



Report to the Australian Senate

**On anti-competitive and other practices
by health insurers and providers in
relation to private health insurance**

For the period 1 July 2022 to 30 June 2023

Acknowledgment of country

The ACCC acknowledges the traditional owners and custodians of Country throughout Australia and recognises their continuing connection to the land, sea and community. We pay our respects to them and their cultures; and to their Elders past, present and future.

Australian Competition and Consumer Commission
Land of the Ngunnawal people
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Contents

Shortened terms	iv
Executive Summary	v
1. Introduction	1
1.1 Senate order	1
1.2 Private health insurance regulation	1
1.3 ACCC role	1
1.4 Methodology	2
2. Insurer responses to COVID-19	3
2.1 The deferred claims liability	3
2.2 Insurers' initiatives to return profits to policyholders	4
3. Other industry developments and trends	7
3.1 Private health insurance membership	8
3.2 Private health insurance industry profit increased	10
3.3 Premiums paid by consumers to health insurers increased	11
3.4 Hospital and extras benefit payments increased	12
3.5 Policy exclusions and excesses	13
3.6 Out-of-pocket (gap) costs	15
3.7 Insurer collection and use of consumer data	16
3.8 Consumer contacts about private health insurance	17
4. ACCC enforcement action and competition exemptions	20
4.1 ACCC enforcement action	20
4.2 Competition exemptions	21

Shortened terms

ABS	Australian Bureau of Statistics
ACCC	Australian Competition and Consumer Commission
ACL	Australian Consumer Law
ahm	Medibank Private Ltd trading as ahm health insurance
AMA	Australian Medical Association
APRA	Australian Prudential Regulation Authority
Bupa	Bupa HI Pty Ltd
CCA	<i>Competition and Consumer Act 2010</i> (Cth)
CPI	Consumer price index
CUA Health	HBF Health Limited trading as CUA Health
DCL	Deferred claims liability
HBF	HBF Health Limited
HCF	The Hospitals Contribution Fund of Australia Limited
HICC	Health Insurance Comparison Choosewell Pty Ltd
Medibank	Medibank Private Limited
NAPP	National Association of Practising Psychiatrists
NIB	NIB Health Funds Limited
OSHC	Overseas Student Health Cover
PHIO	Private Health Insurance Ombudsman
RT Health	The Hospitals Contribution Fund of Australia Limited trading as RT Health
Transport Health	The Hospitals Contribution Fund of Australia Limited trading as Transport Health

Executive Summary

This is the 25th report to the Australian Senate prepared by the Australian Competition and Consumer Commission (ACCC) on competition and consumer issues in the private health insurance industry. This report is for the period 1 July 2022 to 30 June 2023 (the reporting period).

This report analyses key competition and consumer developments and trends in the private health insurance industry during the reporting period that may have affected consumers' health cover and out-of-pocket expenses. This report is particularly focused on continued insurer actions taken to return profits to policyholders which were gained from fewer claims during the COVID-19 pandemic.

Insurers continue to return COVID-19 profits to consumers

The total deferred claims liability (DCL), which broadly accounts for private health insurance claims deferred during the COVID-19 pandemic that were expected to materialise later, decreased significantly across all insurers from its highest level of \$2.08 billion in September 2022 to \$700 million as at June 2023. In contrast to the previous year, there were no significant restrictions to services in 2022–23, which allowed some previously deferred claims to be caught up. Insurers will have also identified other claims previously accounted for in the DCL that will not materialise and included these in permanent claims savings.

Insurers continued to return permanent claims savings from COVID-19 restrictions to policyholders towards meeting their public commitments not to profit from the pandemic, having returned a total of around \$3.5 billion in funds to consumers up to 30 June 2023.

Insurers have also planned givebacks totalling over \$840 million to return further permanent claims savings to policyholders during 2023–24. These include givebacks returned between the end of the reporting period and the release of this report.

The ACCC notes that, when including these planned givebacks, the combined figure for all insurer givebacks totals over \$4.3 billion, which exceeds the insurers' combined assessed permanent claims savings of around \$4.1 billion.

Insurers have provided their givebacks in different ways. The largest method has been through direct payments to policyholders, including 'cashbacks', with cumulative returns of around \$1.73 billion through this method. For example, Medibank Private Ltd (Medibank) announced its most recent cashback of \$125 million to its Medibank and ahm customers in June 2023, with eligible policyholders receiving on average \$19 each for extras only policies and around \$78 for hospital and extras policies. Bupa HI Pty Ltd (Bupa) announced its most recent cashback of \$75 million in September 2023, with eligible policyholders receiving between \$47 and \$344 depending on their policy. Insurers have also returned around \$1.58 billion through premium relief and a much smaller amount of around \$190 million through other measures.

To fulfil their broader commitments, the ACCC reiterates its expectation that insurers continue to return funds until they no longer retain any financial benefits from claims that were missed due to COVID-19 restrictions and are not expected to materialise later. This includes the value of claims previously accounted for in the DCL which will ultimately not materialise.

