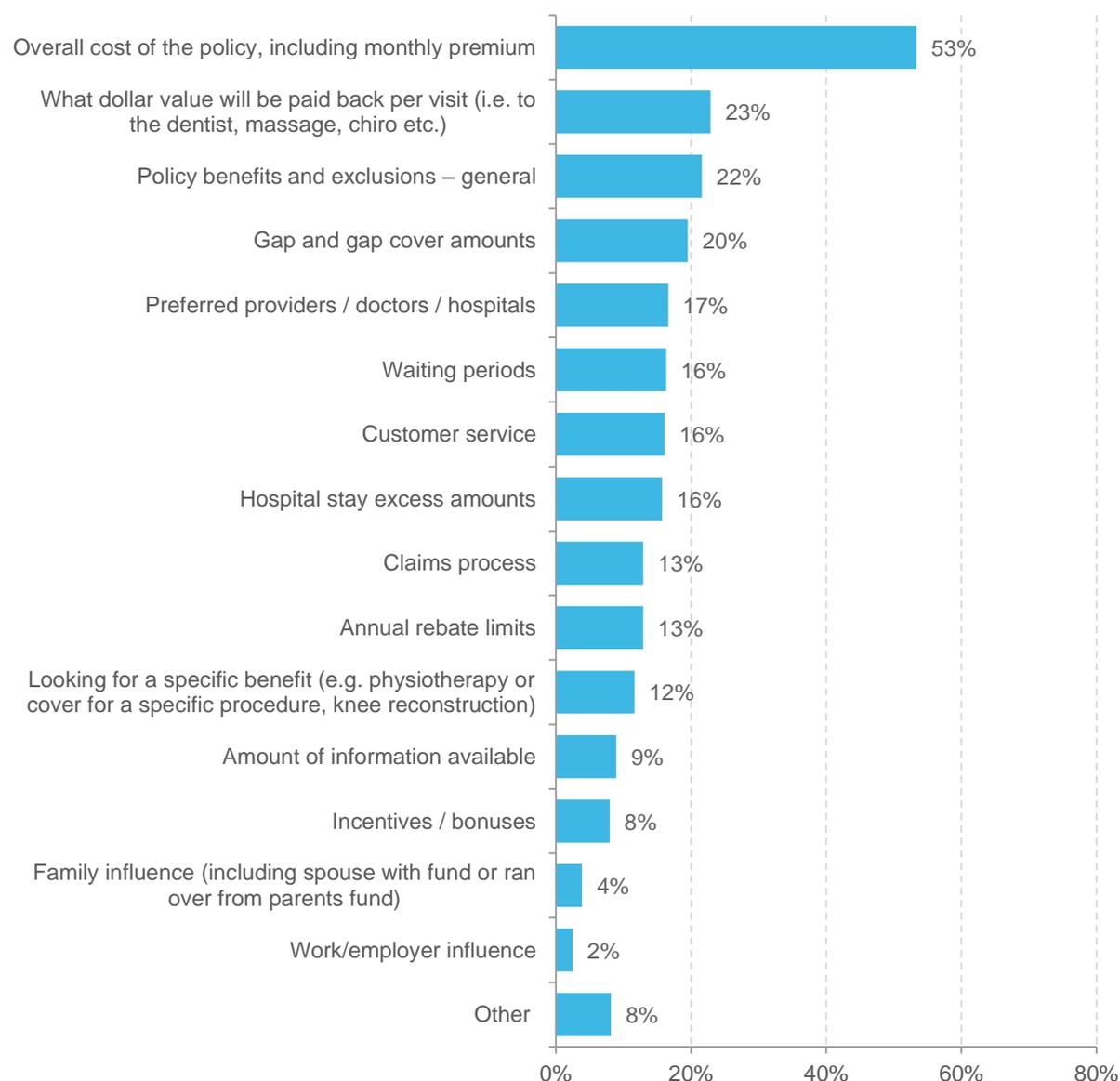
Base: All respondents (n=1,004)

When looking at all key reasons for insurer selection (without ranking), the approximately half of all respondents the main reason for selecting their current insurer was the *overall cost of the policy, including the monthly premium* (53%).

Looking at cover type, preferred providers, doctors and hospitals were of most importance to those with hospital cover only (23%), compared to those with both levels of cover (16%) and those with extras only (9%). Those with extras cover only were driven by the need for a specific benefit (19%) compared to the other groups (11% each).

By age group, this was a reason selected by significantly greater proportions of respondents in the two older age brackets (58-59%) compared to the two younger age brackets (47-48%). Conversely, incentives and bonuses were more commonly sought after by younger age groups (13% each) compared to the older age groups (3-4%).

**Figure 21: Reasons for selecting current insurer**



Q12. What were the main reasons you selected the fund you're currently with? Please rank your top reasons (1 being the most important)... Select up to three reasons. (Multiple response up to 3 selections)

Note: Chart shows "any selection" (not ranked)

Base: All respondents (n=1,004)

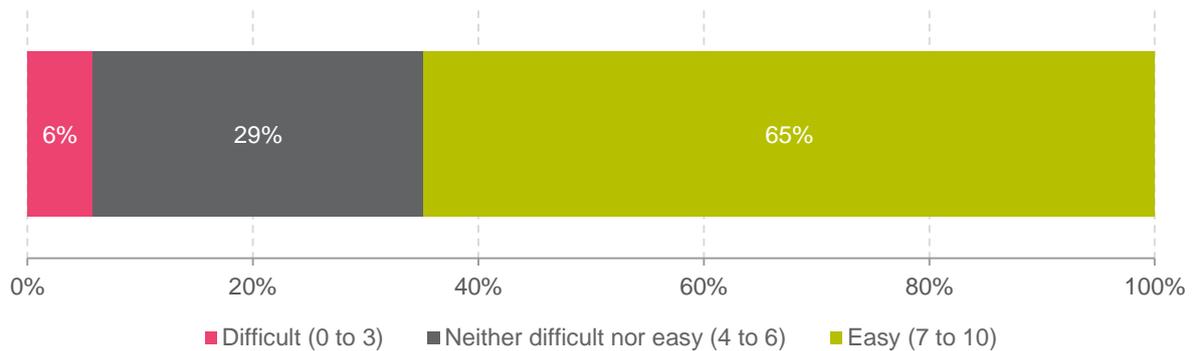
### 4.3.2. Ease of the overall process of purchasing private health insurance

Three quarters of all respondents suggested that the overall process of purchasing private health insurance was easy (65%). Only 6% indicated that it was difficult, with the remaining 29% falling somewhere in between.

When looking at differences by age, respondents aged 60 and over were significantly more likely to indicate that the process was easy (76%) compared to all younger counterparts (60-61%).

Significantly more respondents who had been with their private health insurer for ten years or longer felt that the overall process of purchasing the cover was easy (69%), compared with those with shorter cover (59%).

**Figure 22: Ease of the overall process of purchasing private health insurance**



Q13. On a scale from 0 to 10 where 0 means 'very difficult' and 10 means 'very easy', how did you find the overall process of purchasing private health insurance? (Single response)  
Base: All respondents (n=1,004)

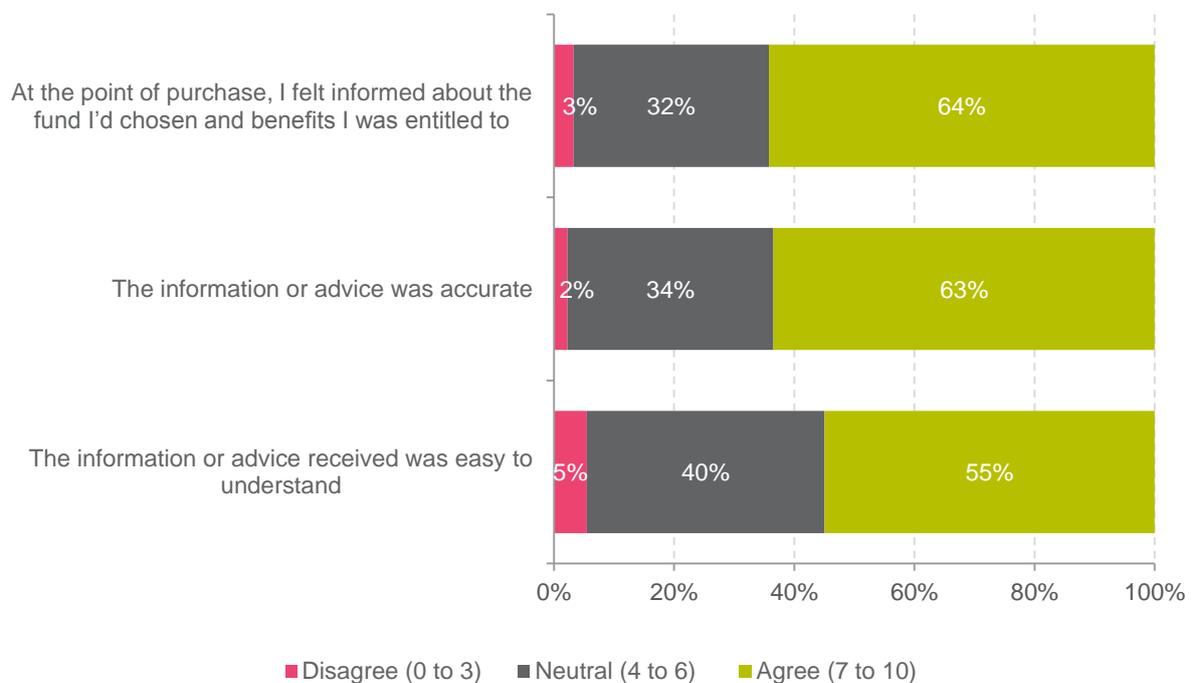
### 4.3.3. Evaluation of information provided at the point of policy purchase

With regard to the information or advice received at the point of selecting and purchasing private health insurance, there were reasonably high levels of agreement with the statements relating to feeling informed (64%), the information being accurate (63%) and the information being easy to find (55%).

Those with hospital cover only were significantly less likely to agree that at the point of purchase they felt informed about the insurer they'd chosen and the benefits they were entitled to (56%) compared to those with extras only (73%) and those with both (65%). The same pattern was present for agreement that the information or advice was accurate.

Those aged 60 years or over were significantly more likely to agree that the information or advice received was easy to understand (67%), compared to their younger counterparts (49-52%). Similarly, this pattern was observed regarding agreement that the information or advice received was accurate, and agreement that they felt informed about the insurer chosen and the benefits they were entitled to. The same pattern was observed for the length of time with private health insurance cover.

**Figure 23: Evaluation of information provided at the point of policy purchase**



Q14. On a scale of 0 to 10, where 0 means 'strongly disagree' and 10 means 'strongly agree', please rate your level of agreement with the following statements regarding the information or advice you received at the point of selecting the fund and purchasing the policy: (Single response per row)  
Base: All respondents (n=1,004)

When looking closer at those in agreement that the information or advice provided was easy to understand, accurate, and the perception of feeling informed: those who read some information were significantly more likely to report that the information was easy to understand, was accurate and that they felt informed at the point of purchase about their entitlements.

**Table 3: Agreement with positive information evaluations by readership of information**

	Did not read any information	Read some information
The information or advice received was easy to understand	41%↓	59%↑
The information or advice was accurate	49%↓	68%↑
At the point of purchase, I felt informed about the insurer I'd chosen and benefits I was entitled to	50%↓	69%↑

Q14. On a scale of 0 to 10, where 0 means 'strongly disagree' and 10 means 'strongly agree', please rate your level of agreement with the following statements regarding the information or advice you received at the point of selecting the fund and purchasing the policy: (Single response per row)

Q15. What information provided by the fund after purchase did you read? (Multiple response)

Base: All respondents (n=1,004)

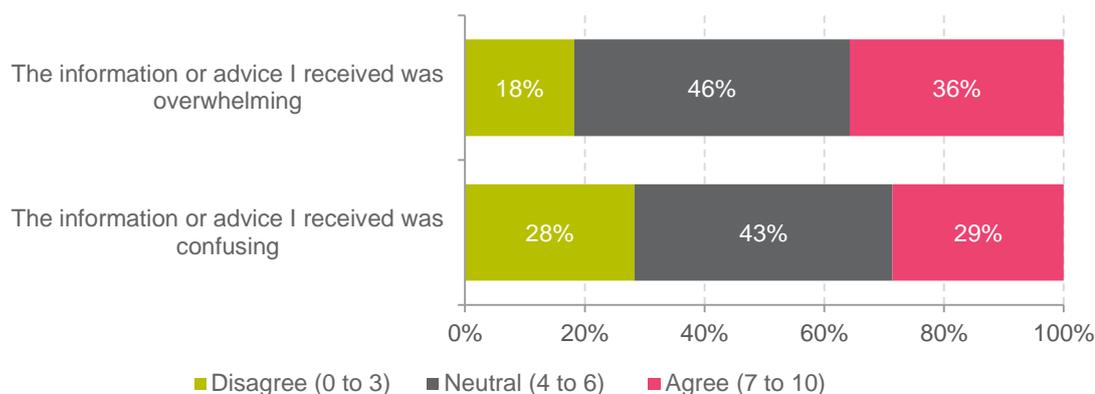
However, between a quarter and a third of respondents reported that the information or advice received was confusing or overwhelming.

Those aged 60 years and over were the least likely to agree that the information and advice received was confusing (19%; compared to younger counterparts: 29-36%) or overwhelming (28%; compared to younger counterparts: 33-45%).

When looking at the group who felt overwhelmed or confused by the information or advice received, these groups were primarily made up of respondents aged 30-44 years, and those with both levels of cover.

These groups were also significantly more likely to have seriously thought about changing health insurers and were significantly more likely to have experienced a problem in relation to their private health insurance.

**Figure 24: Evaluation of information provided at the point of policy purchase**



Q14. On a scale of 0 to 10, where 0 means 'strongly disagree' and 10 means 'strongly agree', please rate your level of agreement with the following statements regarding the information or advice you received at the point of selecting the fund and purchasing the policy: (Single response per row)

Base: All respondents (n=1,004)

When looking closer at those in agreement that the information was overwhelming or confusing, readership of information did not make a difference here.

**Table 4: Agreement with negative information evaluations by readership of information**

	Did not read any information	Read some information
The information or advice I received was overwhelming	32%	37%
The information or advice I received was confusing	25%	30%

Q14. On a scale of 0 to 10, where 0 means 'strongly disagree' and 10 means 'strongly agree', please rate your level of agreement with the following statements regarding the information or advice you received at the point of selecting the fund and purchasing the policy: (Single response per row)

Q15. What information provided by the fund after purchase did you read? (Multiple response)

Base: All respondents (n=1,004)

#### 4.3.4. Readership and understanding of information provided by insurer after policy purchase

Readership of *any information* was moderately high (76% of respondents reporting having read at least one piece of information). Significantly more 18-29 year olds reported not having read any information (31%) compared to 30-44 year olds (21%) and those aged 60 years and over (22%).

**Table 5: Readership of information by age**

	Total	18 to 29 years	30 to 44 years	45 to 59 years	60 years and over
Did not read any information	24%	31%↑	21%↓	24%	22%↓
Read some information	76%	69%↓	79%↑	76%	78%↑

Q15. What information provided by the fund after purchase did you read? (Multiple response)

Base: All respondents (n=1,004)

Those who have not yet accessed their private health insurance, or who rarely do so were significantly more likely not to have read any information provided by the fund (29%), compared to those who access it more frequently (20%).

**Table 6: Readership of information by frequency of accessing private health insurance**

	Total	I sometimes + I frequently access my private health insurance (i.e. I regularly make claims)	I have not yet accessed + I rarely access my private health insurance
Did not read any information	24%	20%↓	29%↑
Read some information	76%	80%↑	71%↓

Q15. What information provided by the fund after purchase did you read? (Multiple response)

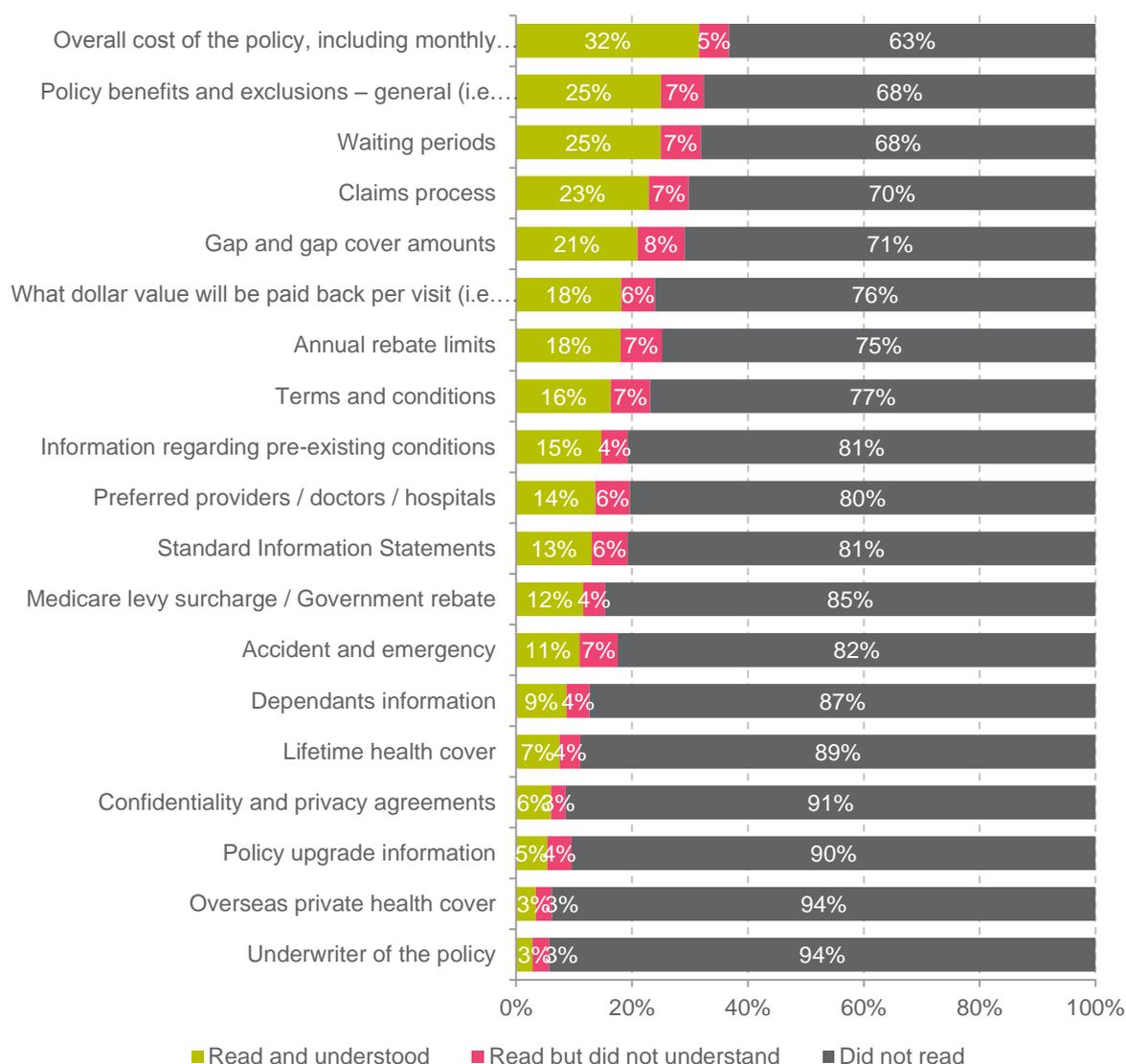
Base: All respondents (n=1,004)

Readership of specific pieces of information provided by insurers after policy purchase was low to moderate. Information regarding the overall cost of the policy, including monthly premiums was the most read material that was provided after purchase, with 32% of respondents indicating that they read and understood this information. Policy benefits and exclusions (25%) and waiting periods (25%), came in at an equal second in terms of readership and understanding. The underwriter of the policy and overseas private health cover both received the lowest levels of readership and understanding (3% each).

Information that received relatively higher levels of confusion and misunderstanding included: gap and gap cover amounts (8%), policy benefits and exclusions, waiting periods, the claims process, annual rebate limits, terms and conditions, and accident and emergency (all 7%).

Significantly more respondents who read some information experienced a problem in relation to their private health insurance (15% vs 7%), whilst for the group who did not read any information, a higher proportion cited not experiencing any problems.

**Figure 25: Readership and understanding of information provided by insurer after policy purchase**



Q15. What information provided by the fund after purchase did you read? (Multiple response)  
 Q16. What information provided by the fund after purchase did you understand? (Multiple response)  
 Base: All respondents (n=1,004)

## 4.4. Accessing benefits and making a claim

### 4.4.1. Frequency of accessing private health insurer

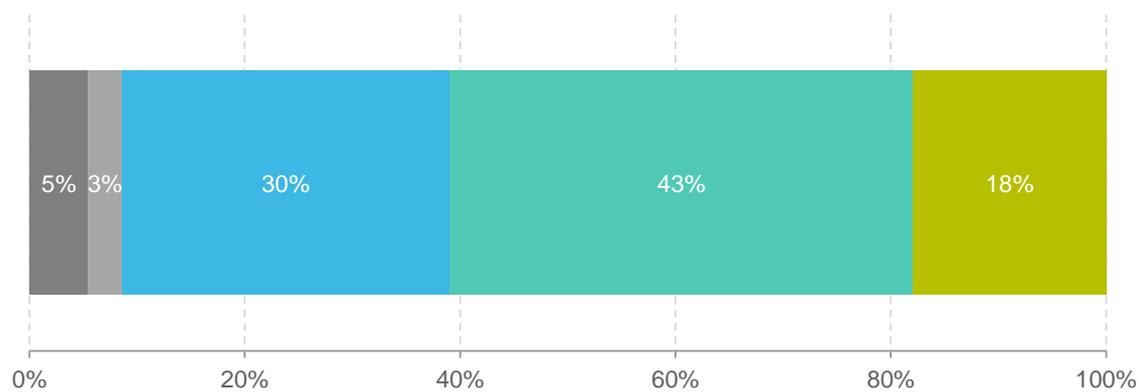
Less than a fifth of respondents stated that they frequently access their private health insurance and regularly make claims (18%). A further 43% of respondents described themselves as sometimes accessing their private health insurance and 30% indicated that they rarely access their private health insurance. Only 8% had not yet accessed their private health insurance.