Private health insurance industry profit increases

The industry's net profit increased by 110% during the reporting period. The Australian Prudential Regulation Authority (APRA) reports that investment income was the main driver behind the higher profit result, with industry recording net investment income of \$702.4 million for the reporting period after recording net investment losses of \$292.5 million in the previous financial year. This result reflected increases in the value of insurers' equities and gains on insurers' interest earning investments. It is a matter for insurers to ensure that their investment income is not inflated as a result of utilising funds held for claims that will not materialise, in view of their commitment not to profit from COVID-19.

Other key industry indicators

As at 30 June 2023, approximately 55% of the Australian population, had some form of health insurance. The proportion of the population holding hospital only or combined cover increased by 0.2% in the year to June 2023, while the proportion holding extras cover only remained steady over the same period.

Over the reporting period there was a 2.9% average increase in private health insurance premiums. Some insurers also deferred premium increases as part of efforts to meet commitments not to profit from the COVID-19 pandemic. The cumulative increase in premiums over the five years to June 2023 has fallen below the consumer price index (CPI) and health inflation, but has outpaced wage growth.

The proportion of policies held with exclusions increased by 1.9% since June 2022, while the proportion of hospital services without a gap declined by 0.2% over the reporting period. The average gap expense incurred by a policyholder increased by 7.3% for both hospital treatment and extras treatment over the reporting period. However, there was a 5% increase in hospital benefits paid by insurers per policyholder from 2021–22.

Insurers continue to develop programs collecting consumer data

Insurers continued to build on existing wellness apps and rewards programs and developed new schemes which may allow them to use, access and in some cases share consumers' personal information.

In June 2023, APRA announced that it would impose an additional capital adequacy requirement of \$250 million on Medibank Private Limited (Medibank) to reflect weaknesses identified in its security environment, following its review of Medibank's 2022 cybersecurity incident.

The ACCC reiterates its expectation that private health insurers and other businesses be alive to the sensitive nature of personal information they may be collecting and using. In this regard, private health insurers should ensure they comply with all their obligations, including those under the Australian Consumer Law (ACL) and Australian privacy principles and law.

Consumer complaints and contacts about private health insurance rise

The main agency handling consumers' private health insurance complaints is the Private Health Insurance Ombudsman (PHIO). Complaints made to the PHIO increased by 26.8% from 2021–22. The PHIO attributed this overall increase to a general uptick in consumer interest in private health insurance after a noticeable dip during the COVID-19 pandemic.

The ACCC received 173 contacts about health insurance, a 26.3% increase from 2021–22. Most of the contacts to the ACCC concerned potential false misrepresentations or misleading conduct.

ACCC enforcement action and competition exemptions

On 6 September 2022, the ACCC announced that health insurance comparison business Health Insurance Comparison Choosewell Pty Ltd (HICC) had admitted breaching the ACL by failing to inform consumers of their termination rights, including a 10 business day cooling-off period, when entering into unsolicited consumer agreements for private health insurance. The ACCC has accepted a three-year court-enforceable undertaking from HICC in which HICC commits to not entering into unsolicited sales contracts without giving consumers verbal and written information about their termination rights, to notify the relevant health insurance provider that the contract resulted from an unsolicited consumer agreement, and to implement a compliance program. HICC also paid an infringement notice penalty of \$13,320.

On 11 November 2022, the Federal Court ordered SmileDirectClub Aus Pty Ltd and its US parent company, SmileDirectClub LLC (together, SmileDirectClub) to pay penalties of \$3.5 million for making false or misleading statements, following ACCC action. SmileDirectClub's statements represented to consumers that they may be eligible for a reimbursement for SmileDirectClub aligners and associated treatment from their private health insurer. However, the vast majority (98.5% of the market) of Australian private health insurance companies did not provide coverage for the costs of SmileDirectClub's aligner treatment. The Court also ordered SmileDirectClub to compensate affected consumers, to implement a compliance program, and to pay a contribution to the ACCC's costs.

On 10 August 2023, the ACCC granted a 5 year authorisation to Health Partners Limited to enter into and give effect to certain pricing arrangement provisions with dentists and dental practices in regional South Australia.

On 20 October 2023, the ACCC issued a draft determination proposing to grant authorisation for 5 years to The Hospitals Contribution Fund of Australia Limited (HCF) to enter into and give effect to certain price capping provisions in agreements with dentists who participate in its 'More For Teeth Program' in the same local catchment areas that HCF owns and operates dental clinics.

1. Introduction

For its 25th report to the Australian Senate, the Australian Competition and Consumer Commission (ACCC) provides an update on key competition and consumer developments and trends in the private health insurance industry between 1 July 2022 and 30 June 2023 (the reporting period), and some developments since the end of the reporting period.

This report is particularly focused on continued insurer actions to return profits to policyholders which were gained from fewer claims during the COVID-19 pandemic.

1.1 Senate order

This report has been prepared in compliance with an Australian Senate order, under which the ACCC has an obligation to report annually on competition and consumer issues in the private health insurance industry.¹ The complete Senate order is extracted below.

Senate order

There be laid on the table as soon as practicable after the end of each 12 months ending on or after 30 June 2003, a report by the Australian Competition and Consumer Commission containing an assessment of 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.

1.2 Private health insurance regulation

Private health insurance is regulated primarily under the *Private Health Insurance Act 2007*, the *Private Health Insurance (Prudential Supervision) Act 2015*, and related rules and regulations. Private health insurance is administered by the Department of Health and Aged Care with prudential oversight provided by the Australian Prudential Regulation Authority (APRA). Consumer complaints are handled by the Private Health Insurance Ombudsman (PHIO), which is a specialist role of the Office of the Commonwealth Ombudsman.

1.3 ACCC role

The ACCC is an independent Commonwealth statutory agency that promotes competition, fair trading and product safety for the benefit of consumers, businesses and the Australian community. In addition to preparing this report in accordance with the Senate order, the ACCC's role in the private health insurance sector, like the wider economy, is to enforce and encourage compliance with the *Competition and Consumer Act 2010* (CCA), including the Australian Consumer Law (ACL).

¹ Senate procedural order no. 18 Health—Assessment reports by the Australian Competition and Consumer Commission agreed to 25 March 1999, by means of an amendment to the motion that the report of the committee on Health Legislation Amendment Bill (No. 2) 1999 be adopted. J.626, amended 18 September 2002 J.761.

The ACCC's Compliance and Enforcement Policy and Priorities outlines our enforcement powers, functions, priorities and strategies.² The ACCC updates this document each financial year to reflect current and enduring priorities.

1.4 Methodology

The ACCC does not have dedicated statutory information gathering powers for this report. We have primarily utilised publicly available data to prepare this report, including:

- industry statistics and data collected by APRA
- private health insurance complaints data from the PHIO.

The ACCC has also drawn on insurer reports provided by the Department of Health and Aged Care on the insurers' progress in fulfilling their commitments not to profit from COVID-19 restrictions.

² ACCC, *Compliance and enforcement policies and priorities*, <https://www.accc.gov.au/about-us/accc-priorities/compliance-and-enforcement-policy-and-priorities>.

2. Insurer responses to COVID-19

2.1 The deferred claims liability

The deferred claims liability (DCL)³ broadly accounts for private health insurance claims deferred during the COVID-19 pandemic that were expected to materialise later. APRA issued guidance to insurers on calculating their DCL in June 2020, which was designed to protect the interests of policyholders by making sure that insurers would have adequate capital to meet the costs of services that were not performed due to restrictions but expected to occur later.⁴ APRA has progressively relaxed its guidance, allowing insurers to adopt their own methodology for calculating their DCL since 2022.⁵

Figure 1 is taken from APRA reporting of insurers' 'other insurance liabilities', which predominantly consists of the DCL. Figure 1 illustrates that this amount has decreased significantly from its highest level of \$2.08 billion in September 2022 to \$700 million as at June 2023. In contrast to the previous year, there were no significant restrictions to services in 2022–23, which allowed some previously deferred claims to be caught up. Insurers will have also identified other claims previously accounted for in the DCL that will not materialise. As noted in our previous report,⁶ the ACCC urges insurers to fulfil their commitments to not profit from COVID-19, and to return the value of permanently missed claims to policyholders, including the value of claims previously accounted for in the DCL which will ultimately not materialise.

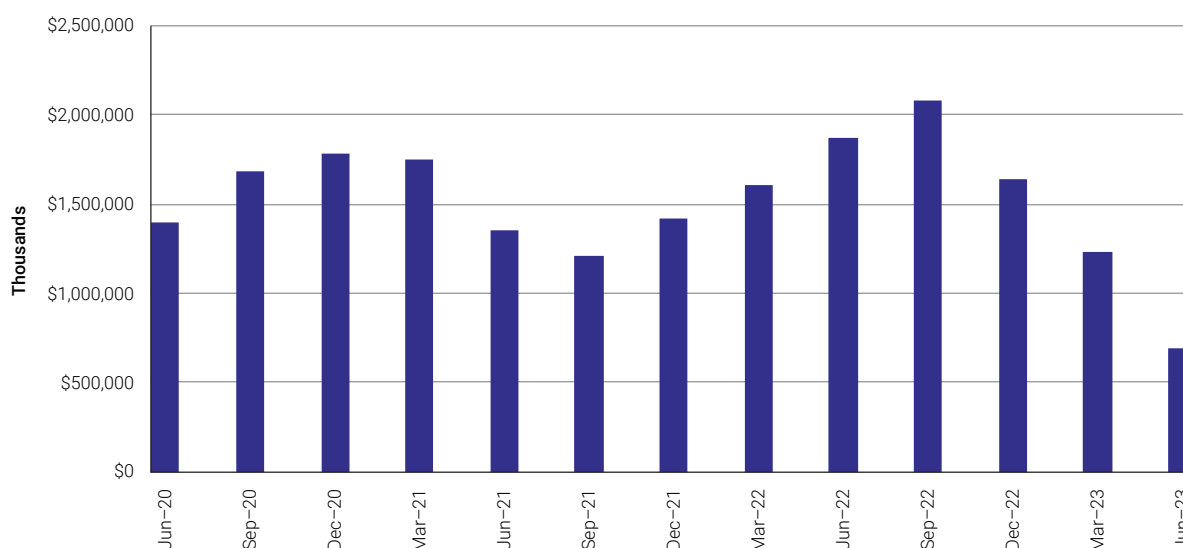
3 A more detailed account of the history and purpose of the DCL is available in the ACCC's [Private Health Insurance Report to the Senate 2020–21](#), pp 15-17.