Those with both levels of cover or extras cover only were significantly more likely to access their private health insurance either *frequently* or *sometimes*, compared to those with hospital cover only.

Those with hospital cover only were significantly more likely to have not yet accessed their private health insurance with no foreseeable need to do so anytime soon (16%), compared to those with extras only (4%) and those with both levels of cover (2%).

Those who had been covered by private health insurance for longer than 10 years were significantly more likely to be accessing this frequently or regularly (66%) compared to those who had been covered for a shorter time (54%).

**Figure 26: Frequency of accessing private health insurer**



- I have not yet accessed my private health insurance and do not foresee a need to do so anytime soon
- I have not yet accessed my private health insurance but foresee a need to do so soon
- I rarely access my private health insurance
- I sometimes access my private health insurance
- I frequently access my private health insurance (i.e. I regularly make claims)

Q17. Which of the following best describes you? (Single response per row)  
Base: All respondents (n=1,004)

Older respondents aged 45 to 59 years and 60 years and over were significantly more likely to either *frequently* or *sometimes* access their private health insurance, compared to those aged 30-44 years.

**Table 7: Frequency of accessing private health insurance by age**

	Total	18 to 29 years	30 to 44 years	45 to 59 years	60 years and over
I sometimes + I frequently access my private health insurance (i.e. I regularly make claims)	61%	60%	55%↓	64%↑	65%↑
I have not yet accessed + I rarely access my private health insurance	39%	40%	45%↑	36%↓	35%↓

Q17. Which of the following best describes you? (Single response per row)  
Base: All respondents (n=1,004)

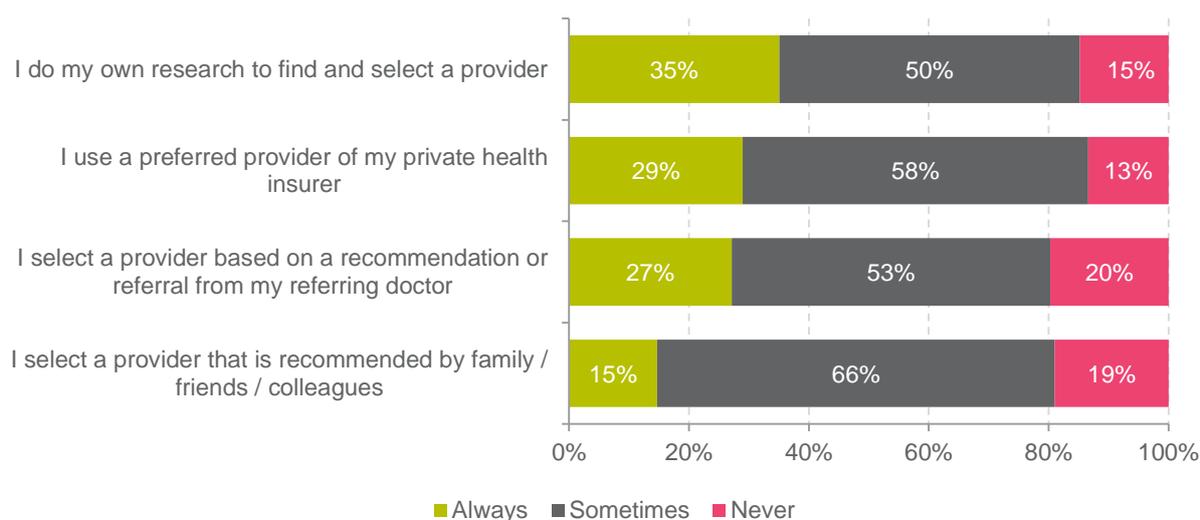
#### 4.4.2. Actions undertaken prior to accessing a health care benefit or procedure

The most common action taken prior to accessing a health care benefit or procedure was do research to and select a provider, with 35% of respondents stating that they always do this and a further 50% stating that the sometimes do this. Use of a preferred provider was a very close second with 29% of respondents indicating that they always do this and 58% indicating that they sometimes do this.

Those with both levels of cover were significantly more likely always to select a provider based on a recommendation or referral from their referring doctor (31%), compared to the other groups (16% extras only and 22% hospital only).

The younger age group (18 to 29 year olds) was significantly more likely always to select a provider that is recommended by family / friends / colleagues (28%). Whilst respondents aged 60 and over were significantly more likely always to select a provider based on a recommendation or referral from their referring doctor (40%).

**Figure 27: Actions undertaken prior to accessing a health care benefit or procedure**



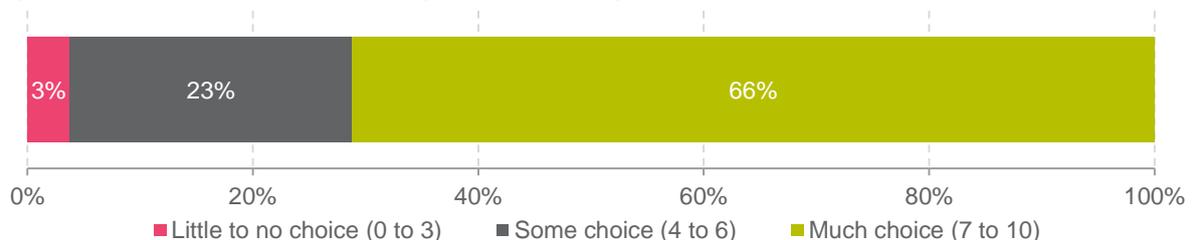
Q18. Before accessing a health care benefit or procedure you expect is covered under your policy, how often do you usually do the following? (Single response per row)  
Base: All respondents who have accessed their private health insurance (n=918)

### 4.4.3. Perceived freedom of choice

Two thirds (66%) of all respondents reported feeling that they have a large freedom of choice when it comes to selecting a health care provider.

Respondents aged 60 years and over were significantly more likely to feel they have a large freedom of choice (73%).

**Figure 28: Freedom of choice with regards to selecting a health care provider**



Q19. On a scale of 0-10 where 0 means 'No choice' and 10 means 'a lot of choice', how much freedom of choice do you feel you have to select your own health care provider (as opposed to a preferred provider of your private health insurer)? (Single response per row)

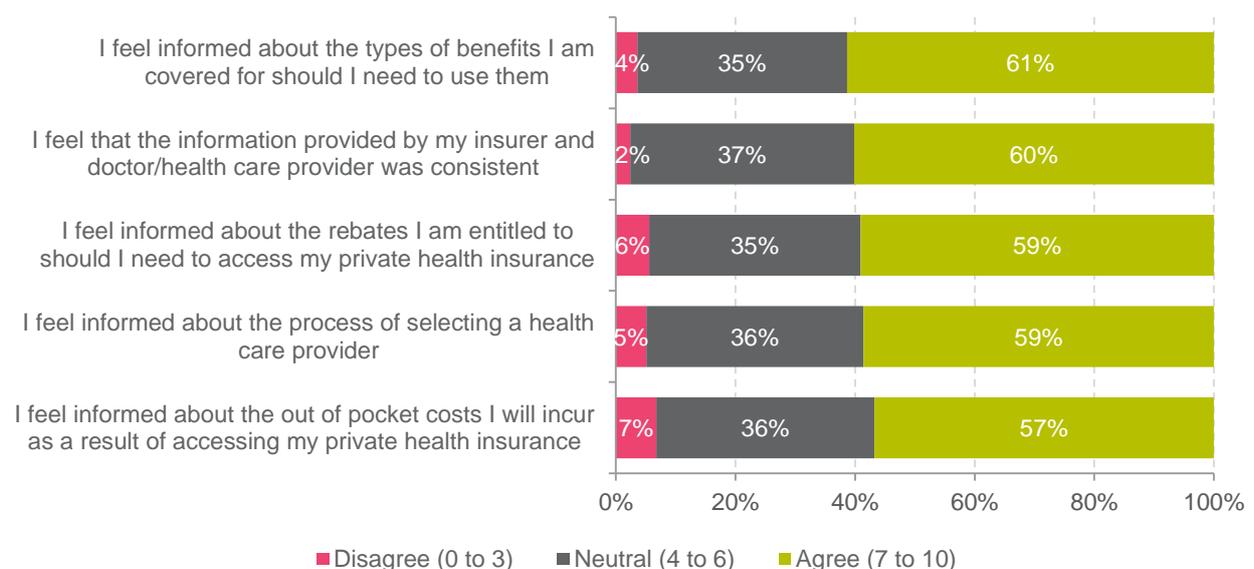
Base: All respondents (n=1,004)

### 4.4.4. Evaluation of feeling informed when accessing private health insurance

Positively, over half of all respondents agreed (rated 7 to 10 out of 10) with all of the statements relating to feeling informed when accessing private health insurance.

When looking at agreement by cover type, compared to those with hospital cover only, significantly more respondents with both levels of cover reported feeling informed about the types of benefits they're covered for (65%), the out of pocket costs (60%), the rebates they're entitled to (62%), and that the information provided by their insurer and doctor or health care provider was consistent (52%).

**Figure 29: Evaluation of feeling informed when accessing private health insurance**



Q21. On a scale of 0 to 10, where 0 means 'strongly disagree' and 10 means 'strongly agree', please rate your level of agreement with the following statements regarding accessing your private health insurance? (Single response per row)

Base: All respondents (n=1,004)

A trend by age emerged such that those aged 60 years or over in general reported feeling informed significantly more than their younger counterparts, across all aspects when accessing their private health insurance. The same trend was observed for the length of time with private health insurance.

**Table 8: Agreement about feeling informed when accessing private health insurance by age group**

	18 to 29 years	30 to 44 years	45 to 59 years	60 years and over
I feel informed about the types of benefits I am covered for should I need to use them	52%↓	53%↓	61%↓	76%↑
I feel informed about the process of selecting a health care provider	50%↓	52%↓	58%↓	71%↑
I feel informed about the out of pocket costs I will incur as a result of accessing my private health insurance	48%↓	49%↓	59%↑	69%↑
I feel informed about the rebates I am entitled to should I need to access my private health insurance	47%↓	52%↓	61%↑	72%↑
I feel that the information provided by my insurer and doctor / health care provider was consistent	51%↓	52%↓	61%↑	73%↑

Q21. On a scale of 0 to 10, where 0 means 'strongly disagree' and 10 means 'strongly agree', please rate your level of agreement with the following statements regarding accessing your private health insurance? (Single response per row)  
Base: All respondents (n=1,004)

Those who access their private health insurance frequently or sometimes, are significantly more likely to report feeling informed about the types of benefits they're covered for, the out of pocket expenses, the rebates they're entitled to, the process of selecting a health care provider, and are more confident that the information provided to them is consistent (range of agreement: 66%-71%), compared to those who access their insurance rarely or have not accessed it (range of agreement: 43%-47%).

**Table 9: Agreement regarding feeling informed about private health insurance by access frequency**

	Frequently + sometimes access private health insurance	Rarely access + have not yet accessed private health insurance
I feel informed about the types of benefits I am covered for should I need to use them	71%↑	46%↓
I feel informed about the process of selecting a health care provider	66%↑	47%↓
I feel informed about the out of pocket costs I will incur as a result of accessing my private health insurance	66%↑	43%↓
I feel informed about the rebates I am entitled to should I need to access my private health insurance	67%↑	46%↓
I feel that the information provided by my insurer and doctor/health care provider was consistent	70%↑	45%↓

Q21. On a scale of 0 to 10, where 0 means 'strongly disagree' and 10 means 'strongly agree', please rate your level of agreement with the following statements regarding accessing your private health insurance? (Single response per row)  
Q17. Which of the following best describes you? (Single response per row)  
Base: All respondents (n=1,004)

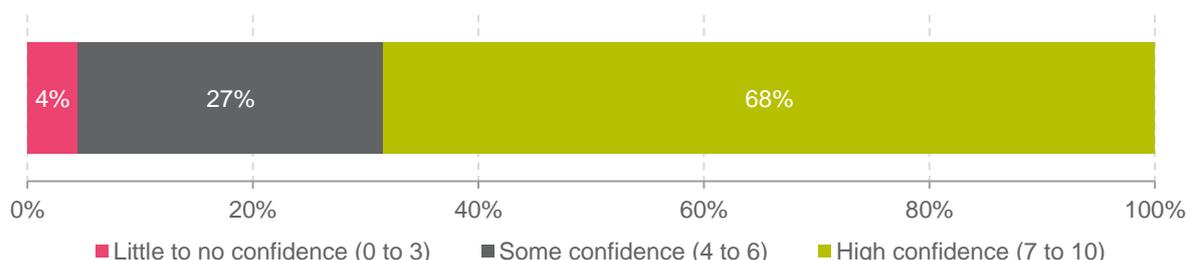
#### 4.4.5. Confidence in rebate / claim amounts

Just over two thirds (68% rated 7 to 10 out of 10) of respondents who have accessed their private health insurance indicated that they are confident that they got all they expected in terms of the rebate / claim amount.

Those with extras cover only felt significantly higher levels of confidence in terms of having gained their entitled amount in rebate on their most recent claim (74%), compared to those with hospital cover only (62%).

Those aged over 60 years reported significantly higher levels of confidence associated with receiving the expected rebate / claim amount (79%), compared to their younger counterparts (58-69%).

**Figure 30: Confidence in rebate / claim amounts**



Q22. In terms of your most recent experience accessing your private health insurance, on a scale from 0 to 10 where 0 means 'not at all confident' and 10 means 'extremely confident', how confident are you that you got all you expected to in terms of rebate / claim amount? (Single response)

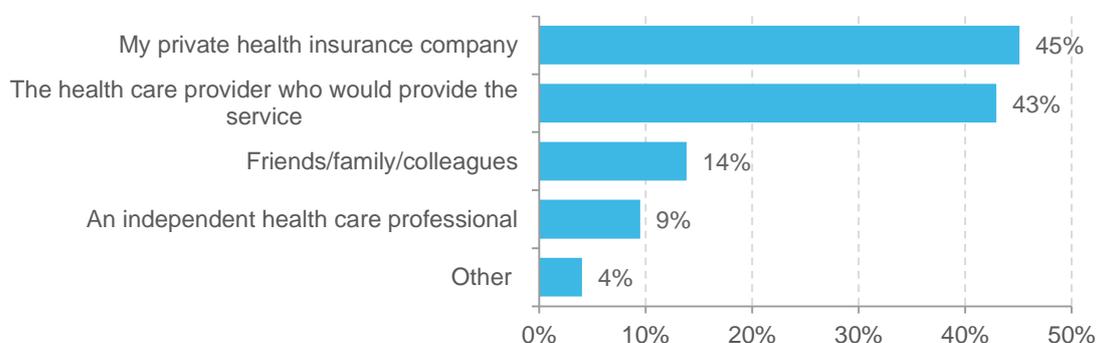
Base: All respondents who have accessed their private health insurance (n=918)

#### 4.4.6. Information about costs and coverage

In the lead up to accessing private health insurance, respondents look to the private health insurance company (45%) and the health care provider who would provide the service (43%) for information.

Respondents aged 18 to 29 were significantly more likely to receive information from friends, family or colleagues (30%) and were less likely to read information provided to them. Whilst those aged 60 and over were more likely to look to the health care provider who would provide the service (51%) for information.

**Figure 31: Source of information about costs and coverage in the lead up to accessing a health care benefit or procedure**



Q20. Recalling the most recent occasion you needed to access your private health insurance, from whom did you receive information about costs and coverage in the lead up? (Multiple response)

Base: All respondents who have accessed their private health insurance (n=918)

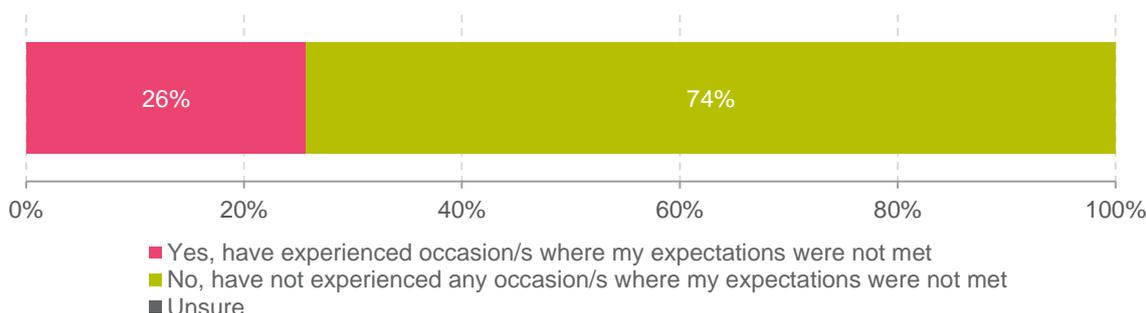
#### 4.4.7. Expectations not met

For respondents who have accessed their private health insurance, one quarter (26%) have had an occasion or occasions where their expectations were not met (either before or after accessing their private health insurance).

Of those who experienced an occasion where their expectations were not met, the majority reported having read some information (79%).

Not surprisingly, those whose expectations were not met were significantly less likely to agree that they felt informed about the benefits they were entitled to, the process of selecting a health care provider and so on, compared to those whose expectations were met.

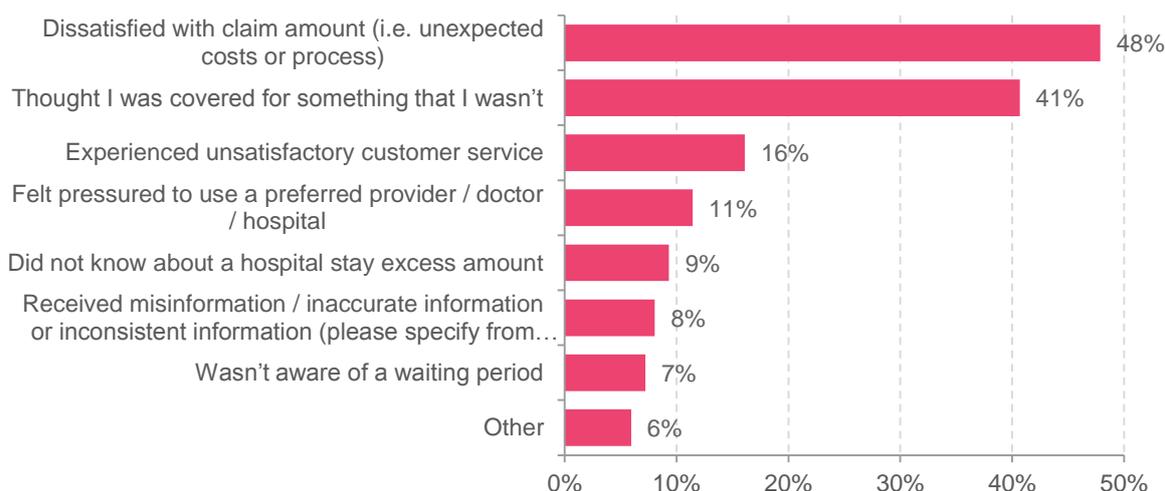
**Figure 32: Expectations not met (either before or after access)**



Q23. Have you ever experienced any occasion/s where your expectations were not met before or after accessing your private health insurance? (Single response) Base: All respondents who have accessed their private health insurance (n=918)

Of the respondents whose expectations were not met, the primary reason for this was that they were dissatisfied with the claim amount (48%). This was closely followed by respondents believing they were covered something that they weren't (41%).

**Figure 33: Ways in which expectations were not met**



Q24. In what way(s) were your expectations not met? (Multiple response) Base: All respondents whose expectations were not met (n=236)

Of the 48% who were dissatisfied with the claim amount, 62% disagreed or felt neutrally that the information and advice received in the search process was easy to understand. Close to half of this group felt that the information received was overwhelming (48%), and confusing (44%).

## 4.5. Policy changes

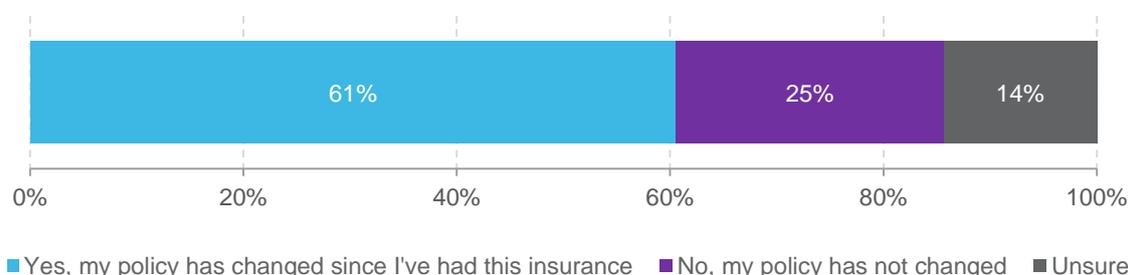
### 4.5.1. Changes to current private health insurance policy

Nearly two thirds (61%) of all respondents indicated that their current private health insurance policy has changed.