4 APRA, *Application of the capital framework for COVID-19 related disruptions*, 22 June 2020, accessed 25 September 2023, <https://www.apra.gov.au/application-of-capital-framework-for-covid-19-related-disruptions>.

5 APRA, *Application of the capital framework for COVID-19 related disruptions – frequently asked questions*, 21 March 2022, accessed 25 September 2023, <https://www.apra.gov.au/archived-application-of-capital-framework-for-covid-19-related-disruptions-frequently-asked>. Further prescriptions were removed from 31 December 2022, see <https://www.apra.gov.au/application-of-capital-framework-for-covid-19-related-disruptions-frequently-asked-questions>.

6 ACCC, *Private health insurance report 2021–22*, 1 December 2022, <https://www.accc.gov.au/about-us/publications/serial-publications/private-health-insurance-reports/private-health-insurance-report-2021-22>, p 18.

Figure 1: Private health insurers' other insurance liabilities including deferred claims liabilities ('000s) by quarter, June 2020 – June 2023



Source data: APRA, *Quarterly private health insurance statistics*, [June 2020](#), [December 2020](#), [June 2021](#), [December 2021](#), [June 2022](#), [December 2022](#) and [June 2023](#). Note: DCL is included in financial information in these statistical reports within the 'Other fund liabilities of which: Other insurance liabilities' category. This category also includes an immaterial amount of non-DCL liabilities.

2.2 Insurers' initiatives to return profits to policyholders

The ACCC recognises that insurers have continued to return profits from COVID-19 restrictions to policyholders by various means towards meeting their public commitments not to profit from the pandemic.

Insurer data submitted to the Department of Health and Aged Care provides an industry-wide figure for 'permanent claims savings' and the total amount of money directed to 'givebacks and relief', that is, measures taken by insurers to fulfil their pandemic commitments. Insurers were able to set out their own definitions and calculation method to arrive at figures for each of these items. The ACCC has based its calculations in this section on this data.

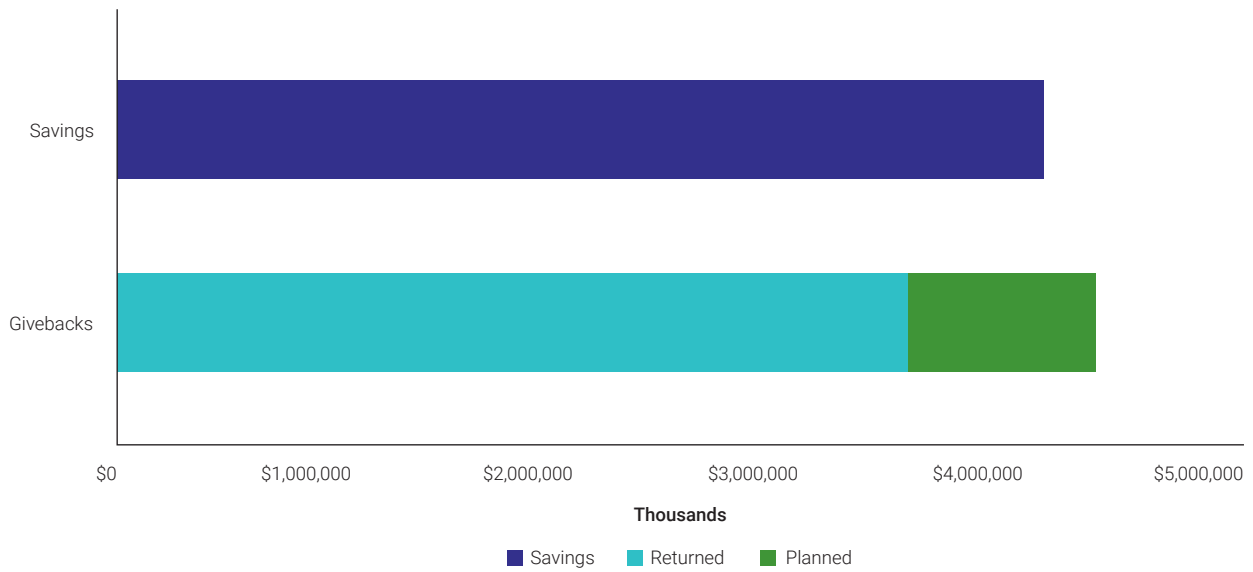
Most insurers have defined 'permanent claims savings' as all missing claims due to the pandemic, less claims expected to materialise in future (the DCL). As at 30 June 2023, insurers have assessed that around \$4.1 billion in claims will not materialise due to COVID-19 impacts. This cumulative figure has increased from around \$2.25 billion as at 30 June 2022, which appears to be largely due to the significant reduction in the value of claims in the DCL as shown above in Figure 1.

To work towards meeting their pandemic commitments, insurers have returned a total of around \$3.5 billion in funds to consumers as at 30 June 2023. Some insurers reported having returned all permanent claims savings as at 30 June 2023.

Other insurers have reported significant planned measures to return further savings to policyholders during 2023–24. The total of these planned measures, including givebacks returned between the end of the reporting period and the release of this report, is over \$840 million.