Those with both levels of cover were significantly more likely to report that their policy had changed since taking out this insurance (66%) compared to those with hospital cover only (46%).

When looking at differences by age, respondents aged 45 to 59 or 60 plus were significantly more likely to have experienced a change to their policy (70% and 71% respectively). Conversely, respondents aged 18 to 29 and 30 to 44 were significantly less likely to have experienced a change (35% and 52% respectively). This may be a product of age and therefore time and longevity of insurance cover.

**Figure 34: Changes to current private health insurance policy**



Q25. Has your current private health insurance policy changed i.e. premium, coverage, level of benefit in the time you've had this insurance? (Single response)  
Base: All respondents (n=1,004)

### 4.5.2. Unexpected expenses as a result of a change in policy

For the respondents who had experienced changes to their current policy, approximately one third (32%) incurred unexpected expenses as a result of these changes in policy.

Respondents aged 30 to 44 years who had experienced changes to their current policy were significantly more likely to have incurred unexpected expenses (42%). When looking at differences by state, respondents living in Victoria / Tasmania were significantly less likely to have sustained unexpected expenses (24%).

**Figure 35: Unexpected expenses as a result of a change in policy**



Q26. Did you incur any unexpected expenses as a result of a change in your policy? (Single response)  
Base: All respondents who have experienced policy changes (n=608)

Of those who had incurred unexpected expenses as a result of a change in policy, the majority had been covered for 10 years or more (57%).

Despite having incurred unexpected expenses, the majority of this 32% indicated they had read information provided to them. Further, they were significantly less likely to agree that information was easy to understand, and that they felt informed about changes to their policy and how it would affect them, compared to their counterparts who had not incurred any unexpected expenses. This group was also significantly more likely to agree that the information was not clear, was overwhelming and should have been more visible and upfront.

**Table 10: Agreement with information evaluations, by unexpected expense**

Agreement	Incurred unexpected expenses	Did not incur unexpected expenses
The information received was easy to understand	53%↓	72%↑
The information received was not clear about the impact of the change	30%↑	17%↓
The information received was not relevant at the time and I didn't read it	19%↑	10%↓
The information I received was overwhelming	29%↑	20%↓
The information should have been more visible and upfront	39%↑	18%↓
I felt informed about the changes to my policy and how they would affect me (and any others covered under the policy)	53%↓	70%↑

Q21. On a scale of 0 to 10, where 0 means 'strongly disagree' and 10 means 'strongly agree', please rate your level of agreement with the following statements regarding accessing your private health insurance? (Single response per row)  
 Q26. Did you incur any unexpected expenses as a result of a change in your policy? (Single response)  
 Base: All respondents who had incurred unexpected expenses as a result of a change in policy (n=194)

This cohort (those who incurred unexpected expenses) were more likely to have seriously thought about changing private health insurers but not yet done so compared to those who have not incurred unexpected expenses.

**Table 11: Consideration of changing insurers, by unexpected expense**

	Incurred unexpected expenses	Did not incur unexpected expenses
I have never thought about changing private health insurers	22%↓	40%↑
I have seriously thought about changing private health insurers but have not done so	54%↑	37%↓
I have seriously thought about changing private health insurers and have taken steps towards doing this	11%	6%
I have changed private health insurers	13%	17%

Q30. Which of the following best describes you? (Single response per row)  
 Q26. Did you incur any unexpected expenses as a result of a change in your policy? (Single response)  
 Base: All respondents who had incurred unexpected expenses as a result of a change in policy (n=194)

### 4.5.3. Communication about the change in policy

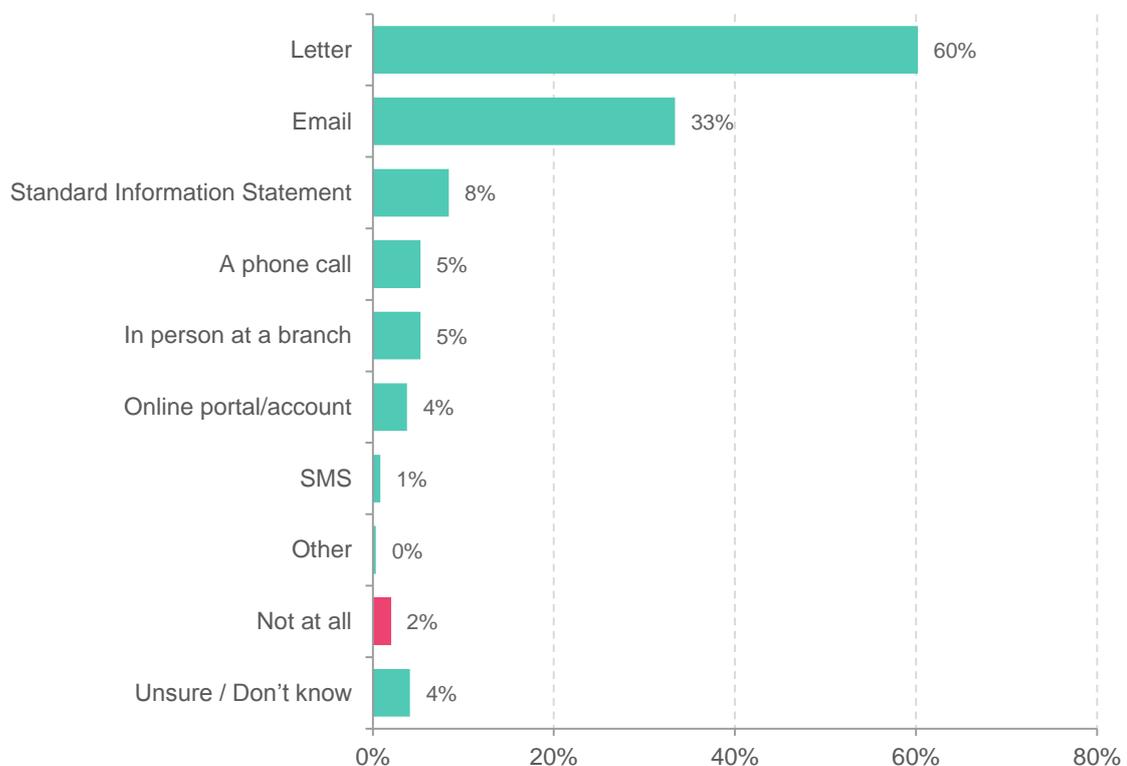
A letter (60%) was the most common communication channel for private health insurers to communicate policy changes, followed by email (33%). Two percent reported no communication from the insurer at all.

Those with both levels of cover were significantly more likely to report receiving a letter to notify them of policy changes (64%) or a Standard Information Statement (10%), compared to those with extras cover only (46% and 1%, respectively).

Of the respondents who had experienced changes to their current policy, those aged 60 and over were significantly more likely to have been informed about these changes via a letter (70%).

For respondents living in Queensland they were significantly more likely to indicate that they were not advised about these changes at all (6%).

**Figure 36: Communication about the change in policy**



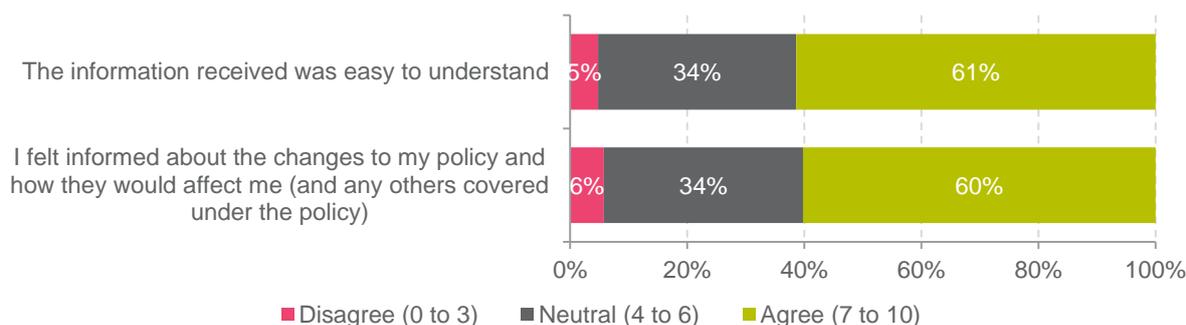
Q27. How did the fund communicate the policy change to you? (Single response)  
Base: All respondents who have experienced policy changes (n=608)

#### 4.5.4. Evaluation of the information received in relation to policy changes

In relation to information received about policy changes, 61% of respondents agreed that the information was easy to understand and 60% agreed that they felt informed about the changes to their policy and how that would affect them.

Again, those aged 60 years and over were significantly more likely to agree that the information received regarding policy changes was easy to understand (68%), and that they felt informed about the changes and how they would be affected (68%), compared to their younger counterparts.

**Figure 37: Evaluation of the information received from the insurer in relation to policy changes**

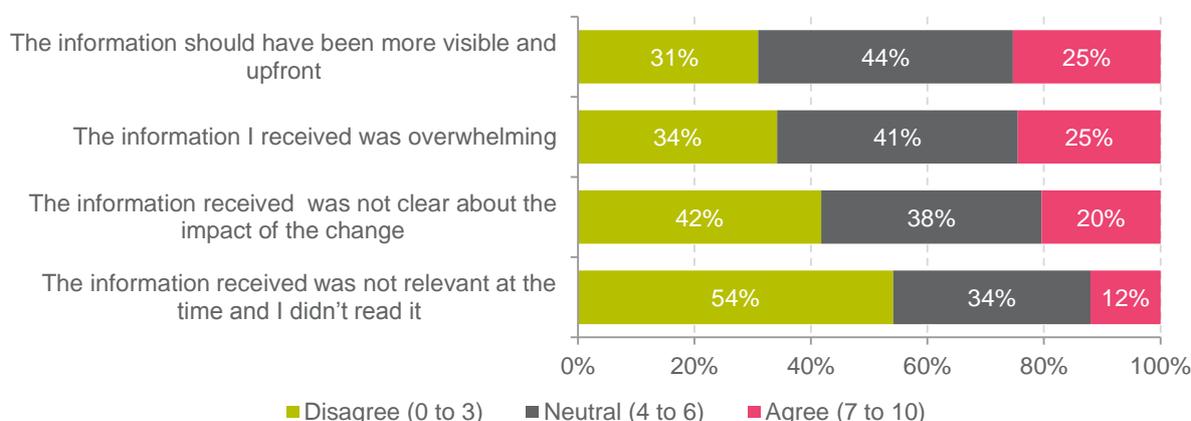


Q28. On a scale of 0 to 10, where 0 means 'strongly disagree' and 10 means 'strongly agree', please rate your level of agreement with the following statements regarding the information you received from the fund in relation to the policy change: (Single response per row)  
Base: All respondents who have experienced policy changes (n=608)

However, a quarter of respondents felt that the information they received should have been more visible and upfront, and was overwhelming. A fifth felt that it was unclear as to the impact of the change. Twelve percent reported that the information received was not relevant at the time so they did not read it.

Younger age groups overall were significantly more inclined to agree that the information received was not clear about the impact of the change (26-34%), compared to their older counterparts (14-15%). Similarly, younger age groups were significantly more likely to agree that the information was not relevant at the time and they didn't read it (21-24%) compared to the older age groups (5-7%). The younger respondents were also significantly more likely to report that the information should have been more visible and upfront (36-37% compared to 19% for both older age groups) and was overwhelming (24-35%, compared to 18-22% of older age groups).

**Figure 38: Evaluation of the information received from the insurer in relation to policy changes**



Q28. On a scale of 0 to 10, where 0 means 'strongly disagree' and 10 means 'strongly agree', please rate your level of agreement with the following statements regarding the information you received from the fund in relation to the policy change: (Single response per row) Base: All respondents who have experienced policy changes (n=608)

#### 4.5.5. Personal review of private health insurance

Six out of 10 respondents have at some stage reviewed their private health insurance.

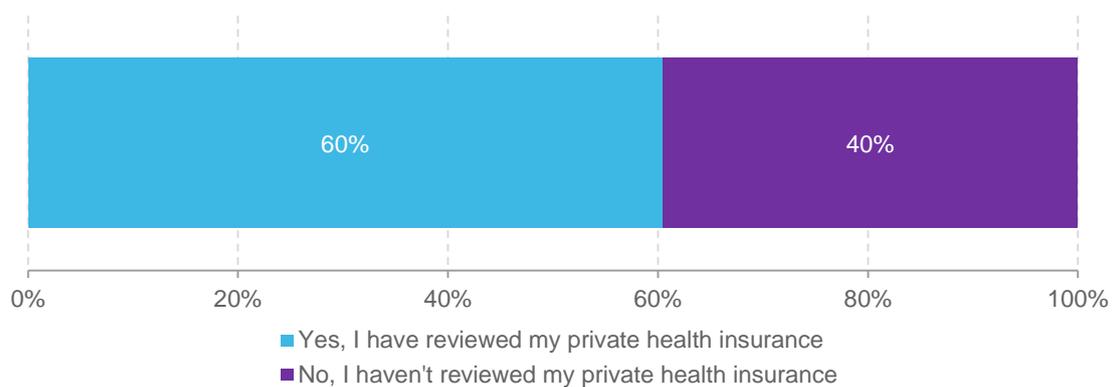
Those with both levels of cover were significantly more likely to have reviewed their cover (66%) compared to those with hospital cover only (47%) and those with extras cover only (57%).

Respondents aged 60 and over were significantly more likely to have reviewed that insurance at some stage (72%), while respondents aged 18 to 29 and 30 to 44 were significantly less likely (45% and 55% respectively). The same pattern was observed for the length of time with private health insurance.

When looking at differences between respondents living in metro and rural areas, those living rurally were significantly more likely to have reviewed their private health insurance (67%).

The majority of respondents who claimed to have reviewed their private health insurance indicated they accessed their insurance *frequently* or *sometimes* (65%); a significantly larger proportion compared to those who access their private health insurance rarely or who have not done so yet (54%).

**Figure 39: Review of private health insurance**

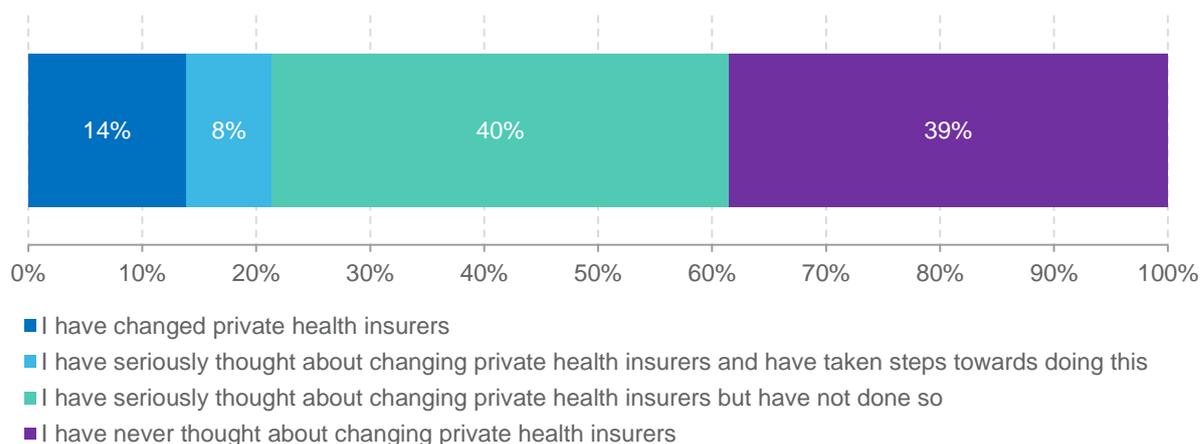


Q29. Have you ever reviewed your private health insurance e.g. to assess your current needs? (Single response)  
Base: All respondents (n=1,004)

#### 4.5.6. Consideration of changing private health insurers

Approximately one quarter of all respondents have either changed private health insurers (14%) or have seriously thought about changing and have even taken steps to do so (8%). Of the remaining respondents, 39% have never thought about changing private health insurers and 40% have seriously thought about it, but have not done so.

**Figure 40: Consideration of changing private health insurers**



Q30. Which of the following best describes you? (Single response per row)  
Base: All respondents (n=1,004)

Respondents aged 18 to 29 were significantly less likely to have thought about changing health insurance providers, compared to respondents aged 60 and over. Whilst respondents aged 45 to 59 and 60 and over were significantly more likely to have actually changed private health insurance in the past.

**Table 12: Consideration of changing private health insurers, by age group**

	18 to 29 years	30 to 44 years	45 to 59 years	60 years and over
I have never thought about changing private health insurers	46%↑	38%	37%	36%↓
I have seriously thought about changing private health insurers but have not done so	33%	42%	41%	41%
I have seriously thought about changing private health insurers and have taken steps towards doing this	8%	10%↑	5%↓	7%
I have changed private health insurers	13%	10%↓	17%↑	17%↑

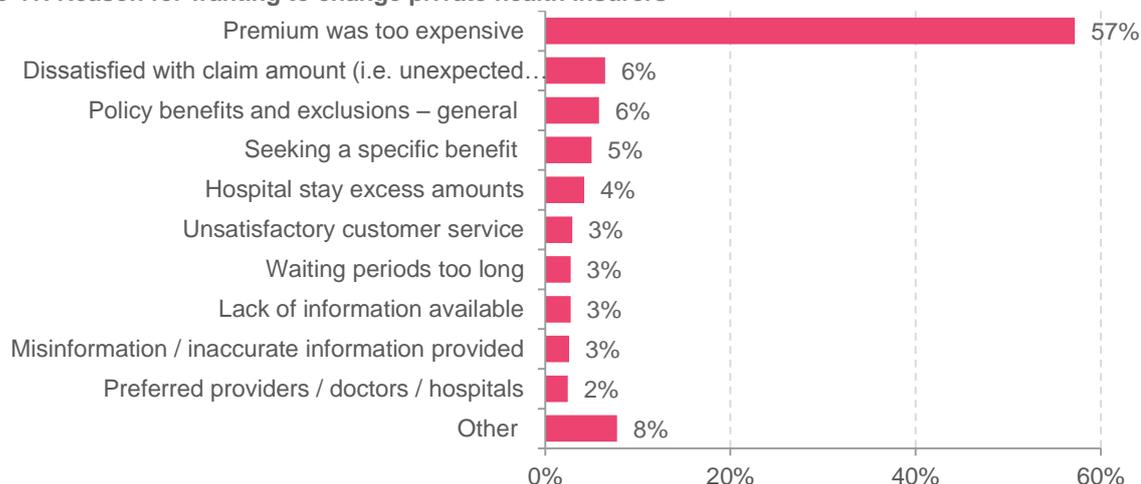
Q30. Which of the following best describes you? (Single response per row)  
Base: All respondents (n=1,004)

There were no differences in frequency of accessing private health insurance between those who have changed and those who haven't changed providers.

#### 4.5.7. Reason for wanting to change private health insurers

For respondents who have either thought about changing providers or have actually changed providers, the main reason for wanting to change was that the premium was too expensive (57%). This was significantly more important to those with both levels of cover (62%), compared to those with extras only (43%) and those with hospital cover only (51%). Respondents aged 60 plus were significantly more likely to suggest premiums being too expensive as their main reason for wanting to change providers (67%).

**Figure 41: Reason for wanting to change private health insurers**



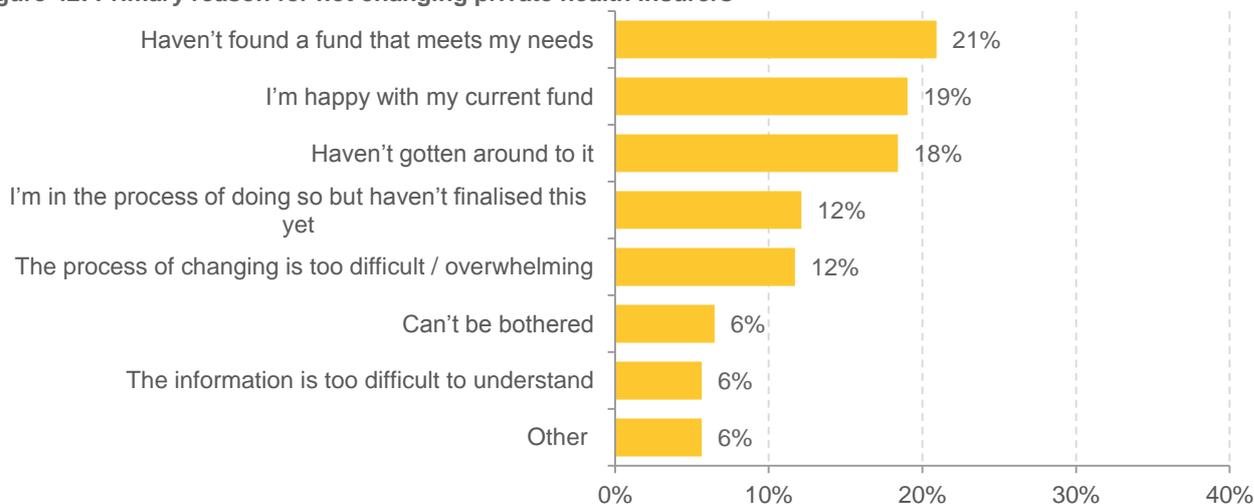
Q31. What was the main reason for wanting to change? (Single response)

Base: All respondents who have thought about or have changed private health insurance providers (n=617)

#### 4.5.8. Primary reason for not changing private health insurers

For respondents who have thought about changing private health insurers but have not yet done so, the main reason for not changing was that they haven't found an insurer that meets their needs (21%), followed closely by being happy with their current insurer (19%) and not getting around to it (18%). Significantly greater proportions of the younger age groups reported not having gotten around to it yet (24-26%) compared to their older counterparts (11-14%), or not being bothered (10-11%) compared to their older counterparts (2-4%).

**Figure 42: Primary reason for not changing private health insurers**



Q32. What is the primary reason you have not changed private health insurer? (Single response)

Base: All respondents who have thought about changing private health insurance providers (n=478)

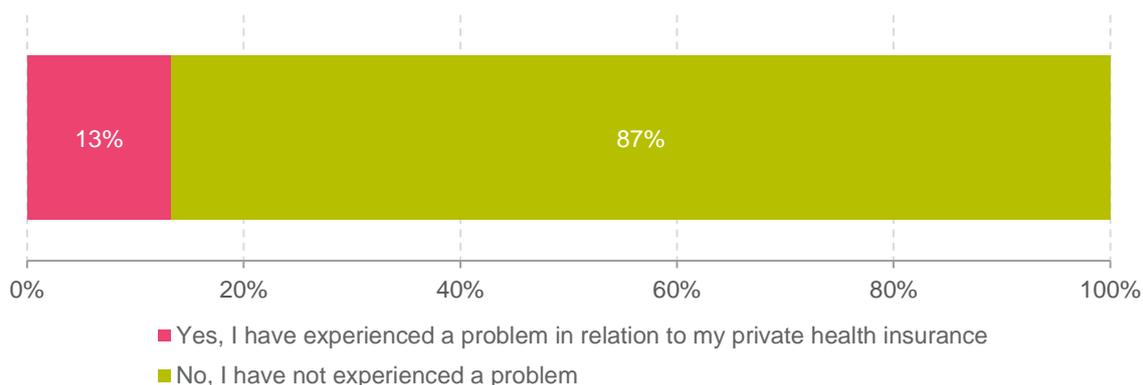
## 4.6. Problems or complaints

### 4.6.1. Problems with private health insurance

The majority of respondents (87%) reported not ever experiencing a problem in relation to their private health insurance.

Those with extras cover only were significantly more likely to have experienced a problem in relation to their private health insurance (20%) compared to those with both (11%).

**Figure 43: Problems with private health insurance**



Q34. Have you ever experienced a problem in relation to your private health insurance? (Single response)  
Base: All respondents (n=1,004)

Further, significantly more young people aged 18-29 years had experienced a problem related to their private health insurance (17%) compared to their older counterparts aged 60 years and over (10%).

**Table 13: Problems with private health insurance, by age group**

	18 to 29 years	30 to 44 years	45 to 59 years	60 years and over
Have experienced a problem	17%↑	15%↑	12%	10%↓

Q34. Have you ever experienced a problem in relation to your private health insurance? (Single response)  
Base: All respondents (n=1,004)

Surprisingly, those who had been covered for less than ten years were significantly more likely to have experienced a problem with their private health insurance (17%), compared to those who had been covered for ten years or more (11%). Frequency of access of insurance was not related to having experienced a problem.

Further, when looking at those who experienced a problem, a significantly greater proportion had read some information (15%) compared to those who had not read any information (7%).

Moreover, respondents who had experienced a problem in relation to their PHI were significantly less likely to agree that the information was or advice was accurate or that they felt informed about their entitlements, compared to those who did not experience a problem. They were also significantly more likely to report that the information was overwhelming or confusing, compared to their counterparts.

**Table 14: Agreement with positive information evaluations by problem encountered**

	Experienced a problem	Did not experience a problem
The information or advice received was easy to understand	51%	56%
The information or advice was accurate	50%↓	66%↑
At the point of purchase, I felt informed about the insurer I'd chosen and benefits I was entitled to	56%↓	66%↑
The information or advice I received was overwhelming	50%↑	34%↓
The information or advice I received was confusing	49%↑	25%↓

Q14. On a scale of 0 to 10, where 0 means 'strongly disagree' and 10 means 'strongly agree', please rate your level of agreement with the following statements regarding the information or advice you received at the point of selecting the insurer and purchasing the policy: (Single response per row)

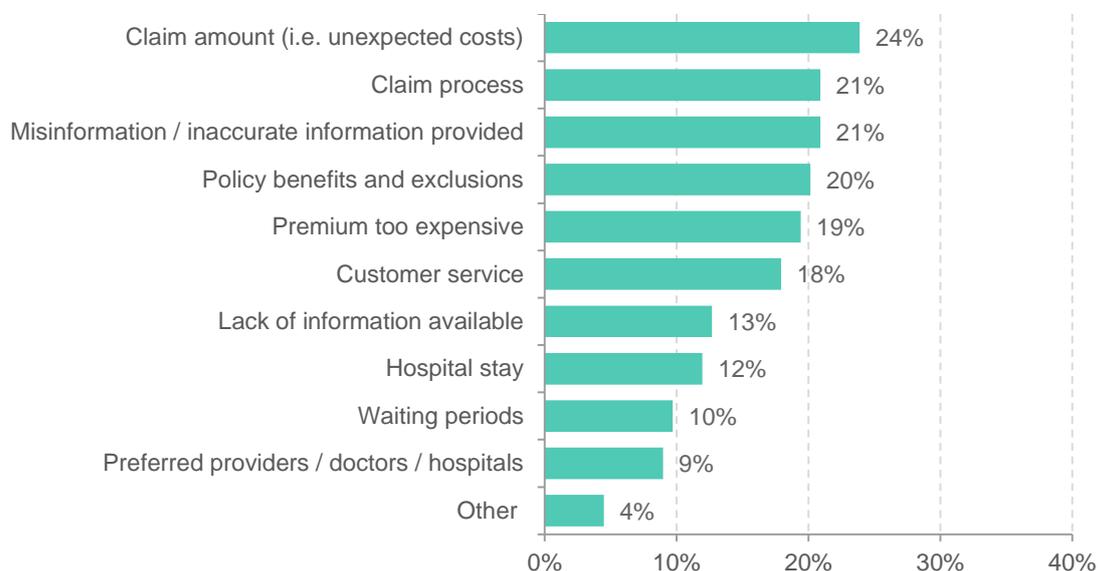
Q34. Have you ever experienced a problem in relation to your private health insurance? (Single response)

Base: All respondents (n=1,004)

#### 4.6.2. Problems experienced with private health insurance

For the 13% of respondents that have suffered a problem with their private health insurance, claim amounts (24%), claim processes (21%) and misinformation / inaccurate information provided were the top problems experienced.

**Figure 44: Description of problems with private health insurance**



Q34a. What was this related to? (Single response)

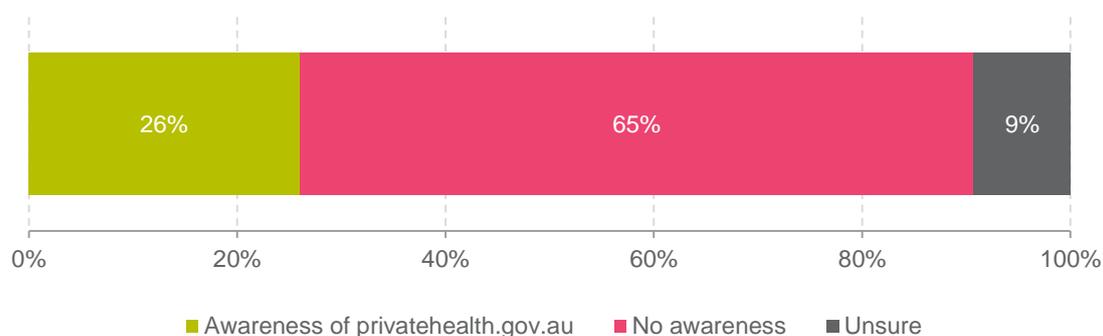
Base: All respondents who have experienced problems (n=134)

### 4.6.3. Awareness of privatehealth.gov.au

Awareness of the comparison website privatehealth.gov.au is modest, with one quarter (26%) of all respondents having heard of the website.

Respondents aged 60 years and over were significantly more likely to be aware of the comparison website privatehealth.gov.au (38%) compared to all younger counterparts (13-27%).

**Figure 45: Awareness of privatehealth.gov.au**



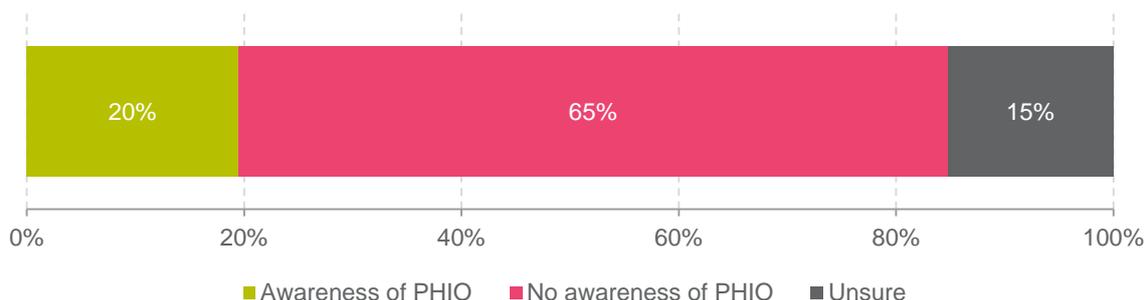
Q33. Have you heard of the comparison website privatehealth.gov.au? (Single response)  
Base: All respondents (n=1,004)

### 4.6.4. Awareness of Private Health Insurance Ombudsman

Twenty percent of respondents were aware of the role of the Private Health Insurance Ombudsman (PHIO).

Respondents aged 18 to 29 years were significantly less likely to be aware of the role of the PHIO (13%) compared to their older counterparts 30-44 years (22%) and those aged 60 years and over (23%).

**Figure 46: Awareness of the role of Private Health Insurance Ombudsman**



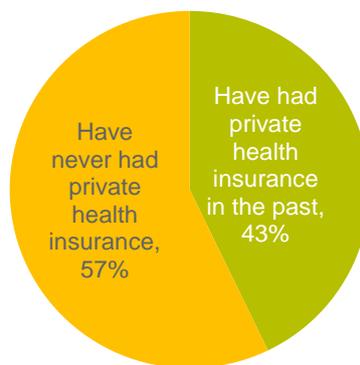
Q35. Are you aware of role of the Private Health Insurance Ombudsman (PHIO)? (Single response)  
Base: All respondents (n=1,004)

## 4.7. No private health insurance cover

The main survey was of Australians with current private health insurance coverage. However, limited data was also collected for those who without current cover (N=810).

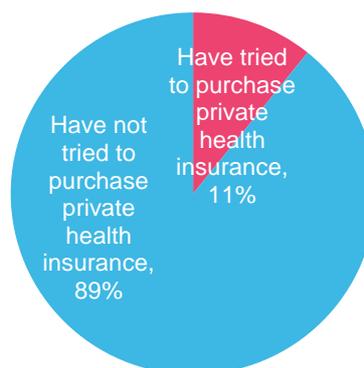
Of this group, over half had never had private health insurance (57%), despite 11% of this group having tried to purchase it. Of this smaller group (n=50), the main reason they did not commit to the purchase was the expense of the monthly premium (42%). Smaller subgroups reported being faced with confusing information (n=4), and seeking a specific benefit that was not offered (n=4) as reasons they didn't go through with the purchase.

**Figure 47: Previous private health insurance coverage**



S2A. Have you ever had private health insurance cover?  
Base: Respondents without current private health insurance cover (n=810)

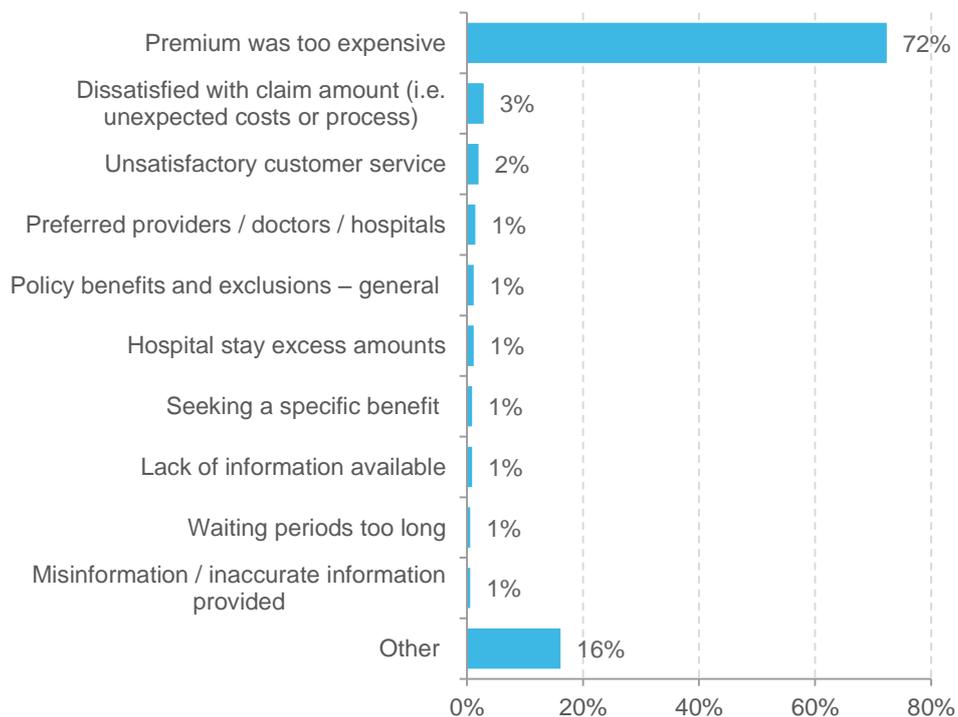
**Figure 48: Attempted to purchase private health insurance in the past**



S2C. Have you ever tried to purchase private health insurance?  
Base: Respondents who have never had private health insurance cover (n=463)

Of the 43% who had at some point in the past been covered by private health insurance, 72% had cancelled this as they felt that the monthly premium was too expensive.

**Figure 49: Reasons behind cancellation of private health insurance**



S2B. What is the primary reason you no longer have private health insurance? RANDOMISE  
Base: Respondents who no longer have private health insurance cover but have had previously (n=347)

## 4.8. Demographics

### 4.8.1. Gender

**Table 15: Gender**

Total Sample N=1,004	
Male	46%
Female	54%

S3. Please indicate your gender: (Single response)  
Base: All respondents (n=1,004)

### 4.8.2. Age

**Table 16: Age**

Total Sample N=1,004	
18 to 29 years	17%
30 to 44 years	30%
45 to 59 years	24%
60 years and over	29%

S4. Which one of the following age groups do you fall into? (Single response)  
Base: All respondents (n=1,004)

### 4.8.3. Location

**Table 17: Location**

Total Sample N=1,004	
New South Wales/Australian Capital Territory	34%
Victoria/Tasmania	28%
Queensland	19%
South Australia/Northern Territory	9%
Western Australia	11%

S5. What is your postcode? (Single response)  
Base: All respondents (n=1,004)

#### 4.8.4. Region

**Table 18: Region**

Total Sample N=1,004	
Metro	74%
Rural	26%

S5. What is your postcode? (Single response)  
Base: All respondents (n=1,004)

#### 4.8.5. Employment status

**Table 19: Employment status**

Total Sample N=1,004	
Employed, working full time, more than 35 hours a week	33%
Employed, working part time, less than 35 hours a week	17%
Self employed	7%
Unemployed, looking for full time work, more than 35 hours a week	1%
Unemployed, looking for part time work, less than 35 hours a week	2%
Not employed, and not looking for work	1%
Student	6%
Pension, beneficiary or welfare recipient	3%
Retired	21%
Look after the house full time	6%
Other (please specify)	1%
I prefer not to answer	1%

D1. What is your current employment status? (Single response)  
Base: All respondents (n=1,004)

#### 4.8.6. Origin

**Table 20: Origin**

Total Sample N=1,004	
No	97%
Yes, Aboriginal	1%
Yes, Torres Strait Islander	1%
I prefer not to answer	2%

D2. Are you of Aboriginal or Torres Strait Island origin? (Single response)  
Base: All respondents (n=1,004)

#### 4.8.7. Language

**Table 21: Language**

Total Sample N=1,004	
Yes (please specify)	14%
No, English only	83%
I prefer not to answer	3%

*D3. Do you speak a language, other than English at home? (Single response)*  
 Base: All respondents (n=1,004)

Yes specify responses (verbatim) included:

- Arabic
- Cantonese
- French
- Hindi
- Indonesian
- Mandarin
- Russian
- Swedish
- Vietnamese

#### 4.8.8. Education

**Table 22: Education**

Total Sample N=1,004	
Year 8 or below	0%
Year 9 or equivalent	1%
Year 10 or equivalent	6%
Year 11 or equivalent	3%
Year 12 or equivalent	15%
Still attending school	1%
Trade certificate or apprenticeship	6%
Diploma, certificate etc	21%
Bachelor or Honours degree	29%
Post-graduate qualifications (e.g., Masters, PhD)	16%
Other (please specify)	0%
I prefer not to answer	1%

*D4. What is the highest level of education you have attained? (Single response)*  
 Base: All respondents (n=1,004)

#### 4.8.9. Household income

**Table 23: Household income**

Total Sample N=1,004	
\$1–\$99 per week	2%
\$100–\$199 per week	1%
\$200–\$299 per week	2%
\$300–\$399 per week	3%
\$400–\$499 per week	5%
\$500–\$599 per week	3%
\$600–\$799 per week	9%
\$800–\$999 per week	7%
\$1,000–\$1,199 per week	8%
\$1,200–\$1,399 per week	7%
\$1,400–\$1,599 per week	6%
\$1,600–\$1,799 per week	6%
\$1,800–\$1,999 per week	5%
\$2,000–\$2,499 per week	8%
\$2,500–\$2,999 per week	3%
\$3,000–\$3,999 per week	3%
\$4,000–\$4,999 per week	1%
\$5,000 per week or more	3%
No income	1%
Negative income	0%
I prefer not to answer	18%

*D5. What is the total of all wages, salaries, Government benefits, pensions, allowances and other income that YOUR HOUSEHOLD usually receives per week AFTER tax and superannuation deductions? (Single response)*  
*Base: All respondents (n=1,004)*

#### 4.8.10. Education

**Table 24: Education**

Total Sample N=1,004	
Aged 15 years and over	2.3
Aged 14 years and under	0.5

*D4. How many people currently live in your household including yourself? (Single response)*  
*Base: All respondents (n=1,004)*

# 5. Qualitative findings

## 5.1. Personal circumstances

The majority of participants were had both hospital cover as well as extras cover. The levels of cover varied from basic to top level cover. One participant changed cover from having hospital cover a few years ago to now only having extras cover.

All participants reported having either sole or joint responsibility over their private health insurance, having responsibility over the decision-making, use and administrative side, e.g. making payments and claims.

Participants' length of time with private health insurance varied, from less than a year, to up to forty years. There were mixed experiences in terms of changing insurers over time, with around half having switched insurers over the time they had had cover. The primary reason stated for switching cover included was related to expense; i.e. another insurer had a better monthly / yearly premium, rebates were too small. One participant paid annually in order to avoid fee increases. Other reasons for switching insurers included type of benefits needed at the time, and changing needs (e.g. no longer need maternity cover), and consolidation of insurer within family.

*"I'm always looking for a better deal." – Male, 45 years, private health insurance over 10 years*

The frequency of access varied amongst participants, with the majority accessing cover yearly, but not many times a year. The predominant reasons tended to be for extras use, e.g. dental, optometry and remedial massage. There were higher users in the group, who accessed the insurance at least once a month, or frequently as required due to ongoing health problems.

*"If not for the tax levy... it would be a lot cheaper to just pay for things outright in my case." – Female, 34 years, private health insurance for 8 years*

## 5.2. Satisfaction with current private health insurance

Not surprisingly, groups were split in their satisfaction, such that the group recruited for having encountered unexpected issues with their private health insurance had lower levels of satisfaction than those who were recruited on the basis of having made comparisons.

There were many skeptical consumers who reported having private health insurance primarily to avoid having to pay the Medicare levy surcharge. Dissatisfaction has been a driver for some to reduce their level of cover, but still retain cover to avoid the annual levy.

*"I mainly use it so I don't get the tax levy... otherwise I don't think I would use it." – Female, 34 years, private health insurance for 8 years*

The less satisfied participants felt that policies were changing over time – becoming more expensive, for less benefit and lower rebate, paying for benefits not used or needed, and that staying in a public

hospital would have been cheaper in comparison to a private hospital which came with many unforeseen expenses.

*“As much as you can be given we are paying more each year and reducing cover and getting less back. When we started years ago we could be covered for 100% of scheduled cost. If you have serious conditions the costs are getting way too high.” – Female, 59 years, private health insurance more than 10 years*

*“They should be more clear about this before you sign up. Yes we're covered to use any provider, but 10% rebate is nothing. technically, yes it's coverage but it's ridiculously little when we're paying too much per year to be covered.” – Female, 34 years, private health insurance for 8 years*

*“For me, I basically need on ST, OT, glasses and Dental but in order to get my current level of cover, I have to pay more and get covered for others that I don't need.” – Male, 38 years, private health insurance for 1-2 years*

*“...after all the extra expenses in private hospital I'm thinking maybe I should have just gone public and paid less.” – Female, 34 years, private health insurance for 8 years*

Reasons underpinning satisfaction included having cover of the relevant type, having an affordable premium and feeling like the premium is justified (even if expensive). There was some skepticism about choice even among those satisfied with their current cover.

*“Satisfied but only because I don't think there's much difference in options out there.” – Female, 53 years, private health insurance less than 12 months*

There were many who were split in opinion – on the one hand were satisfied with their benefits and coverage, and service, but dissatisfied that the cost seems to continue to increase over time.