Figure 2 shows that, when including insurers' planned givebacks, the combined figure for all insurer givebacks totals over \$4.3 billion, which exceeds the insurers' combined assessed permanent claims savings of around \$4.1 billion.

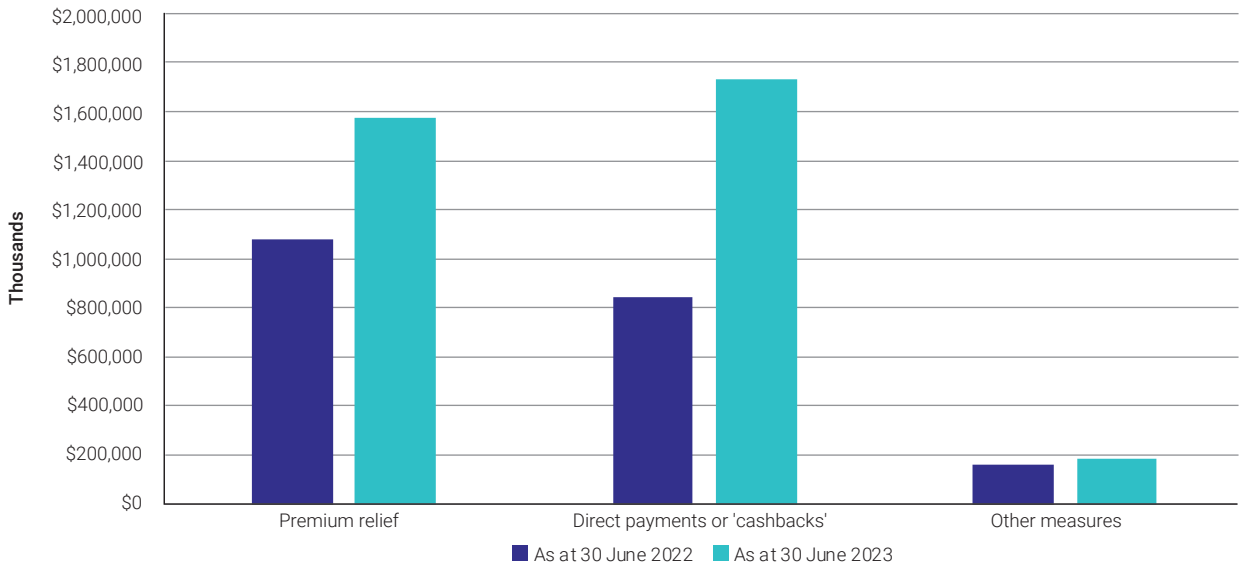
Figure 2: Private health insurers' permanent claims savings and givebacks (returned and planned) ('000s), as at 30 June 2023



Source data: Department of Health and Aged Care pandemic commitment monitoring reports.

Figure 3 sets out the different ways in which insurers have provided their 'givebacks and relief' to policyholders as at 30 June 2023, and the increased returns in each category since the previous reporting period. Direct payments to policyholders, including 'cashbacks', have now become the largest method by dollars returned (around \$1.73 billion). This is followed by premium relief (around \$1.58 billion), particularly deferrals of planned premium increases, with a smaller amount allocated to other measures (around \$190 million).

Figure 3: Cumulative private health insurer COVID-19 'givebacks and relief' by method of distribution ('000s), as at 30 June 2023



Source data: Department of Health and Aged Care pandemic commitment monitoring reports.

'Other measures' encompasses various additional insurer actions including COVID-19 hardship measures and some coverage extensions for policyholders. As noted in our previous report, in

contrast to direct payments and premium relief, some of these other measures have been made opt-in and might not apply to all members.⁷

The ACCC urges insurers to continue to ensure that any provisioning of funds for ‘other measures’ is utilised by policyholders. For example, if additional extras benefits offered in line with insurers’ commitments not to profit from the COVID-19 pandemic are not claimed, or if the cost of hardship measures has been less than expected, insurers should take further measures to return any leftover funds.

The ‘big 5⁸ insurers’ have made the following recent public statements on their progress in meeting their COVID-19 commitments:

- Medibank Private Ltd (Medibank) announced a cashback of \$125 million to its Medibank and ahm customers on 29 June 2023, with eligible policyholders receiving on average \$19 each in their bank accounts for extras only policies and around \$78 for hospital and extras policies. This cashback brings Medibank’s total amount of support to its customers to \$1.15 billion since the start of the pandemic.⁹
- Bupa HI Pty Ltd (Bupa) announced a cashback of \$75 million on 26 September 2023, with eligible policyholders to receive between \$47 and \$344 depending on their policy. This cashback will bring Bupa’s overall cashbacks to \$395 million, as part of its total announced commitments of \$1.35 billion.¹⁰
- The Hospitals Contribution Fund of Australia Limited (HCF) announced a cashback of \$40 million on 14 August 2023, bringing its overall cashbacks to \$309 million, as part of its total of over \$536 million in support and benefits provided to its members. Policyholders of HCF as well as its Transport Health and RT Health brands will receive funds directly into their bank accounts.¹¹
- NIB Health Funds Limited (NIB) announced on 27 June 2023 that it would further delay its planned 2023 premium increase until 1 October 2023, bringing NIB’s total COVID-19 support package to around \$181 million.¹²
- HBF Health Limited (HBF) announced in its 2023 Annual Report that, with claims trends returning to stable levels at the end of the 2022–23 financial year, HBF’s March 2023 giveback of around \$110 million¹³ would be its last COVID-19 giveback, after providing a total of \$257.5 million in COVID-19 support.¹⁴

To fulfil their broader commitments, the ACCC reiterates its expectation that insurers continue to return funds until they no longer retain any financial benefits from claims that were missed due to COVID restrictions and are not expected to materialise later. This includes the value of claims previously accounted for in the DCL which will ultimately not materialise.