### 5.3. Impetus to first taking out private health insurance

Participants' reasons for first buying private health insurance were varied, with many reporting that their main initial reason was to avoid the tax, and others reporting they had specific needs requiring insurance either individually or within their family (e.g. pregnancy, family members requiring specialists' treatment). Some reported getting older and feeling that it was better to have insurance than not, in case they needed it later in life.

*“It was more of a security blanket for me.” – Female, 38 years, private health insurance for 1-2 years*

*“The older you get the more you may need to use it and the more scary the public options may be when it comes to needing care quickly with experienced doctors.” – Female, 59 years, private health insurance more than 10 years*

Some reported taking out private health insurance to lock in a lower price as it is more expensive if you sign up for the first time after 40 years of age.

*“[I purchased private health insurance] because I have to pay the additional levy and I want to be in a position where that is) (10 years' time) when I might start needing health insurance.” – Female, 53 years, private health insurance less than 12 months*

Some reported shopping around for private health insurers and settling on one who purportedly provided the best type of care for a specific benefit needed (e.g. fertility treatment, obstetrics) or which provided the highest rebate in comparison to others.

In terms of **current** reasons as to why participants have private health insurance, more reported retaining to avoid the Medicare levy surcharge, while others still required cover for ongoing health complaints within their family. However, there were some who questioned the value of it for the cost.

*“I am older now so insurance is MOST important!” – Male, 64 years, private health insurance more than 10 years*

*“I am considering dropping it altogether... the surcharge will be less than the cost of premiums.” – Female, 35 years, private health insurance for 5-9 years*

## 5.4. Methods for selecting private health insurance

Across both groups, all participants reported comparing insurers, either themselves (e.g. **undertaking their own comparisons** by contacting individual insurers by phone or in person, asking friends about their experiences) or **comparing insurers using the comparison sites**.

### 5.4.1. Comparator websites

The primary comparison websites used by participants were [iselect.com.au](http://iselect.com.au) and [comparethemarket.com.au](http://comparethemarket.com.au); however, these were met with skepticism as to what insurers and information they present, and the difficulties in how to interpret the information presented. For many, they were a starting point to more in-depth individual research.

*“Comparison websites are a good starting point but I wouldn’t limit my search to just this to make a decision.” – Male, 45 years, private health insurance over 10 years*

*“Third party website to get an idea of the prices, then go directly to the providers’ website to look for details.” – Male, 32 years, private health insurance for 1-2 years*

Most were aware or suspected that comparator websites do not represent the whole market of private health insurers.

The good things about using a comparator website were felt to be:

- Convenience: having all of the information available in the one place
- Saving time: seeing the topline cost comparisons side by side and provision of a fair bit of information about benefits

*“Quick summaries of providers and services and total cost. There isn’t a lot of detail there though so you then need to go to the provider website.” – Female, 53 years, private health insurance less than 12 months*

The bad things were felt to be:

- Confusing presentation of information
- Not representing the whole market, meaning you may not consider a more suitable insurer
- Superficial and generic information is presented only, which could be to the detriment of the consumer if follow-up detail is not sought

*“They obviously get a kickback or a fee from the health funds.” - Male, 54 years, private health insurance more than 10 years*

*“They are in business and they have their own interests.” – Male, 45 years, private health insurance over 10 years*

## 5.4.2. Making own comparisons

In general, all participants undertook more than one activity in an effort to determine which cover was best for them. Activities undertaken in one's own searching included:

- Searching for information online on insurers' individual websites,
- Reading reviews on review sites (e.g. Whirlpool, blog sites),
- Making phone call/s to individual insurers,
- Visiting individual insurer shopfront/s,
- Asking family / friends / colleagues.

*"[I did] hours of research because health is a personal thing and [it is] important to get the right cover."*  
– Female, 39 years, private health insurance for more than 10 years

*"I called all the 4 providers I shortlisted and told them to quote specifically to what I need and see what is the difference."* - Male, 38 years, private health insurance for 1-2 years

*"I used the sites, picked the 2 cheapest ones, then looked at their sites and compared."* – Female, 34 years, private health insurance for 8 years

*"What I actually did was to get the quotes and PDS and print them out so that I could compare them side by side."* – Male, 38 years, private health insurance for 1-2 years

There were few participants who went to the effort of making lists or creating Excel spreadsheets to compare private health cover across many different insurers.

*"Write out requirements and then go to individual providers to find out what you can and can't get for what price."* – Female, 39 years, private health insurance for more than 10 years

*"I had my list I was interested in being covered for and just marked each package whether they had it or not. My list was different to what is available on comparison sites so an XLS worked for me."* – Female, 35 years, private health insurance for 5-9 years

Preferences were mixed as to the method of contacting individual insurers. There seemed to be higher trust for many in attending offices face-to-face than over the phone among some who had received inconsistent information over the phone after calling multiple times.

*"Depends on who you get [on the phone]. Some have no idea."* – Female, 45 years, private health insurance for 5-9 years

*"...over the phone. But I was still confused and didn't properly understand the difference in each fund."* – Male, 26 years, private health insurance for 5-9 years

*"I prefer self service online – don't call me."* – Female, 35 years, private health insurance for 5-9 years

*"I did not call. I went to the different offices aside from checking it out on the net."* – Female, 38 years, private health insurance for 1-2 years

*"I researched online and went and spoke to the reps at the booths in the shopping centre."* – Female, 53 years, private health insurance less than 12 months

Most felt that making comparisons was a very difficult exercise involving a large degree of uncertainty as to whether the end outcome is indeed the best value for money. This is where many sought advice from friends, family and/or colleagues as to their experiences. Talking to family and friends was not done in isolation for either group, but formed part of the comparison process.

*“Word of mouth though was the best indicator... [The] most reliable measure for me!” – Male, 64 years, private health insurance more than 10 years*

*“I did ask around. Not many people I know have it. Others have stuck with the same one for years as they couldn’t be bothered to research it.” – Female, 53 years, private health insurance less than 12 months*

*“Lately, I’ve been asking friends for their experiences rather than just checking websites coz there was an incident that I could not claim at all even after waiting for 1 year as what the insurance company told me. So I don’t trust them anymore.” – Male, 49 years, private health insurance for 5-9 years*

Few were referred on to certain insurers by health professionals who recommended them on the basis of providing the best coverage for certain health issues, e.g. fertility treatment.

The good things about conducting one’s own comparisons were thought to include:

- Trust in one’s own information gathering
- Satisfaction that all relevant options have been explored in depth and covered all bases
- Feeling more in control of the outcome and choice

The bad things about conducting one’s own comparisons were thought to be:

- Time consuming
- Not knowing the right questions to ask to feel reassured that you know what you’re entitled to
- When contacting insurers, risking being followed up and “harassed”

*“Most people are too busy to do regular comparisons of insurances and utilities - only when there’s an issue do they take the time.” – Female, 48 years, private health insurance for 5 years*

*“Time and frustration and not knowing the right questions to ask.” – Female, 53 years, private health insurance less than 12 months*

*“Might interpret wrongly and not able to make the claims we need.” – Male, 38 years, private health insurance for 1-2 years*

*“I didn’t give them my contact details, otherwise they would have harassed me for months to come.” – Male, 54 years, private health insurance more than 10 years*

#### 5.4.3. Difficulties comparing insurers

Participants all acknowledged that it is very difficult and frustrating making comparisons between different insurers and levels of cover.

*“They are all a bit different these days so it can be difficult to make a true comparison.” – Female, 59 years, private health insurance more than 10 years*

Most felt that it is much more difficult comparing health insurance over other insurance products, as there are more variables to consider in the comparison, and each individual’s circumstances are unique and very specific.

*“There are far more options to consider with health insurance than other insurances.” – Male, 54 years, private health insurance more than 10 years*

#### 5.4.4. Influence of advertising of private health insurance decisions

Most participants recalled seeing advertising for private health insurance on television recently, including advertising of individual insurers as well as comparator websites.

Most felt that advertising did not influence their decision-making, but may spark their interest to conduct further research. Some participants remarked that advertising may alert them to a low price, and this may interest those purchasing private health insurance primarily to avoid the levy.

In terms of influential components of some private health insurance advertisements, there were mentions of:

- Reputable brand name
- Some insurers as a point of difference recently advertising that some extras are useless
- Reminders that private health insurance remove the requirement to pay the Medicare levy surcharge at tax time.

*“I don't think there is time in a TV ad to fully explain the offer. There are way too many limits and conditions depending on people's individual circumstances.” – Male, 54 years, private health insurance more than 10 years*

*“There is a lot of advertising and around but the test is when you have to claim.” – Male, 45 years, private health insurance over 10 years*

#### 5.5. Criteria used to compare and select insurer

The criteria felt to be the most important for determining which insurer to select for cover were felt to be:

- Benefits, inclusions, exclusions
- Out of pocket costs, hospital excess, co-payments
- Claim / rebate amount
- Premium

Other criteria important in the decision-making equation were felt to include:

- Claim amount
- Premium
- Brand
- Years in service
- Recommendations
- Family and friends previous claim experience
- Claim speed
- Ease of claim
- Preferred providers – including distance from home, quality
- Consideration of future needs, e.g. when starting a family

## 5.6. Value for money

Participants all felt that value for money was an important thing, and understood it to be an equation of cost versus benefit. However, many felt that value for money is becoming more and more difficult to achieve from private health insurers.

*“Value for money in my sense is when u spend you are satisfied that you have spend it wisely.” – Male, 21 years, private health insurance for less than 12 months*

*“My value for money is having health insurance at a reasonable price (hopefully) when I need it.” – Female, 53 years, private health insurance less than 12 months*

*“Having minimal claims I believe I get atrocious value for money... I'm shelling out over \$140 a month for peace of mind.” – Male, 54 years, private health insurance more than 10 years*

*“Value for money is important but there are always trade-offs in health insurance.” – Male, 45 years, private health insurance over 10 years*

*“You can't compare value for money unless you had experience with every provider.” – Male, 54 years, private health insurance more than 10 years*

Participants were split in terms of how they made their decisions of what insurer to select – some selecting based on price and basic cover only and some selecting what suits their individual circumstances.

*“I never really believe that there is any real value other than the tax levy.” – Male, 49 years, private health insurance for 5-9 years*

*“When you talk about insurance, there's no 'the cheaper, the better'.” – Male, 32 years, private health insurance for 1-2 years*

*“I was mainly interested in what was covered and what was excluded. Price was a secondary consideration.” – Male, 54 years, private health insurance more than 10 years*

*“Value is different from price, for that reason I didn't go with the cheapest.” – Female, 34 years, private health insurance for 8 years*

Comparator websites were seen to compare insurers based on price and not value for money, mainly due to value being unique and specific to the individual.

Participants overwhelmingly felt that it's difficult to know if a private health insurance policy is good value for money before using it. To simplify this selection process, many felt that a free trial period may assist in clarifying the issue and help the selection (however, some argued that a trial period would not enable understanding of what a long-term investment in insurance can give you over time for benefits where the need is unforeseen). In terms of information provision, there was a feeling that providing consumers with examples of value for money achieved through different levels of cover, e.g. singles, young couple, single parents, older couples, etc may focus decision-making on the necessary requirements.

The figure below demonstrates a model of inputs into a value for money equation, based on participant feedback.

Figure 50: Hypothesised inputs into 'value for money' equation



*“Insurance is about for the one time (or more) you need it.” – Female, 59 years, private health insurance more than 10 years*

Many were frustrated with the amount they needed to pay, and the benefits they were paying for without using.

*“If your claims are only minor, it costs far too much.” – Male, 26 years, private health insurance for 5-9 years*

*“Why should I pay top cover for 10 years just because I might decide to start a family and I am a female whilst my boyfriend can do with MEDIUM cover?” – Female, 35 years, private health insurance for 5-9 years*

## 5.7. Information provision and use

### 5.7.1. Information sought

Participants reported trying to find information about key criteria they used to compare insurers accurately (listed above), as well as information specific to their circumstances. One participant reported contacting insurers with certain scenarios based on friends’ and past experiences, and asking them to provide specific information relating to the scenarios.

*“You can measure extras value for money. But how do you measure the hospital value for money if you never use it?” – Female, 53 years, private health insurance less than 12 months*

Participants stated that the most important pieces of information sought related to cost and coverage, and waiting periods. Specific information relating to rebates etc were sought and then able to be weighed up against what the individual is able and willing to pay (Figure 50).

In order to find the information needed, all participants agreed that the comparator websites were a good place to start to find “the basics” but it was necessary to explore detail on individual insurer

websites, or contact insurers directly. Most participants felt like they obtained sufficient (but not always detailed) information to allow them to select an insurer, but acknowledged that the process was very confusing and arduous. They all felt that there was a lot of information that they did not find, including specific service inclusion details (including providers covered), the ability to suspend cover e.g. if overseas, waiting periods, exclusions, specific rebates for services.

*“What they actually did cover with extras [was missing]. When I get new glasses the optometrists enter the costs in different ways to maximise the refund.” – Male, 54 years, private health insurance more than 10 years*

### 5.7.2. Barriers to obtaining necessary information

There seems to be four main barriers echoed by participants when it comes to them locating information necessary for them both before selecting an insurer, and upon accessing their insurance. These include:

1. Provision of generic non-specific information before purchase.

*“Some of the things were restricted and it was not very clear on any of the PDS.” – Male, 35 years, private health insurance for 3 years*

*“I read website summaries but I didn't get an Info Statement until purchased the policy. I found I only really knew what I was covered for when I got the annual Info Statement.” – Female, 53 years, private health insurance less than 12 months*

*“Sales people must stick to the scripts.” – Male, 64 years, private health insurance more than 10 years*

2. A lack of knowledge about the necessary information needed – what questions to ask, and of whom. This is felt to come with experience only, and often only after having had a negative experience.

*“Basically you really find out when it's too late, and then you have to pay anyway.” – Female, 34 years, private health insurance for 8 years*

3. A lack of knowledge of where to find the information / difficulty finding the information. Participants referred to fine print and statements with “\*conditions apply” clauses.

*“If you spent enough time, and dug deep enough you could find what you needed to know. None of the funds seem to be open and up front with what they are offering.” – Male, 54 years, private health insurance more than 10 years*

4. After purchase, upon accessing insurance, there is often confusing / overwhelming information provided that can be difficult to understand.

*“The info is there but it's not set out very clearly or explained well.” – Female, 53 years, private health insurance less than 12 months*

All participants agreed that the onus is on the individual to find the information they may need in order to select an appropriate insurer and level of cover, as well as interpret correctly the information provided.

*“I think the onus should be on us but the industry is not making it easy.” – Female, 53 years, private health insurance less than 12 months*

*“I think I get the info I need but it takes far too much effort.” – Female, 35 years, private health insurance for 5-9 years*

Issues such as these caused many participants to give up the information search, and settle on an insurer based on having only a proportion of the information desired.

*“[I] give up... walk away and come back to it when the next month’s payment is taken out.” – Female, 35 years, private health insurance for 5-9 years*

*“If it’s too complicated I stress out.” – Male, 26 years, private health insurance for 5-9 years*

*“[I] put it in the too hard basket.” – Female, 45 years, private health insurance for 5-9 years*

Participants all agreed that there is a lack of specificity, clarity and transparency of information provided by insurers, predominantly before policy purchase.

*“The information is mostly useful... apart from the fact that they do not provide all the info.” – Male, 31 years, private health insurance for 1-2 years*

### 5.7.3. Overwhelming and confusing information

All participants reported being faced with overwhelming and/or confusing information by their insurers, as well as via the comparator websites. Participants reported information not being straight-forward or easily accessible despite themselves being avid researchers with high engagement with their private health insurance policies.

*“I checked each fund’s website and tried to fathom the different offerings. VERY CONFUSING.” – Male, 54 years, private health insurance more than 10 years*

*“If I had to do the research again I would hire someone.” – Female, 35 years, private health insurance for 5-9 years*

*“Although having a broker you trusted would be great. I just don’t know one or I would use them.” – Female, 53 years, private health insurance less than 12 months*

Confusion stemmed from provision of too little information before purchase, too much information after purchase which isn’t summarised, making it difficult to locate relevant information, as well as unfamiliar terminology and legal jargon used making it ambiguous and difficult to interpret. The need to consult the fine print and attend to clauses marked with asterisks also was a driver of dissatisfaction, making people feel that insurers were not being upfront and transparent.

*“Terminology and quantity - we’re all very busy and it’s hard to be thorough with everything all the time.” – Female, 48 years, private health insurance for 5 years*

### 5.7.4. Receipt of inconsistent information

There were accounts from participants of receiving inconsistent and incomplete information from various sources. Few participants received inconsistent information from their insurer on different occasions, creating a great deal of uncertainty. Others reported receiving information that differed depending on if it came from the insurer or a health professional. This was often not clarified until after the procedure when the bill arrived.

*“It’s not at all clear and each time you phone you get different bits of information.” – Male, 26 years, private health insurance for 5-9 years*

*“We often ask the specialist, but they never know exactly how much you will be out of pocket until the surgery is done.” – Female, 45 years, private health insurance for 5-9 years*

It’s clear the danger of providing incorrect information to the consumer, as this is a large driver of superficial price-based decisions for some.

*“Incorrect info given by rep made me very confused - I gave up and just purchased the cheapest.” – Female, 53 years, private health insurance less than 12 months*

#### 5.7.5. Readership of information

Most participants read website summaries only, and few read Standard Information Statements. Almost all participants reported reading the PDS, as well as terms and conditions before purchasing the policy, though many disliked this experience, finding the PDS confusing. Those who did not chose to call the insurer to talk through options instead. Few participants reported reading this when they’re about to make a claim, or only if their expectations were not met.

*“Have you ever tried reading a PDS? Full of jargon and double talk.” – Male, 54 years, private health insurance more than 10 years*

*“I would say conversations with the provider. They’re the one who’ll tell you what you can actually claim.” – Female, 34 years, private health insurance for 8 years*

*“PDS? That’s something you get with policies but who read these things - they are not exactly user friendly.” – Male, 45 years, private health insurance over 10 years*

*“There is too much info in the PDS. We need clear summary statements.” – Female, 53 years, private health insurance less than 12 months*

*“It’s difficult to trust anything, even in print as anything marked with say an asterisk in the PDS has an even more convoluted disclaimer in even finer print at the end of the PDS.” – Male, 54 years, private health insurance more than 10 years*

Readership of information provided by insurers after purchase was variable between participants, with some reporting they read everything, others reporting reading nothing (many declining reading information post-purchase as they had read all they wanted to read before purchase).

#### 5.7.6. Finding trusted information

Some participants reported trusting information provided by reputable brands of insurers, while others referred to information and advice in writing as being trustworthy (more so than information over the phone).

*“If a company is doing business for so many years they can’t afford to provide wrong info so we trust them.” – Male, 21 years, private health insurance for less than 12 months*

Many felt that positive experiences of accessing insurance (either own experiences or those of friends/family/colleagues) is the only way to build trust with an insurer. Trust is internal to the individual, so making the initial decision based on your own research and judgement makes up part of the trust equation.

*“Have to make the most sensible choice for you initially, then put your trust in them and hope they meet your future needs when you don’t yet know what those will be.” – Female, 48 years, private health insurance for 5 years*

Some participants mentioned regulation of the private health insurance industry as contributing to their overall trust in the system.

*“I also like to think that in Australia there are safeguards in place to protect us from dishonest companies and misrepresentation...” – Female, 48 years, private health insurance for 5 years*

### 5.7.7. Preferences for information receipt before sign up

In terms of improvements, participants felt that insurers need to provide information which is better summarised, and set out in a clearly navigable manner, using simple terminology which isn’t open to interpretation.

*“[There is] lots of info, not clearly summarised. Maybe there should be a template that all health providers have to use to make comparisons easier.” – Female, 53 years, private health insurance less than 12 months*

*“The terminology is a problem, but each fund uses different terminology and groups different covers together.” – Male, 54 years, private health insurance more than 10 years*

As all participants compared insurers before selecting one, they all mentioned benefit in making the comparison websites simpler but more comprehensive (in terms of representation of insurers, and more specific information). Participants felt that comparator websites should be regulated and the information presented in a standardised way across insurers.

Specific ideas of what this could look like are below. Some ideas involved changes to the way in which insurers bundle products.

- *“A comparison table which is SIMPLE but the same table from every fund.” – Male, 26 years, private health insurance for 5-9 years*
- *“I would want to see a list of groups of procedures on the left hand side of the screen and I can choose which one I need and then get a quote.” – Female, 35 years, private health insurance for 5-9 years*
- *“Itemise everything and no grouping... [and] have flexibility to increase coverage/claim amount with slight adjustments to premium... [and] allow customisation of cover.” – Male, 38 years, private health insurance for 1-2 years*
- *“I think it would be better, if all health funds had to use the same template or matrix to show what they are offering.” – Male, 54 years, private health insurance more than 10 years*
- *“[A template with] different clearcut options [with accurate inclusions and costs].” – Female, 48 years, private health insurance for 5 years*
- *“[A template with] services and costs – i.e. make up your own cover - like a menu.” – Female, 53 years, private health insurance less than 12 months*
- *“[A template with] conditions covered, limits for individual extras, out of pocket expenses for different services.” – Male, 54 years, private health insurance more than 10 years*
- *“[A template with] limits, exclusions, inclusions, conditions.” – Female, 39 years, private health insurance for more than 10 years*

- *“Draw up your own deal and then get the quote instantly online!” – Female, 48 years, private health insurance for 5 years*
- *“Limiting choices will always make the choice easier but it’s a two edged sword because limited choice is not a one size fits all answer.” – Male, 45 years, private health insurance over 10 years*
- *“More clarity and brevity of their info - keyword searches or other quick ways to find the stuff you need.” – Female, 48 years, private health insurance for 5 years*
- *“There could be a quiz that you take to find which cover best suits you.” – Female, 53 years, private health insurance less than 12 months*

Many participants liked the idea of cover that changes and responds to changing life and family circumstances, proactively guided by insurers in a regular review.

*“Examples of singles cover - points me in the direction of what I need to cover now and change it as I get older.” – Female, 53 years, private health insurance less than 12 months*

*“Making it relevant to your time of life and then clearly outlining options of how it might change across time.” – Female, 39 years, private health insurance for more than 10 years*

## 5.8. Accessing private health insurance

### 5.8.1. Finding out about rebate entitlement and out of pocket expenses

Participants were divided in their experiences of finding out their rebate entitlements when first accessing their private health insurance. Many found out when they paid the bill (rebate was deducted automatically for some), whereas others were able to find out from their insurer or their provider.

In terms of asking questions of insurers and providers, one participant reported being advised by their insurer to go to their website to find a preferred provider. Many participants asked questions of their providers (i.e. doctors and specialists), only to have them referred back to their insurer. There seemed to be a consensus that providers were often not able to advise about out of pocket costs, or were reluctant to do so.

*“I asked them both “Am I covered for this?” the Dr had no clue, so I rang the insurer.” – Female, 34 years, private health insurance for 8 years*

*“The doctor won’t know what you are insured for but sure as hell know what they are charging so then you check with fund and maybe even go elsewhere if you can’t afford that one.” – Female, 59 years, private health insurance more than 10 years*

*“[It is] smarter to not disclose insurance as services are often cheaper then!” – Male, 64 years, private health insurance more than 10 years*

Participants were split in feeling that they were sufficiently informed prior to undergoing their procedure.

*“It would be good to have [the information about costs] earlier and this isn’t always possible so sometimes you may need to seek a 2nd opinion and cost.” – Female, 59 years, private health insurance more than 10 years*

*“[It is] difficult to find out gaps and rebates, until the surgery is done.” – Female, 45 years, private health insurance for 5-9 years*

The majority of participants felt that the best source of information regarding out of pocket expenses is the insurer; however, in many cases participants reported having to actively seek this information as this may not be provided without request.

## 5.8.2. Finding a provider for a certain procedure

When selecting a provider for a certain procedure, participants varied in their responses. Some used their doctor's referral or recommendation, others made their own choice or asked friends / family / colleagues, and some consulted the insurer's list of preferred providers.

The majority of participants were aware of the existence of preferred provider lists, but only few had used them, usually motivated by cost. These participants gave mixed reviews as to the outcomes.

*"If you don't use a preferred provider you don't get as much back." – Female, 53 years, private health insurance less than 12 months*

*"I don't feel pressure but I get more money back so it's a preference for me ... What's the point of having insurance if I'm going to use providers that I'm not covered for?" – Female, 34 years, private health insurance for 8 years*

In general, most participants felt empowered to make their own choices of providers.

*"No-one wants to be told they have to go to a certain doctor or dentist. You build an intimate relationship with these people." – Female, 48 years, private health insurance for 5 years*

*"I don't think we should be match-maker between insurance companies and health care providers. This is just not right." – Male, 49 years, private health insurance for 5-9 years*

*"Their preferred provider might not be my preferred provider." – Female, 35 years, private health insurance for 5-9 years*

*"When it comes to my health it's important for me to go to the doctor I have most confidence in." – Male, 26 years, private health insurance for 5-9 years*

## 5.9. Experiences of expectations not met and challenges encountered

Participants spoke about their expectations not being met due to inconsistent information, which largely resulted in them incurring unexpected costs for services and procedures due to not being covered and believing they were, and not receiving the rebate they were expecting.

Unexpected costs experienced by participants included:

- Costs for anaesthetists and additional specialists / assistant surgeons;
- Emergency hospital admission fee;
- Private hospital excess;
- Co-payment;
- Tests;
- Procedures;
- Prior and post operations;
- Follow up consultations.

Other challenges reported by participants included everything from trying to compare insurers, experiencing issues trying to understand information such as coverage and benefits before signing up to an insurer, to receiving wrong and inconsistent information and having to suffer a long waiting period before being able to access insurance.

In terms of managing expectations and elucidating all costs in a timely manner, participants called for more transparency and simplicity of information provided by insurers at all points of the journey. Many felt that they did not know the questions to ask to get the information they needed. Knowing these questions would have helped in getting the outcome they desired in terms of cost and coverage.

*“Unless they [the insurer] are really honest at the outset, it will be an uphill battle for us, I think.” – Male, 49 years, private health insurance for 5-9 years*

Changing the format of how private health insurance is provided was raised again here as a mechanism to make the information provision easier as well – these two things were felt to be interrelated.

*“List each item separately and let the customer choose what they want. Not lump together a dozen different extras that we don't need.” – Male, 26 years, private health insurance for 5-9 years*

*“Big data is out there why can they not build a package for me... Amazon knows "what I like" why can the health fund not know?” – Female, 35 years, private health insurance for 5-9 years*

Participants felt that changes in relation to how information is provided **before selecting an insurer** (i.e. in the comparison phase – listed above) would create positive change overall and enable achievement of the desired outcomes.

As a result of having their expectations not met, many participants reported intending to switch cover to a cheaper more basic package (if they hadn't already done this), and some mentioned intending to drop all cover and pay the Medicare levy surcharge instead.

## 5.10. Reviewing / changing private health insurance policy

Participants were divided in terms of considering switching insurers or policies. Some had done so already (one via the Big Switch offer<sup>2</sup>), some were intending to, and others were satisfied with their current insurer.

*“I go into the branch and sit down with the staff to go through the cover from time to time to make sure we are covered for what we need most at the cheapest price.” – Female, 59 years, private health insurance more than 10 years*

All who had reviewed or switched insurers had taken it upon themselves to undertake relevant investigations; however, most participants felt that this review process should be offered by insurers proactively, as a matter of course.

Most participants had consulted with their provider, but one had received a Big Switch email.

For those who had changed insurers, the main driver was a bad experience, followed by findings from a review demonstrating poor value for money.

Participants acknowledged they would be more likely to change other types of insurance than change their private health insurance. There were two main reasons behind this:

1. The complexity of making comparisons was overwhelming and confusing, and the effort to inform oneself sufficiently is considered to be immense, encouraging a “set and forget” or “set and deal with it” attitude:

*“Changing other insurances is easier perhaps because you can see what you get for your money more readily.” – Male, 45 years, private health insurance over 10 years*

2. Waiting periods creating the risk of not being covered during this time for a potentially high risk or expensive necessary procedure.

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<sup>2</sup> <https://www.onebigswitch.com.au/about-us>

## 5.11. Lodging a complaint

The majority of participants had not made a complaint. Of those who had had done so, most had complained directly to their insurer only. This was due to not knowing who to complain to outside of the insurer itself, or feeling that escalating the complaint would create a more intimidating situation.

For many, the insurer's response was not satisfactory.

*"They basically said "Tell someone who cares". – Male, 64 years, private health insurance more than 10 years*

*"They could not explain why Chinese massage is preventative but a pap smear is not." – Female, 35 years, private health insurance for 5-9 years*

## 5.12. Awareness of the Private Health Insurance Ombudsman (PHIO) and [privatehealth.gov.au](http://privatehealth.gov.au)

Participants were divided in terms of their awareness of the PHIO. While all understood the role of an Ombudsman, there was a division of optimism versus skepticism amongst participants as to the power of this Ombudsman and its terms of reference.

*"Regulations of the companies helps hugely to give confidence." – Female, 39 years, private health insurance for more than 10 years*

*"I can't imagine it would make any difference. I'm sure they will look at major problems, but I don't think they would worry with our individual problems." – Male, 26 years, private health insurance for 5-9 years*

*"Reckon they will be an Industry group NOT regulator." – Male, 64 years, private health insurance more than 10 years*

One participant reported having made a complaint about their private health insurer to the PHIO, but felt that it wasn't given the attention it deserved.

Similarly, participants were split in terms of their knowledge of the government website [privatehealth.gov.au](http://privatehealth.gov.au), and their perceived usefulness of this site. Some participants felt that it was limited in terms of the information it provided, whereas others intended to look at it in detail following the group.

*"It wasn't that useful as brought up funds I'd never heard of so I'd have to go and do loads of research on them." – Female, 53 years, private health insurance less than 12 months*

*"I have been to the website, but didn't find it covered enough detail. More just a directory of the available funds." – Male, 54 years, private health insurance more than 10 years*

Participants felt that regardless of any skepticism associated with the powers of the PHIO, consumers should be notified about the role and mechanisms for making complaints. They felt that such information should be provided by insurers in their PDS or via email, as well as by the government on mass media channels such as television and radio or targeted email assisted by the ATO (knowing who has claimed the exemption from paying the Medicare levy surcharge).

## 5.13. Advice to people new to private health insurance

Advice from participants to consumers new to private health insurance included:

- Check the fine print;
- Read all the information;
- Insist on simple information and insist on actual benefits;
- Don't be afraid to ask questions if you need clarification;
- Do your research so that you know you have the right cover in the time of need;
- Don't just use comparator websites; go to the individual insurer websites. Get high level details first through a comparison website then go to the insurers' websites, then visit the shopfronts;
- Analyse everything well before you commit;
- Do the calculations as thoroughly as possible – premiums, rebates, tax levy;
- Determine what extras do you actually need and go from there;
- Check out the Regulator;
- Know what you want from it, what you are prepared to pay and what you are not covered for, and what Medicare covers;
- Talk to trusted family and friends and get their advice;
- The cheapest is not always the best;
- Think about future-proofing;
- Use the public system if you can and don't buy private health insurance.

*"If you are price conscious because your funds (cash flow) are limited that's one thing but if you can afford it the cheapest is not the best." – Male, 45 years, private health insurance over 10 years*

*"Go public... If you are waitlisted then think about paying out of pocket cos that the funds will get you to do mostly anyway." – Female, 35 years, private health insurance for 5-9 years*

## 5.14. Advice for insurers

Advice from participants to insurers included:

- Be more customer-centric. Insurers need to think about the consumer from their perspective and what we need to know / understand or read in order to choose them;
- Be more technologically creative with their websites and their process of explaining their offers;
- Provide consumers with personalised packages;
- Be more upfront, proactive, transparent and clear with information provision;
- Raise this situation in the government's tax review as it might lessen the burden on government.
- Increase rebates, decrease premiums;
- Provide more loyalty benefits.

*"Funds - give ME a package not the next similar 35 year old female." – Female, 35 years, private health insurance for 5-9 years*

*"Offer more tailored options and think of more efficient ways to keep premiums down or they will lose more clients." – Female, 59 years, private health insurance more than 10 years*

*"At the end of the day it is a tax - you pay it twice." – Female, 35 years, private health insurance for 5-9 years*

*"Save all those unnecessary spending on ads and let us claim more." – Male, 38 years, private health insurance for 1-2 years*

*"Give the industry a shake-up. Be more creative" – Female, 53 years, private health insurance less than 12 months*

*"When we claim, we can be in vulnerable positions health-wise - so be kind to your consumers." – Female, 48 years, private health insurance for 5 years*

# Appendix A: Verbatim responses

**Table 25: Verbatim responses regarding challenges encountered during information search**

Challenges
Ability to make comparisons and item number issues
Some of the people I spoke to gave me different information each time I spoke to them!
A hospital surgical cover that is available in Sydney but not in Melbourne. The information provided on the website is hard to understand which I thought I was covered, but subsequently found that I am only covered for hospital stay if I am in Sydney but not for those in Melbourne.
A lot of information to compare
actual dollar amounts a the time
Almost impossible to compare funds as there is no clear explanation of ALL TERMS and CONDITIONS.
ambiguity too much fine print difficulty in pinpointing required information too much bullshit fluff on the websites hard to navigate, too many pop ups
As I previously answered I wasn't the person who made the decision
As this was my first time it was the overall understanding as to how the whole system worked
At the time there was no internet available so selection involved numerous phone calls and reading literature. I don't even recall if there was any system available to compare companies except for shopping around yourself
Back then, most weren't on internet or comparison sites were not available, however comparison sites are usually affiliated with a fund and recommend their own I hear
bad customer service
Being able to choose extras to suit me and get a cost
being able to make accurate comparisons
cancel the insurance ASAP
Certain wordings were rather confusing.
challenges from the person in the comparison company
Changes to policies happen so regularly as well as increases
Compare many funds
compare the coverage among insurer like to like
Comparing apples with apples
comparing coverage and benefits
Comparing like with like is very difficult, and its very difficult to compare (and select) what you want.
Comparing the exact cover between the different providers.
comparison rates hidden cost
comparisons between funds
Complexity
conflicting info
conflicting information regarding waiting periods and pre existing conditions
Conflicting information, too much complexity
confusion
confusion with choices
Could not get through to same staff members. Someone signed me up, without my consent and then I was told I was in arrears when I hadn't even been told I was covered. I try to resolve the issue and nobody can answer me, no body returns my emails and every staff member has to be explained my situation every time.
Cut the legal mumbo jumbo
Different fund have different scales of fees and also reimbursement. Definitions of services can also vary

different funds cover different things, and some don't have a no excess level for certain products
Different funds structured so it was hard to compare and determine best value for money
Different on many claims type and value are not easy compare between health funds
different websites
Difficult to compare like for like, as all funds have different plans on offer. Some include something which another fund will exclude.
difficult to find the information which I was looking for
difficulties in comparing funds, policies, refunds, limits and so on.
difficulty in comparisons due to differences
Difficulty in speaking to staff as nib had no office in Melbourne at that time
Direct comparisons are impossible
Each fund offered different things Very complicated
Each site was different - so it was where to start and they all have different names for the same thing
Far too confusing with regards to limits
felt like there was no apples comparison and all health funds and individual policies were so different it's quite hard to know if I got the right cover
Find out how much you would be covered for in dollar amounts
find the right type of cover with unnecessary other inclusions with a lower premium
Finding a policy suited to my requirements
Finding a policy that had what I wanted covered but didn't have too many things I didn't need.
Finding a shopfront
Finding all the answers to specific questions
Finding good cover that included first provider optometry and dentists in my local area.
finding out a good value site that we could afford
Finding someone with the knowledge to give me the information I needed
Finding the info on website was hard
finding the right company
fine print exceptions
Given that, because of my age, I had a surcharge for being over 30, I could not compare premiums online and had to ring each fund
good
good
good
great offer
had to search a lot - so may criteria's
HARD TO COMPARE
Hard to find and understand
Hard to find information
Hard to find the specific info of the gap and rebate I get for each of the service or treatment
hard to get information from providers, pesky providers, slow responses
hard to understand and very boring.
Having the information provided in "plain English".
having to navigate through complex websites
how much extras cover to increase
how much you get back
I could not get a straight answer about how much I get back on dental
I couldn't compare all funds

I didn't quite understand certain things
I don't recall anything at all! It was an OK encounter
I first took out my policy in 1980, before internet or comparison sites. Fortunately Choice did a fairly regular comparison
I found it hard to compare each health fund to ensure you are getting the best deal. its like comparing apples and oranges
I found it very difficult to find out specific information as the person I was speaking to always directed me to a select policy from which they get remunerated from.
I had a representative answer all my questions at AGFEST in Tasmania. He was very helpful and I signed up on the spot.
I had been with medibank from when it started found no one would bend where HBF was ready to please and had better rates
I had to ask a lot of questions as they were going off topic when I was asking them my question - I think they were trying to sell me something else
I have been with the same private health fund since I was a child, but when I have gone to find out more about other health funds I've found that having every possible thing that I could claim for listed feels far too complicated and makes me worry that I may miss something given how specific it is. This makes comparing health funds a very time-consuming and laborious process.
I have been with this fund for a long time, but I cannot remember any challenges when I decided to change it them.
I have had p.h.f for over 25 years, today getting info is very different to those days
I have had this insurance for over 50 years. When I obtained health insurance with MBF, there was no internet for me to compare funds. however, NOW there is, and I am probably about to change funds soon.
I initially had hospital cover but since I was going away each year and put my membership on hold I was always serving waiting periods so it was useless to do that hence I simply kept the extras.
I just spoke to the Lady at that time in the branch office. she was most helpful.
I researched this over 15 years ago, AHM was quite a different fund then. I joined because of the dental clinics & lower premiums for government employees
I signed-up nearly 50 years ago, so can't remember
I think my wife had no challengers.
I was 15 yo and it was 1957
I was hard to compare apples with apples, each fund had a different way of explaining rebates and what you could use them for.
I was new to the internet and not aware of comparison sites, so had to look up each fund individually, and was hard to remember which fund had better products.
I was not advised as to where or how to make claims
I was told that I couldn't do any better from other funds
I was wary about who was sponsoring the sites
impossible to accurately compare
Info I didn't fully understand never having been very sick before
Info on Government rebates that was written in clear easy to understand English
Information is not uniform across the board, not always easy to compare
Information noting differences between various funds
Information overload. Some of the benefits were quite broad and needed further research.
information too confusing and seemed conflicting, needs to be set out in a simpler format
Is not accurate
IT CAN BE A LITTLE COMPLICATED CALCULATING THE COST OF THE PREMIUM AS THERE ARE SEVERAL OPTIONS PER FUND TO DO WITH EXTRAS AND EXCESSES
it has hard to find and compare cover from different funds as they all offer just that little bit different so hard to get exactly what you want from different funds and compare
it is difficult to compare all the details of all the funds as they are so complex and offer varying rebates
It was 37 years ago.... I don't recall any problems from that far back, I just followed on from my parents cover with my own single's cover
It was a very time consuming process.
it was confusing in certain areas
It was difficult to get through the choices.
it was difficult to take in all the available possible plans

it was hard to understand as I just came from overseas
It was too complicated in order to make a right decision
It's difficult to compare health funds and policies and to figure out which is the best policy for your specific circumstances. A step by step process would have been helpful.
Just difficult to understand. It's too complex. I just want the peace of mind that no matter what happens in terms of my health, I have nothing to worry about in terms of cost.
Just so many options to compare for value for money
just the job of comparing benefits of each fund - none are the same so difficult to work out which suits us best
Keeping track of each companies policy and comparing them when looking at a few choices.
knowing exactly where to look and getting into the right screen
Knowing the names of different funds as some have changed their names such as HBA
Knowing what I wanted
Knowing what questions to ask
Knowing what questions to ask.
Knowing what to ask. It was my first time taking out insurance and I had no idea how it worked.
Knowing where to look and what to ask information on
Lack of information, hard sale
large amounts of information that is hard to compare across different funds
length of time required to process all the information
lists of what u are covered for and what you're not covered for it can be over whelming
lone time on the phone.
lots of options
matching up different providers
mostly working out if the additional annual expense was worth upgrading cover to include more extras
mountain of info; conflicting info
navigating web site
No challenges. Joined in the early 1970s when the Qld Teachers' Union established a health fund. Given its benefits and low fees it was a non-challenging decision to join.
no comparison websites 15 years ago
no one advertised prices
No preference for specific doctors or procedures. Unexpected GAP expense for hysterectomy
no question
No two policies are the same so comparisons are difficult to compare
none been a member for 40 plus years with the same fund
Not all info was easily found. At times you had to find the fine print to read about all the inclusions and exclusions. all companies very varied difficult to do like for like comparisons
not easy to understand the terms and conditions
obtaining equal comparisons
only that the amount you pay per fortnight changes when you go through once picked policy. you put in what state you live in and for Adelaide it bumped up price by \$40 p/f
Overload of information in technical terms which were not easy to understand.
overseas coverage as would not be covered by travel insurance existing issues
overwhelmed
Policy is hard to understand and compare apple to apple
policy's not clearly written
predicting what care my family would require and then what 'package' would best suit us
Prices have changed I now find a different fund to be more suitable
Pricing
Reading through brochures could be tedious and confusing unless concentrating!!