7 ACCC, *Private health insurance report 2021–22*, 1 December 2022, <https://www.accc.gov.au/about-us/publications/serial-publications/private-health-insurance-reports/private-health-insurance-report-2021-22>, p 19.

8 The ‘big 5’ insurers are Medibank, Bupa, HCF, NIB and HBF. See Figure 5 for a detailed market share breakdown.

9 Medibank Private Limited, *Medibank and ahm customers to get \$125m back, bringing total support package to \$1.15bn*, ASX release, 29 June 2023, accessed 24 October 2023, <https://www.medibank.com.au/livebetter/newsroom/post/medibank-and-ahm-customers-to-get-125m-back>.

10 Bupa HI Pty Ltd, *Bupa tops up cashback to \$395 million*, media release, 26 September 2023, accessed 24 October 2023, <https://media.bupa.com.au/bupa-tops-up-cashback-to-395-million/>.

11 The Hospitals Contribution Fund of Australia Limited, *HCF gives back another \$40m to members, total COVID-19 support now \$536m*, media release, 14 August 2023, accessed 24 October 2023, <https://www.hcf.com.au/about-us/media-centre/media-releases/2023/hcf-gives-back-another-40m-to-members>.

12 NIB Health Funds Limited, *nib further delays private health insurance premium rise*, media release, 27 June 2023, accessed 24 October 2023, <https://www.nib.com.au/media/2023/06/nib-further-delays-private-health-insurance-premium-rise>.

13 HBF Health Limited, *HBF members to receive \$110 million cash back in COVID-19 savings*, media release, 24 March 2023, accessed 24 October 2023, [https://www.hbf.com.au/media-releases/hbf-members-to-receive-\\$110-million-cash-back-in-covid-19-savings](https://www.hbf.com.au/media-releases/hbf-members-to-receive-$110-million-cash-back-in-covid-19-savings).

14 HBF Health Limited, *2023 Annual Report*, 22 September 2023, <https://www.hbf.com.au/media-releases/2023-annual-report>.

3. Other industry developments and trends

Summary of other industry developments and trends in the private health industry in 2022–23

- As at 30 June 2023, over 14.5 million Australians, or approximately 55% of the population, had some form of private health insurance.
- Australian consumers paid almost \$27.5 billion in private health insurance premiums, an increase of 3.3% from 2021–22.
- Average premium increases were 2.9%, slightly higher than the 2.7% increase in 2021–22.
- On average, insurers paid 5% more in hospital benefits per policyholder than in 2021–22. The average amount paid out by insurers to policyholders for extras benefits increased by 8.4% per policyholder.
- The number of exclusionary policies held during 2022–23 increased by 172,772 (or around 5%) with a reduction of 70,979 non-exclusionary policies (or around 3%) during the same period.
- Over 87% of hospital policies have excesses and co-payments, equating to 0.8% increases in both 2021–22 and 2022–23.
- Insurers have continued to develop new schemes and build on existing programs which may allow them to access, use and in some cases share consumers' personal information.
- Overall complaints to the PHIO increased by 26.8% from 2,704 in 2021–22 to 3,429 complaints for 2022–23. The ACCC received 173 contacts about private health insurance issues during the reporting period, a 26.3% increase from the previous year.

3.1 Private health insurance membership

As at 30 June 2023, over 14.5 million Australians, or approximately 55% of the population, had some form of private health insurance. While the number of insured persons increased by 315,166 between July 2022 and June 2023, the Australian population itself grew by 513,288 after lower growth influenced by the COVID-19 pandemic. This has resulted in the proportion of Australians holding private health insurance falling slightly from June 2022 (55.2%).¹⁵

Types of private health insurance

There are broadly two types of private health insurance.

Hospital treatment policies help cover the cost of in-hospital treatment by doctors and hospital costs such as accommodation and theatre fees. This report generally refers to these policies as **hospital cover** or **hospital policies**.

General treatment policies, also known as **extras** or **ancillary** cover, provide benefits for non-medical health services such as physiotherapy, dental and optical treatment. This report generally refers to these policies as **extras cover** or **extras policies**.

Many consumers hold combined policies that provide cover for both hospital and extras services.¹⁶

Table 1 shows that the proportion of the population holding hospital only or combined cover increased by 0.2% in the year to June 2023. During the same period, the proportion holding extras cover only remained steady.