Really hard to understand what is and isn't covered
relationships between funds not comparable
Remembering the information to make the comparison's
Repetitive websites and general not specific info
Sales staff being fully informed, providing all information without prompting
saving money
small print for everything
so many difference policies could not compare apples with apples
so many funds it was hard to compare...and I found that the comparison sites only compared SOME of the funds, not the one I finally went with...so I don't trust them know (the comparison sites)
so many to pick from and what benefits u were covered for
Some funds wanted address and phone number before giving a quote
Some medical insurers do not have all the information on their website.
Some of the information was in double dutch
Some of the options for different plans was difficult to understand
some policies are not clear.
Some term is quite hard to understand
Some terms and instalments
Sometimes hard to navigate to get specific answer
specific to my work visa
Struggling to ascertain which was the best policy for me
terminology
The amount of health insurance available
The amount of information was far too much
The comparison is not comprehensive enough
the hidden fees and extra
The information searching process was not challenging, just time consuming
The information was quite confusing. I usually find out the limitation of the policy when I claim and find out what is not covered
The only challenge was the cost
the person I spoke to speaks too fast and I don't have time to take it all the information. Wasn't easy to understand.
The price you have to pay because you are over a certain age and not had hospital cover for a number of years
The process of trying to compare the fine detail of each funds offer. the big picture is relatively easy to get and compare.
the selection of the state live in and the rebate tier rate. Companies tend to default to the full rebate
The sheer volume of information. However it was extremely helpful and gave me the options I required.
The time taken to find more than just the basic information sheet. having to work through websites to find all the information I wanted
The usual red tape policies and fine print limitations.
The volume of information was a challenge to process in a short period.
The volume of material, with many different variations, making it difficult to get an accurate comparison.
The way things are worded and what the terms mean.
the website wasn't the easiest to navigate
the whole process is confusing, and the cost is getting far too expensive
There are a LOT of private health funds. It was just a long process but information was easily available.
There are no health insurance cover that provided with a standard cover price, all is * condition apply!
There was no search process as it was part of my employment package
There was too much information and advertising, I couldn't tell what I actually needed

time constraints to compare funds
Time consuming
To be able to compare accurately what my most likely claims and refunds I would get
To find the exact information on the coverage
Too confusing
too hard to compare apples for apples
too many choices - overwhelming
too many choices to make a decision
too many choices, too complicated
Too many companies
too many different policy to consider
Too many different variables
too many options - some which we do not need
too many to compare , too similar or too different
Too many types of plans with very different service combinations and difficult to choose between them.. Practically impossible to compare apples to apples. Information is not transparent.
too many variables to look at
Too much content and very difficult to understand
too much detail needing study
too much info
too much info
too much information
too much information about minutiae
too much information and hard to understand some things
too much information available and not knowing what to believe
too much information. difficult to compare as each policy is different. not sure which one would be more beneficial.
Too much irrelevant info
too much to read
top many to choose from
Trying to access the coverage for different health issues. Remember this was about 40 years ago. Have been with the same fund, although with different ownership all the time. Started as Amemex in 1970's
Trying to compare apples with apples
trying to compare different extras is difficult
trying to compare different funds policies was extremely complex. Not all relevant information was provided upfront.
trying to compare different levels of benefits offered by different companies
Trying to compare like for like in different funds. No two funds had the same level of cover or exclusions.
Trying to find a fund that offered value for money
trying to find out how we can tailor extras to suit us without paying for lots of extras we will never use like gym memberships and alternative therapies.
Trying to find the right costs that were relevant to me
trying to find the small print and what I would and would not be covered for, and what the benefits would be
trying to understand all the "ifs" and "buts" that were attached to the policy
trying to understand all the jargon
trying to weigh up the differences, so I assigned values and did a calculation
trying to work out which one was the best for my individual needs. Trying to choose one even though I new I was not going to get all the benefits anyway
unable to completely compare funds accurately because some provided variations while others offered incentives yet did not cover some items
unclear statements about the insurance

understand how the process of private health care works
understanding
Understanding all the options
understanding different levels of cover
understanding everything
Understanding explanations of what you were & weren't covered for
Understanding terminology
Understanding the different options and the limits that are applied. The funds described different claim codes, which have no meaning for me but are meaningful to someone with medical training.
Understanding the different rebate amounts payable depending on level of cover
Understanding the info
Understanding the info, and comparing apples with apples!
Understanding the large range of options.
understanding the lingo. Am sure Drs, and health workers may know what the terms are, but a layman does not
understanding the process and not knowing how much visiting a provider would cost for out of pocket expenses. Never know until the private health card has been swiped through the machine.
understanding the terminology
Understanding the terms and conditions
Uninformed consultants
unsure of rebates overall
Very difficult to compare same products with same products due to differing fee structures and names
very few
Very hard to find specific information and knowing what exactly is covered and what is not
very wordy policies, sometimes I think designed to confuse
volume of information
waiting on the phone
Waiting period could be more specific. Excess - explanation could have been better
Waiting to talk on the phone to a LIVE consultant
was no internet at the time.
wasn't provided with the information that the new policy was not actually comparing like with like
way back then (20 years ago) there were limited health funds and they weren't all that different from each other, but it was still difficult to compare them because you couldn't compare like with like
We have been members for approx. 50 years and find the memory not good regarding initial membership. We recently joined gap as our brother in law told us of their experience which was good. Recently made enquiries re our hospital cover due to some bad experiences of friends - still feel a little unsure of this.
We took this out our insurance way back in 2000. I think the life time cover penalty was our "motivator" as I turned thirty that year. we still had dial up internet and that did not give us the comparison ability we have now
We were looking to take out health insurance 20 years ago before we had a computer and internet access
What I got for my cover - mostly extras - very difficult to understand
what was covered
When I initially signed up with Medibank private and spoke to someone he did not tell me of the exclusions on the policy. It turned out the terrible 'youth cover' excluded absolutely everything other than just 5 procedures. Terrible cover and had to switch once we needed cover for a procedure however then forced to wait a year waiting period.
wording
Would like to see it laid out in columns of different insures all together

Q11. What challenges did you encounter during the information searching process? (Open ended)

Base: Respondents who experienced a challenge (n=270)

# Appendix B: Questionnaire

## SURVEY INTRODUCTION

Hello and thanks for agreeing to do this survey! We appreciate your time and value your answers.

We are conducting a survey to find out about people's experiences with private health insurance.

The survey will take approximately 10 minutes to complete. Any feedback that you provide will be anonymous, as we never look at individual results, only by groups.

Just follow the prompts in the survey to answer the questions, and if you need to talk to anyone please don't hesitate to contact us.

Please click on "next" to enter the survey.

**PROGRAMMING NOTE: CONFIDENTIALITY CLAUSE MUST APPEAR AFTER INTRO UNLESS SPECIFIED**

## SECTION B: INDIVIDUAL PROJECT REQUIREMENTS

### SCREENER

S1. Firstly, could you please indicate if you, or anyone you know well, are employed by... (MR)

*RANDOMISE*

An ad agency or are involved in advertising in anyway	01	TERMINATE
A company involved in public relations or marketing	02	TERMINATE
A company involved in banking & finance	03	CONTINUE
A company that underwrites or sells private health insurance	04	TERMINATE
A company that underwrites or sells insurance	05	TERMINATE
A market research company?	06	TERMINATE
None of the above	07	CONTINUE

S2. Are you currently covered by private health insurance?

Yes	01	GO TO S3
No	02	GO TO S2A
Unsure	97	TERMINATE

**ASK S2A, S2B, S2C AND S2D IF 02 AT S2**

S2A. Have you ever had private health insurance cover?

Yes	01	CONTINUE
No	02	GO TO S2C

S2B. What is the primary reason you no longer have private health insurance? *RANDOMISE*

Premium was too expensive	01	TERMINATE
Policy benefits and exclusions – general	02	
Seeking a specific benefit	03	
Preferred providers / doctors / hospitals	04	
Dissatisfied with claim amount i.e. unexpected costs or process	05	
Waiting periods too long	06	
Hospital stay excess amounts	07	
Unsatisfactory customer service	08	
Lack of information available	09	
Misinformation / inaccurate information provided	10	
Other, please specify:	96	

**ASK S2C IF 02 AT S2A**

S2C. Have you ever tried to purchase private health insurance?

Yes	01	CONTINUE
No	02	TERMINATE

S2D. What is the primary reason you didn't complete the purchase? *RANDOMISE*

Premium was too expensive	01	TERMINATE
Policy benefits and exclusions – general	02	
Seeking a specific benefit	03	
Preferred providers / doctors / hospitals	04	
Dissatisfied with claim amount i.e. unexpected costs or process	05	
Waiting periods too long	06	
Hospital stay excess amounts	07	
Unsatisfactory customer service	08	
Lack of information available	09	
Misinformation / inaccurate information provided	10	
Information was too confusing	11	
Too difficult to make a decision	12	
Other, please specify:	96	

S3. Please indicate your gender:

Male	01	CHECK QUOTAS AND CONTINUE
Female	02	

S4. Which one of the following age groups do you fall into?

Under 18 years	01	TERMINATE
18-19	02	CHECK QUOTAS AND CONTINUE
20-24	03	
25-29	04	
30-34	05	
35-39	06	
40-44	07	
45-49	08	
50-54	09	
55-59	10	
60-64	11	
65 years or older	12	
I prefer not to answer	99	

S5. What is your postcode?

	<b>CHECK QUOTAS AND CONTINUE</b>
--	----------------------------------

**IF UNSUCCESSFUL**

Unfortunately for this particular survey, we need responses from people who suit specific criteria.

Thank you for your participation and we will contact you again shortly for another OpinionsPaid survey!

Regards

OpinionsPaid.com

SKIP TO Q98 PANEL

**IF SUCCESSFUL, CONTINUE**

## MAIN BODY OF QUESTIONNAIRE

### A. PRIVATE HEALTH FUND DETAILS

1. How would you describe your level of responsibility over your private health insurance? *SR*

I'm a primary decision-maker regarding private health insurance	01
I'm a secondary decision-maker regarding private health insurance	02
I have nothing to do with my private health insurance	03

2. Do you have: *MR*

*RANDOMISE FIRST TWO OPTIONS*

Extras (ancillary) cover	01
Hospital cover	02
Other, specify	96

**Ask Q3a if 02 at Q2**

3. a. What private health insurance fund are you currently with for your hospital cover? *SR*

**Ask Q3b if 01 at Q2**

3. b. What private health insurance fund are you currently with for your extras cover? *SR*

**Ask Q3c if 96 at Q2**

3 c. What private health insurance fund are you currently with? *SR*

4. Have you been a member of any other fund in the past? *MR*

	<b>Ask Q3a if 02 at Q2</b>	<b>Ask Q3b if 01 at Q2</b>	<b>Ask Q3c if 96 at Q2</b>	4. Have you been a member of any other fund in the past? <i>MR</i>
	3a. What private health insurance fund are you currently with for your hospital cover? <i>SR</i>	3b. What private health insurance fund are you currently with for your extras cover? <i>SR</i>	3c. What private health insurance fund are you currently with? <i>SR</i>	
ACA	01	01	01	01
Australian Unity	02	02	02	02
BUPA	03	03	03	03
CBHS	04	04	04	04
CDH (Cessnock)	05	05	05	05
CUA	06	06	06	06
Defence	07	07	07	07
Doctors	08	08	08	08
GMHBA	09	09	09	09
Grand United Corporate	10	10	10	10
HBF	11	11	11	11
HCI	12	12	12	12
Health.com.au	13	13	13	13
Health Insurance Fund of Australia	14	14	14	14

HealthGuard (GMF/Central West)	15	15	15	15
Health-Partners	16	16	16	16
HCF (Hospitals Contribution Fund)	17	17	17	17
Latrobe	18	18	18	18
Medibank (AHM)	19	19	19	19
Mildura	20	20	20	20
National Health Benefits (Onemedifund)	21	21	21	21
Navy	22	22	22	22
NIB	23	23	23	23
Peoplecare	24	24	24	24
Phoenix	25	25	25	25
Police	26	26	26	26
Queensland Country Health	27	27	27	27
Railway and Transport	28	28	28	28
Reserve	29	29	29	29
St Lukes	30	30	30	30
Teachers Health	31	31	31	31
Teachers Union	32	32	32	32
Transport	33	33	33	33
Westfund	34	34	34	34
Other, please specify:	35	35	35	35
None of these	-	-	-	97

5. How long have you had private health insurance for? *SR*

	Show option if 02 at Q2 Hospital Cover	Show option if 01 at Q2 Extras Cover	Show option if 96 at Q2
Less than a year	01	01	01
1-2 years	02	02	02
3-4 years	03	03	03
5-9 years	04	04	04
10 years or over	05	05	05

6. On a scale from 0 to 10 where 0 means 'totally dissatisfied' and 10 means 'totally satisfied', how satisfied are you with your current private health insurance?

Totally dissatisfied										Totally satisfied
0	1	2	3	4	5	6	7	8	9	10
CONTINUE					SKIP TO Q7					

**Ask Q6a if 0-4 at Q6**

6a. What are the primary reasons you're dissatisfied? *RANDOMISE*

Premium too expensive	01
Constrained policy benefits and exclusions	02
Don't offer a specific benefit	03
Dissatisfied with claim amount i.e. unexpected costs or process	04
Preferred providers / doctors / hospitals	05
Waiting periods too long	06
Hospital stay excess amounts too large	07
Unsatisfactory customer service	08
Lack of information available	09
Misinformation / inaccurate information provided	10
Other, please specify:	96

## B. CUSTOMER JOURNEY MAP

*FUND SEARCH*

7. Before signing up to your current private health insurance fund, which of the following did you do?  
*MR*

a. Spoke to someone	Yes 01 No 02	a1. Who did you speak to?  <i>RANDOMISE FIRST FIVE OPTIONS</i>  01. Friends/family/colleagues 02. Health professional 03. Employer 04. Accountant/financial advisor 05. Insurance broker / advisor 96. Other, please specify:
b. Contacted a private health fund	Yes 01 No 02	b1. How did you contact them? <i>RANDOMISE</i>  01. Phone 02. Email 03. Website enquiry 04. Visited shopfront
c. Searched individual funds on the internet	Yes 01 No 02	
d. Compared different funds	Yes 01 No 02	d1. Did you compare funds via a comparisons website (e.g. Iselect) or did you conduct your own comparisons?  01. Compared funds via a comparisons website 02. Conducted my own comparisons  <b>Ask Q7d2 if 01 at Q7d1</b>  d2. Which website/s did you visit?  01. Iselect.com.au 02. Comparethemarket.com.au 03. Choosi.com.au 04. Canstar.com.au 05. Helpmechoose.com.au 06. Budgetdirect.com.au 96. Other, please specify:

8. What information did you specifically seek? *MR*

**Ask Q9 for each selected at Q8 (as long as 01-20, or 96)**

9. What information were you looking for but were **unable** to find? *MR RANDOMISE*

	8. What information did you specifically seek? <i>MR</i>	Ask Q9 for each selected at Q8 (as long as 01-20, or 96) 9. What information were you looking for but were unable to find? <i>MR</i>
Overall cost of the policy, including monthly premium	01	01
Policy benefits and exclusions – general (i.e. What services / procedures are covered)	02	02
Gap and gap cover amounts, along with further explanation on what this is	03	03
A specific benefit e.g. physiotherapy or cover for a specific procedure e.g. knee reconstruction	04	04
What dollar value will be paid back per visit i.e. to the dentist, massage, chiro etc.	05	05
Claims process	06	06
Standard Information Statements	07	07
Terms and conditions	08	08
Waiting periods	10	10
Medicare levy surcharge / Government rebate	11	11
Annual rebate limits	12	12
Confidentiality and privacy agreements	13	13
Information regarding pre-existing conditions	14	14
Preferred providers / doctors / hospitals	15	15
Accident and emergency	16	16
Overseas private health cover	17	17
Policy upgrade information	19	19
Lifetime health cover	20	20
Other, please specify:	96	96
None of the above – I found what I needed	21	21

10. On a scale of 0 to 10, where 0 means 'strongly disagree' and 10 means 'strongly agree', please rate your level of agreement with the following statements regarding the information searching process prior to selecting the fund:

*RANDOMISE*

A	The information I needed was easy to find	
---	---	--

B	The information I found or was provided was accurate	
D	The information I found or was provided made me feel sufficiently informed to choose a fund that best suited me	
E	The information I received was overwhelming	
F	It would have been more helpful if the information was easier to understand	

11. What challenges did you encounter during the information searching process? OE

97 I didn't encounter any challenges

**FUND SELECTION AND PURCHASE**

12. What were the main reasons you selected the fund you're currently with? Please rank your top reasons (1 being the most important)... Select up to three reasons.

*MR – up to three selections*

*RANDOMISE*

	<b>Rank up to three</b>
Overall cost of the policy, including monthly premium	01
Policy benefits and exclusions – general	02
Looking for a specific benefit, e.g. physiotherapy or cover for a specific procedure e.g. knee reconstruction	03
What dollar value will be paid back per visit i.e. to the dentist, massage, chiro etc.	04
Gap and gap cover amounts	05
Annual rebate limits	06
Preferred providers / doctors / hospitals	07
Claims process	08
Waiting periods	09
Hospital stay excess amounts	10
Customer service	11
Incentives / bonuses	12
Amount of information available	13
Other, please specify:	96

13. On a scale from 0 to 10 where 0 means 'very difficult' and 10 means 'very easy', how did you find the overall process of purchasing private health insurance? *SR*

Very difficult										Very easy
0	1	2	3	4	5	6	7	8	9	10

14. On a scale of 0 to 10, where 0 means 'strongly disagree' and 10 means 'strongly agree', please rate your level of agreement with the following statements regarding the information or advice you received at the point of selecting the fund and purchasing the policy:

*RANDOMISE*

A	The information or advice received was easy to understand	
C	The information or advice was accurate	
D	The information or advice I received was overwhelming	
E	At the point of purchase, I felt informed about the fund I'd chosen and benefits I was entitled to	
F	The information or advice I received was confusing	

15. What information provided by the fund after purchase did you read? *MR*

16. *[For information selected at Q15]* What information provided by the fund after purchase did you understand? *MR*

*RANDOMISE*

		15. What information provided by the fund did you read?	<i>[For information selected at Q15]</i> 16. What information provided by the fund after purchase did you understand?
A	Overall cost of the policy, including monthly premium	01	01
B	Policy benefits and exclusions – general (i.e. What services / procedures are covered)	02	02
C	Gap and gap cover amounts	03	03
D	What dollar value will be paid back per visit i.e. to the dentist, massage, chiro etc.	04	04
E	Claims process	05	05
F	Standard Information Statements	06	06
G	Terms and conditions	07	07
H	Waiting periods	08	08
I	Dependants information	09	09
J	Medicare levy surcharge / Government rebate	10	10
K	Annual rebate limits	11	11
L	Confidentiality and privacy agreements	12	12
M	Information regarding pre-existing conditions	13	13
N	Preferred providers / doctors / hospitals	14	14
O	Accident and emergency	15	15
P	Overseas private health cover	16	16
Q	Policy upgrade information	17	17
R	Underwriter of the policy	18	18
S	Lifetime health cover	19	19
T	Unsure / Don't know	97	97

U	Other, please specify:	96	96
---	------------------------	----	----

*ACCESSING BENEFITS AND MAKING A CLAIM*

17. Which of the following best describes you? *SR*

I frequently access my private health insurance (i.e. I regularly make claims)	01	CONTINUE
I sometimes access my private health insurance	02	CONTINUE
I rarely access my private health insurance	03	CONTINUE
I have not yet accessed my private health insurance but foresee a need to do so soon	04	SKIP TO Q21
I have not yet accessed my private health insurance and do not foresee a need to do so anytime soon	05	SKIP TO Q21

*a. Before accessing insurance*

**Ask Q18 if 01-03 at Q17**

18. Before accessing a health care benefit or procedure you expect is covered under your policy, how often do you usually do the following? *SR*

*RANDOMISE*

		Always	Sometimes	Never
A	I use a preferred provider of my private health insurer	01	02	03
B	I select a provider based on a recommendation or referral from my referring doctor	01	02	03
C	I do my own research to find and select a provider	01	02	03
D	I select a provider that is recommended by family / friends / colleagues	01	02	03

19. On a scale of 0-10 where 0 means 'No choice' and 10 means 'a lot of choice', how much freedom of choice do you feel you have to select your own health care provider (as opposed to a preferred provider of your private health insurer)?

No choice to select											A lot of choice to select	Don't know / Unsure
---------------------	--	--	--	--	--	--	--	--	--	--	---------------------------	---------------------

my own health care provider										my own health care provider	
0	1	2	3	4	5	6	7	8	9	10	97

**Ask Q20 if 01-03 at Q17**

20. Recalling the most recent occasion you needed to access your private health insurance, from whom did you receive information about costs and coverage in the lead up? *MR*

*RANDOMISE*

My private health insurance company	01
The health care provider who would provide the service	02
An independent health care professional	03
Friends/family/colleagues	04
Other, please specify:	96

**Ask all**

21. On a scale of 0 to 10, where 0 means 'strongly disagree' and 10 means 'strongly agree', please rate your level of agreement with the following statements regarding accessing your private health insurance:

*RANDOMISE*

<i>A</i>	I feel informed about the types of benefits I am covered for should I need to use them	
<i>B</i>	I feel informed about the process of selecting a health care provider	
<i>C</i>	I feel informed about the out of pocket costs I will incur as a result of accessing my private health insurance	
<i>D</i>	I feel informed about the rebates I am entitled to should I need to access my private health insurance	
<i>E</i>	I feel that the information provided by my insurer and doctor/health care provider was consistent	

**ASK THIS SECTION (Q22 – Q24) IF 01, 02 OR 03 AT Q17**

*b. After accessing insurance*

22. In terms of **your most recent experience** accessing your private health insurance, on a scale from 0 to 10 where 0 means 'not at all confident' and 10 means 'extremely confident', how confident are you that you got all you expected to in terms of rebate / claim amount?

Not at all confident										Very confident
0	1	2	3	4	5	6	7	8	9	10

23. Have you ever experienced any occasion/s where your expectations were **not met** before or after accessing your private health insurance?

Yes	01
No	02

**Ask Q24 if 01 at Q23**

24. In what way(s) were your expectations not met? *MR*

*RANDOMISE*

Dissatisfied with claim amount i.e. unexpected costs or process	01
Felt pressured to use a preferred provider / doctor / hospital	02
Thought I was covered for something that I wasn't	03
Wasn't aware of a waiting period	04
Did not know about a hospital stay excess amount	05
Experienced unsatisfactory customer service	06
Received misinformation / inaccurate information or inconsistent information – please specify from where:	07
Other, please specify:	96

**POLICY CHANGES**

25. Has your current private health insurance policy changed i.e. premium, coverage, level of benefit in the time you've had this insurance?