Table 1: Insured Australian consumers by policy type, June 2021 to June 2023

	Hospital only or combined cover	Extras cover only	Total insured persons
June 2021	11,442,584	2,522,329	13,964,913
<i>% of population</i>	44.6%	9.8%	54.4%
June 2022	11,678,283	2,594,046	14,272,329
<i>% of population</i>	44.9%	10%	55.2%
June 2023	11,948,443	2,639,052	14,587,495
<i>% of population</i>	45.1%	10%	55%

Note: Some percentage figures do not add up due to rounding.

Source: APRA, [Statistics: Private health insurance membership trends June 2023](#).

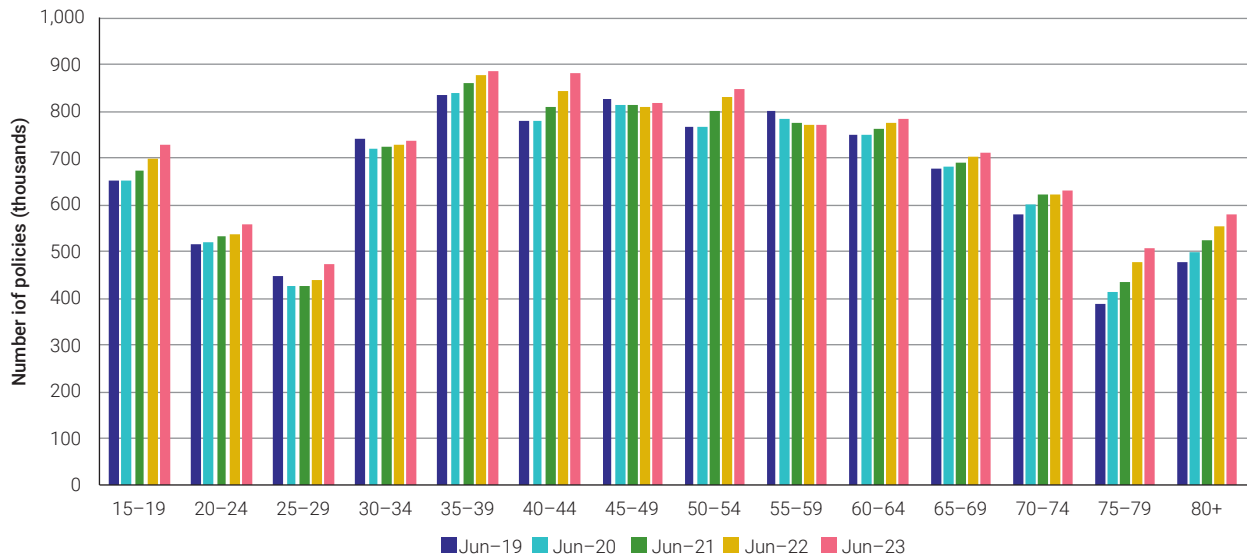
¹⁵ APRA, *Statistics: Private health insurance membership trends June 2023*, 23 August 2023, accessed 30 August 2023, [https://www.apra.gov.au/sites/default/files/2023-08/Quarterly Private Health Insurance Membership Trends June 2023.xlsx](https://www.apra.gov.au/sites/default/files/2023-08/Quarterly%20Private%20Health%20Insurance%20Membership%20Trends%20June%202023.xlsx).

¹⁶ Ambulance cover may be available separately, combined with other policies, or in some cases is covered by state or territory governments. See the [PHIO website](#) for more information.

Figure 4 shows that in 2022–23, the number of hospital policies held by most age categories increased except for those aged 55-59, for whom policies decreased by 0.3% (to 769,338). Increases in the number of hospital policies in the reporting period include those:

- held by younger Australians in the 15-19, 20-24 and 25-29 age groups, growing by 3.8% (to 726,866), 3.2% (to 556,238) and 8.5% (to 475,012) respectively
- held by older Australians in the 75-79 and 80+ age groups, growing by 6.8% (to 508,910) and 4.4% (to 579,456) respectively.

Figure 4: Number of hospital policies by age group ('000s), June 2019 to June 2023



Source data: APRA, [Statistics: Private health insurance membership trends June 2023](#).

Membership by health insurer

31 health funds currently operate in Australia, including for-profit and not-for-profit insurers.¹⁷ Our previous report noted that 33 health funds operated in 2021–22. The number of health funds has decreased due to CUA Health merging into HBF, and Transport Health merging into HCF.¹⁸

Medibank remained Australia’s largest health insurer in 2022–23, ending the financial year with around 3.79 million members (measured by individuals covered). Bupa was the next largest health insurer, with around 3.74 million members.