Yes	01	CONTINUE
No	02	SKIP TO Q29
Unsure	97	SKIP TO Q29

**Ask Q26 if 01 at Q25**

26. Did you incur any unexpected expenses as a result of a change in your policy?

Yes	01
No	02
Unsure	97

**Ask Q27 and Q28 if 01 at Q25**

27. How did the fund communicate the policy change to you? *MR*

*RANDOMISE*

Letter	01
Standard Information Statement	02
A phone call	03
Email	04
SMS	05
Online portal/account	06
In person at a branch	07
Other, please specify:	96
Not at all	08
Unsure / Don't know	97

28. On a scale of 0 to 10, where 0 means 'strongly disagree' and 10 means 'strongly agree', please rate your level of agreement with the following statements regarding the information you received from the fund in relation to the policy change:

*RANDOMISE*

A	The information received was easy to understand	
B	The information received was not clear about the impact of the change	
C	The information received was not relevant at the time and I didn't read it	
D	The information I received was overwhelming	
E	The information should have been more visible and upfront	
F	I felt informed about the changes to my policy and how they would affect me (and any others covered under the policy)	

**CHANGED OR REVIEWED FUND**

29. Have you ever reviewed your private health insurance e.g. to assess your current needs? *SR*

Yes	01
No	02

30. Which of the following best describes you? *SR*

I have never thought about changing private health insurers	01	SKIP TO Q33
I have seriously thought about changing private health insurers but have not done so	02	CONTINUE
I have seriously thought about changing private health insurers and have taken steps towards doing this	03	CONTINUE
I have changed private health insurers	04	CONTINUE

**Ask Q31 if 02-04 at Q30**

31. What was the main reason for wanting to change? *SR*

*RANDOMISE*

Premium was too expensive	01
Policy benefits and exclusions – general	02
Seeking a specific benefit	03
Preferred providers / doctors / hospitals	04
Dissatisfied with claim amount i.e. unexpected costs or process	05
Waiting periods too long	06
Hospital stay excess amounts	07
Unsatisfactory customer service	08
Lack of information available	09
Misinformation / inaccurate information provided	10
Other, please specify:	96

**Ask Q32 if 02 or 03 at Q30**

32. What is the primary reason you have not changed private health insurer?

*RANDOMISE*

Haven't gotten around to it	01
I'm in the process of doing so but haven't finalised this yet	02
The process of changing is too difficult / overwhelming	03
The information is too difficult to understand	04
Can't be bothered	05
Haven't found a fund that meets my needs	06
I'm happy with my current fund	
Other, please specify:	96

33. Have you heard of the comparison website [privatehealth.gov.au](http://privatehealth.gov.au)?

Yes	01
No	02
Unsure	97

**PROBLEMS OR COMPLAINTS**

34. Have you ever experienced a problem in relation to your private health insurance?

Yes	01	CONTINUE
No	02	SKIP TO Q35

**Ask Q34a if 01 at Q34**

34a. What was this related to? *MR*

*RANDOMISE*

Premium too expensive	01
Policy benefits and exclusions	02
Preferred providers / doctors / hospitals	03
Claim amount i.e. unexpected costs	04
Claim process	05
Waiting periods	06
Hospital stay	07
Customer service	08
Lack of information available	09
Misinformation / inaccurate information provided	10
Other, please specify:	96

35. Are you aware of role of the Private Health Insurance Ombudsman (PHIO)?

Yes	01
No	02
Unsure	97

## DEMOGRAPHICS

### IF ASKING PERSONAL IDENTIFICATION DETAILS:

**\*NOTE: THERE MUST BE A LEGITIMATE MARKET RESEARCH REASON TO COLLECT NAME AND CONTACT DETAILS, OR ANY OTHER INFORMATION THAT IDENTIFIES THE INDIVIDUAL.** We require some personal details from you so that we can **undertake some sub-analyses of the findings.** The answers you give will remain completely confidential.

#### D1 EMPLOYMENTSTATUS

##### **D1. What is your current employment status? SR**

1. Employed, working full time, more than 35 hours a week
2. Employed, working part time, less than 35 hours a week
3. Self employed
4. Unemployed, looking for full time work, more than 35 hours a week
5. Unemployed, looking for part time work, less than 35 hours a week
6. Not employed, and not looking for work
7. Student
8. Pension, beneficiary or welfare recipient
9. Retired
10. Look after the house full time
10. Other – please specify
11. I prefer not to answer

#### D2 ATS

##### **D2. Are you of Aboriginal or Torres Strait Island origin? MR for 02 and 03**

1. No
2. Yes, Aboriginal
3. Yes, Torres Strait Islander
- 4. I prefer not to answer**

#### D3 ENGLISH

##### **D3. Do you speak a language, other than English at home? SR**

1. Yes – please specify: \_\_\_\_\_

2. No, English only

**3. I prefer not to answer**

#### D4 EDUCATION

#### **D4. What is the highest level of education you have attained? SR**

1. Year 8 or below
2. Year 9 or equivalent
3. Year 10 or equivalent
4. Year 11 or equivalent
5. Year 12 or equivalent
6. Still attending school
7. Trade certificate or apprenticeship
8. Diploma, certificate etc
9. Bachelor or Honours degree
10. Post-graduate qualifications (e.g., Masters, PhD)
11. Other – please specify
12. I prefer not to answer

## D5 HOUSEHOLD INCOME

**D5. What is the total of all wages, salaries, Government benefits, pensions, allowances and other income that YOUR HOUSEHOLD usually receives per week AFTER tax and superannuation deductions? SR**

\$1-\$99	01
\$100-\$199	02
\$200-\$299	03
\$300-\$399	04
\$400-\$499	05
\$500-\$599	06
\$600-\$799	07
\$800-\$999	08
\$1,000-\$1,199	09
\$1,200-\$1,399	10
\$1,400-\$1,599	11
\$1,600-\$1,799	12
\$1,800-\$1,999	13
\$2,000-\$2,499	14
\$2,500-\$2,999	15
\$3,000-\$3,999	16
\$4,000-\$4,999	17
\$5,000 or more	18
No income	19
Negative income	20
I prefer not to answer	99

## D6 HOUSEHOLD SIZE

**D6. How many people currently live in your household including yourself?**

\_\_\_ aged 15 years and over [insert number between 1 and 99]

\_\_\_ aged 14 years and under [insert number between 0 and 99]

## SECTION C: MANDATORY QMS REQUIREMENTS

### CONCLUSION

#### [IF PANEL BASED SAMPLE]

Thank you, you have completed the survey.

As this is market research, it is carried out in compliance with the Privacy Act and the information you provided will be used only for research purposes. The research project is being conducted on behalf of the Australian Competition and Consumer Commission.

#### Q98 FOLLOW UP RESEARCH

Q98. In the future, would you be interested in taking part in paid research including group discussions, in depth interviews, or on-line surveys?

1. Yes
2. No

IF 1 in Q98, CONTINUE

IF 2 IN Q98, ABORT

#### [ASK OF PEOPLE WHO HAVE AGREED TO PROVIDE CONTACT DETAILS IN Q98 PANEL, WHERE CONTACT DETAILS ARE NOT YET AUTOMATICALLY AVAILABLE I.E SAMPLE LISTS]

#### Q99 NAME

Q99. Could you please confirm the following details? INCLUDE AREA CODE, NO SPACES OR DASHES & LEADING ZERO FOR PHONE NUMBER

NAME: \_\_\_\_\_

CONTACT NUMBER: \_\_\_\_\_

EMAIL ADDRESS: \_\_\_\_\_

POSTCODE: \_\_\_\_\_

DATE OF BIRTH: \_\_\_\_\_

Someone from **Your Source** may be in touch with you regarding this. Please be assured that your name and phone numbers for participation in future paid research will not be stored in conjunction with your responses to this survey.

### FINAL CLOSE/TERMINATION

**[IF PANEL BASED SAMPLE]**

Again, thank you for your patience in answering these questions. This research has been conducted by Your Source.

For questions about the Market Research Industry as a whole, you can call the Market and Social Research Society's Survey Line on 1300 364 830.

Thank you for your opinions.

Please click "SUBMIT" to send your responses to Your Source.



# Appendix C: Discussion guides

## Qualitative Discussion Guide

### Those whose expectations were not met

#### **Recruitment specification:**

Those who have experienced occasions where their expectations were not met after accessing their private health insurance (Q23) for the following reasons (Q24):

- Dissatisfied with the claim amount (at least N=2)
  - a. Split by feeling informed about the rebates entitled to / out of pocket costs (Q21c/d)
- Thought I was covered for something that I wasn't (at least N=2)
  - a. Split by feeling informed about the benefits entitled to (Q21a)
- Felt pressured to use a preferred provider/doctor/hospital (at least N=2)
  - a. Split by feeling informed about the process of selecting a health care provider (Q21b)
- Received misinformation/inaccurate information or inconsistent information (at least N=2)
  - b. Split by feeling that the information provided by insurer and doctor/health care provider was consistent (Q21e).

#### **INTRODUCTION**

**5 MINS**

Thanks everyone for joining me this evening. My name is Marianne and tonight we'll be talking about our experiences with private health insurance.

The session tonight will take approximately 90 minutes and at the end we will send out \$70 to all who participated in the session.

I encourage everyone to be open and honest. Any feedback that you provide will be anonymous, as we never provide individual identifiable results to our client.

We have a lot to cover, so if I'm going fast please just keep typing responses to any previous questions you may be addressing, so I can look through afterwards at all responses.

*If clients watching:* [There are [number of] client/s watching, but if they recognise anyone through their responses, they will exit the group immediately.]

Ok, let's get started!

#### **WARM UP**

Let's all introduce ourselves by telling everyone a bit about where we're from and what we like to do on the weekend...

## BACKGROUND CONTEXT

5 MINS

36. What level of private health insurance do we have?
37. How would we describe our level of responsibility over our private health insurance?
38. How long have we had private health insurance for?
39. Has anyone been a member of more than one fund over time?
- Probe:
- a. Why did you switch?
40. How satisfied are we with our current private health insurance?
- Probe:
- a. How come?
41. How frequently do we access our private health insurance?

## INITIAL INFORMATION SEARCH

20 MINS

42. Ok, I want us all to start at the start, and think back to when we first signed up to our current private health insurance fund. How long ago was this?
43. Who remembers what made them decide to get private health insurance in the first place?
- Probe:
- a. Is that the current reason why you have it?
44. Do you recall responding or seeing any advertising around private health insurance that influenced your decision?
- a. Which parts of the ad influenced you?
45. Before signing up to our current private health insurance fund, what did we do?
- Probes:
- a. Did we do research?
    - i. How?
  - b. Did we speak to anyone?
    - i. Who?
  - c. Did we compare funds?
    - i. How?

d. Did we look up or contact individual private health funds?

46. What information did we want to know?

Probes:

- a. Did we find it?
- b. Where?

47. What was the most important piece of information we found in this initial searching process?

Probe:

- a. How come

48. Was there any information we looked for but weren't able to find anywhere?

Probe:

- a. What did we do?

49. Did we find the information overwhelming in any way?

Probes:

- a. How so?
- b. How could it have been improved?

50. Were there any challenges we encountered during the information searching process?

Probes:

- a. What happened?
- b. What would have helped us in this situation?
- c. What should have happened so that we didn't have to experience these challenges?

## FUND SELECTION

10 MINS

51. So ultimately, what made us choose to go with the fund we're currently with?

52. After we selected our fund, did we read the information provided by the fund after purchase?

Probes:

- a. Which bits of information did we read?
- b. How come?
- c. Was it easy to understand?
  - i. Did we have to ask for someone to explain it to us?
  - ii. Who did we ask?

53. I'd like us to all think back to the first time we needed to access our private health insurance... for those who can't remember the first time, think back to a recent occasion where we needed to access our private health insurance for a procedure we had not had before...

I'd like us all to describe the process we went through from the very start.

Probes:

- a. If we're comfortable talking about it, what was the procedure?
- b. How did we go about finding a provider?
- c. How did we find out our rebate entitlement and out of pocket expenses?

54. What sorts of information did we want and need?

Probe:

- a. Did we find it?
- b. Did we ask any questions?
- c. Of whom?
- d. Did we ask questions of doctors and insurers?
- e. What questions did we ask?
- f. Were there any barriers to us asking questions?

55. Where did we get this information from and how?

Probes:

- a. Did we get information from our private health insurance company?
- b. How about from the health care provider providing the service?
- c. How about from an independent health care professional?
- d. How about from family and friends? Or colleagues?

56. Did we get the information we needed?

Probes:

- a. Where did we get the best information from?
- b. Was information easy or hard to get?

57. How do we know which information to trust?

58. On the occasions we didn't actually ask for any information, what information was provided to you in relation to breakdown of costs and what is covered?

Probes:

- a. By the insurer?

- b. By the doctor/practitioner?
- c. Were there any costs for services that were not mentioned to you?

59. Was there any information we found overwhelming or difficult to understand?

Probes:

- a. How so?
- b. How could it have been made better and less overwhelming?
- c. What do we do when faced with complicated information?
  - i. Do we give up?
  - ii. Do we ask someone to explain it?
  - iii. Who do we turn to for help?
  - iv. Is asking for help easy?
  - v. Is getting help easy?

60. For those of us who got information or advice from our private health fund and a health care professional, do we feel that the information provided by each was consistent?

Probe:

- a. Were we comfortable with the information we received?
- b. Did we understand the information?
- c. How did we identify that the information was no consistent?
- d. Did this inconsistent information create any issues for you?

61. How do we go about finding a provider for a certain procedure we may need?

Probes:

- a. Do we ever select a provider that is recommended by family / friends / colleagues?
- b. Who does their own research to find and select a provider?
- c. Who prefers to select a provider based on a recommendation or referral from the referring doctor?
- d. Do anyone of us use a preferred provider of the private health insurance fund?
  - i. Is everyone aware of preferred providers?
  - ii. How did we find out about preferred providers?
  - iii. How do we feel about preferred providers?
  - iv. Do we feel any pressure to use a preferred provider?
  - v. How come?

## EXPECTATIONS NOT MET

15 MINS

62. So I understand that all of us here have experienced an occasion where our expectations were not met either before or after accessing our private health insurance. Let's talk about these experiences. What happened?

Probe:

- a. In what way(s) were our expectations not met?

63. What would have helped us in this situation?

64. What didn't we know at this point in time that we wish we had have known?

65. At which point do we wish we had have known this or found it out? When would we have wanted to have this information?

66. Who should this information have come from?

Probes:

- a. How come?
- b. Was this information not made available at the start of the process?

67. What should have happened so that our expectations were met?

68. If we could turn back time and do it all again, what would we do differently this time?

Probe:

- a. How come?

69. Do you have any advice to people new to accessing their private health insurance?

70. Did you make a complaint to anyone?

Probe:

- a. How come?

## **GOVERNMENT WEBSITE AND PHIO AWARENESS**

**5 MINS**

71. Have we heard of the comparison website privatehealth.gov.au?

72. Have we heard of the Private Health Insurance Ombudsman (PHIO)?

73. Are we aware of the role of the Private Health Insurance Ombudsman (PHIO)?

Now I'd like us all to read a couple of short paragraphs about PHIO.

*The role of the Private Health Insurance Ombudsman (PHIO) is to protect the interests of people covered by private health insurance. PHIO carries out this role in a number of ways, including our independent complaints handling service, our education and advice services for consumers and providing advice to industry and government about issues of concern to consumers.*

*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*

74. Do we feel that if we'd known about the website [www.privatehealth.gov.au](http://www.privatehealth.gov.au), this may have assisted us in comparing private health insurance at the start of our searching process?
75. What are the benefits for consumers in being aware of the Private Health Insurance Ombudsman?
76. How should consumers be notified of the Private Health Insurance Ombudsman?
77. That brings us to the end of the discussion this evening. Does anyone have any further comments?

#### **FINAL CLOSE**

Thank you all for your time and input into the session!

We have your addresses so will send out your incentives within 10 days.

# Qualitative Discussion Guide

## Those who compared funds before purchase

### **Recruitment specification:**

Those who compared policies (either via a comparison website, or did their own comparisons): N=10

- a. N=6 people who experienced any challenges during the information searching process (Q11)
  - i. 50/50 split between those who used comparison websites, and those who did their own comparisons (Q7d1)
- b. N=4 people who did not experienced any challenges during the information search process (Q11)
  - i. 50/50 split between those who used comparison websites, and those who did their own comparisons (Q7d1)

### **INTRODUCTION**

**5 MINS**

Thanks everyone for joining me this evening. My name is Marianne and tonight we'll be talking about our experiences with private health insurance.

The session tonight will take approximately 90 minutes and at the end we will send out \$70 to all who participated in the session.

I encourage everyone to be open and honest. Any feedback that you provide will be anonymous, as we never provide individual identifiable results to our client.

We have a lot to cover, so if I'm going fast please just keep typing responses to any previous questions you may be addressing, so I can look through afterwards at all responses.

*If clients watching:* [There are [number of] client/s watching, but if they recognise anyone through their responses, they will exit the group immediately.]

Ok, let's get started!

### **WARM UP**

Let's all introduce ourselves by telling everyone a bit about where we're from and what we like to do on the weekend...

### **BACKGROUND CONTEXT**

**5 MINS**

78. What level of private health insurance do we have?

79. How would we describe our level of responsibility over our private health insurance?

80. How long have we had private health insurance for?

81. How satisfied are we with our current private health insurance?

Probe:

- a. How come?

82. How frequently do we access our private health insurance?

**INITIAL INFORMATION SEARCH**

**25 MINS**

83. Ok, I want us all to start at the start, and think back to when we first signed up to our current private health insurance fund. How long ago was this?

84. Who remembers what made them decide to get private health insurance in the first place? Is that the current reason why you have it?

85. Do you recall responding or seeing any advertising around private health insurance that influenced your decision?

86. Before signing up to our current private health insurance fund, what did we do?

Probes:

- a. Did we speak to anyone?
  - i. Who?
- b. Did we do research?
  - i. How?
- c. Did we look up or contact individual private health funds?
- d. Did we compare funds?

87. What information did we want to know?

Probes:

- a. Did we find it?
- b. Where?

88. What was the most important piece of information we found in this initial searching process?

Probe:

- a. How come?

89. Was there any information we looked for but weren't able to find anywhere?

Probe:

- a. What did we do?

90. Did we find the information overwhelming in any way?

Probes:

- a. How so?
- b. How could it have been improved?

## FUND COMPARISON AND SELECTION

30 MINS

91. We're all here this evening as we compared private health funds before selecting one. Let's talk more about the comparisons we made. What tools (if any) did we use to make comparisons between funds?

92. Did we use comparison websites?

Probes:

- a. Which ones?
- b. How come?
- c. What are the good things about using comparison websites such as these?
- d. What are the bad things?
- e. Do these comparison websites help consumers make a more informed decision?
- f. Are there any important factors that we think are not considered enough in these tools?
  - i. Which ones?
  - ii. Why are these important to think about when choosing a provider and type of coverage?

93. Did we do our own comparisons of funds and levels of cover?

Probes:

- a. How come?

94. How did we go about making our own comparisons?

Probes:

- a. What sort of research did we do?
- b. Did we ask anyone for help or advice? For example, did we call anyone or talk to anyone in person?
- c. Who?
- d. Did we call them or did they call us?
- e. What are the good things about doing our own comparisons and research?
- f. What are the bad things?
- g. How come?

95. How do we know what information or advice we can trust?

96. What are all the criteria we used to compare funds?

Probes:

- a. Any others?
- b. Of these, what do we think is the most important factor or criterion to consider when comparing funds before deciding on one?
- c. How come?
- d. Which of these factors or criteria are relatively less important when comparing funds?

97. What about value for money?

Probes:

- a. What's the difference between price and value for money?
- b. What's more important?
- c. How do we make sure we compare funds on the basis of value for money?
- d. Is it easy or difficult to understand if a certain private health insurance policy is good value for money?
  - i. How come?
  - ii. What might make this a simpler process?
  - iii. Can we think of any examples where difficult purchasing decisions have been made easier for consumers?
  - iv. Were we able to make a decision in accordance with our needs?
  - v. Did we compare specific private health insurance cover for specific needs? And did we get the value we were after?
  - vi. Did you try to research specific factors in your fund search?

98. So ultimately, what made us choose to go with the fund we're currently with?

99. Would we choose differently in the future? How come?

## CHALLENGES

15 MINS

100. Did anyone experience any challenges during the information searching process?

Probes:

- a. What happened?

101. What would have helped us in this situation?

102. What should have happened so that we didn't have to experience these challenges?

103. What could have been done to improve our experiences and allow easier access to information?
104. What didn't we know at this point in time that we wish we had have known?
105. At which point do we wish we had have known this or found it out? When would we have wanted to have this information?

106. Who should this information have come from?

Probes:

- a. How come?
- b. Was this information not made available at the start of the process?

107. What should have happened so that we could have avoided these challenges?

108. If we could turn back time and do it all again, what would we do differently this time?

Probe:

- a. How come?

109. Do you have any advice to people in the process of finding a private health insurance fund?

#### **CHANGED OR REVIEWED FUND**

**10 MINS**

110. Have we ever reviewed our private health insurance cover or assessed our needs in terms of cover?

Probes:

- a. How did we do this?
- b. Who did we talk to?
- c. How come?

111. Has anyone changed private health insurers?

- a. What made us make the change?

112. Has anyone thought about changing private health insurers but haven't done so yet?

- a. What makes us want to make a change?
- b. What's stopping us from changing?

#### **GOVERNMENT WEBSITE AND PHIO AWARENESS**

**5 MINS**

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115. Are we aware of the role of the Private Health Insurance Ombudsman (PHIO)?

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116. Do we feel that if we'd known about the website [www.privatehealth.gov.au](http://www.privatehealth.gov.au), this may have assisted us in comparing private health insurance at the start of our searching process?

117. What are the benefits for consumers in being aware of the Private Health Insurance Ombudsman?

118. How should consumers be notified of the Private Health Insurance Ombudsman?

119. That brings us to the end of the discussion this evening. Does anyone have any further comments?

## **FINAL CLOSE**

Thank you all for your time and input into the session!

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