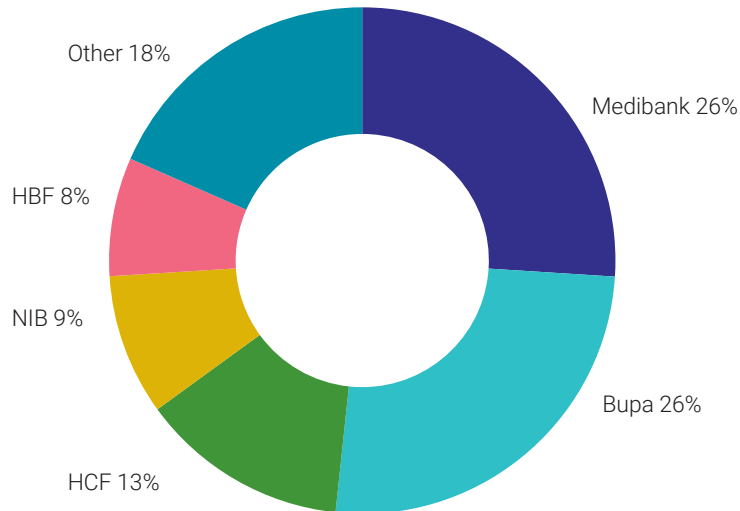
As at 30 June 2023, the 5 largest health insurers in Australia provided cover to around 81.6% of Australian consumers with private health insurance.

Figure 5 shows that Medibank and Bupa represented just over half of the Australian private health insurance market, with market shares of 26% and 25.7% respectively. The next three largest insurers – HCF, NIB and HBF – had a combined market share of around 29.9%.

¹⁷ APRA, *Register of private health insurers*, 26 September 2023, accessed 4 October 2023, <https://www.apra.gov.au/register-of-private-health-insurers>.

¹⁸ APRA, *Operations of private health insurers annual report 2022–23*, 25 October 2023, accessed 25 October 2023, <https://www.apra.gov.au/operations-of-private-health-insurers-annual-report>.

Figure 5: Insurer market share by Australians covered, 2022–23



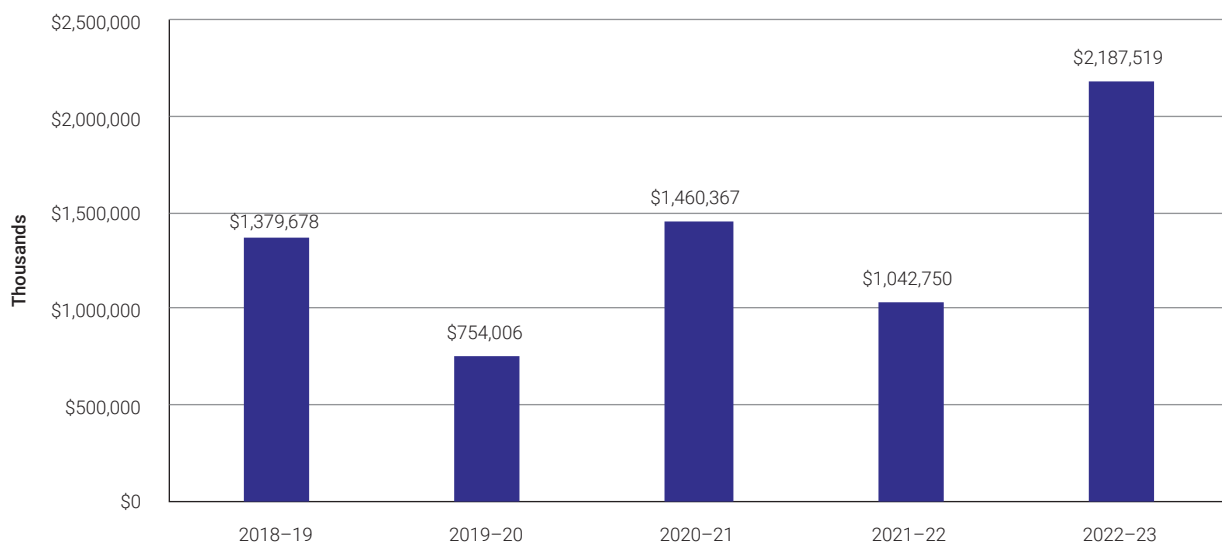
Source data: APRA, [Operations of private health insurers annual report 2022–23](#), Table 3.

The 5 largest health insurers contributed to 79.4% of total health fund benefits paid in 2022–23, with Medibank and Bupa contributing 25.6% and 23.8% respectively. Benefits paid by health insurers are discussed further in section 3.4.

3.2 Private health insurance industry profit increased

Figure 6 shows the industry’s net profit after tax increased by 110% during the reporting period. APRA reports that investment income was the main driver behind the higher profit result, with the industry recording net investment income of \$702.4 million for the reporting period after recording net investment losses of \$292.5 million in the previous financial year. This result reflected increases in the value of insurers’ equities and gains on insurers’ interest earning investments.¹⁹

Figure 6: Private health insurers’ net profit after tax (‘000s), 2018–19 to 2022–23



Source data: APRA, *Quarterly private health insurance statistics*, [June 2020](#), [June 2021](#), [June 2022](#) and [June 2023](#).

¹⁹ APRA, *Quarterly private health insurance statistics – highlights June 2023*, 23 August 2023, accessed 9 November 2023, [https://www.apra.gov.au/sites/default/files/2023-08/Quarterly Private Health Insurance Statistics Highlights June 2023.pdf](https://www.apra.gov.au/sites/default/files/2023-08/Quarterly%20Private%20Health%20Insurance%20Statistics%20Highlights%20June%202023.pdf), p 3.

It is a matter for insurers to ensure that their investment income is not inflated as a result of utilising funds held for claims that will not materialise, in view of their commitment not to profit from COVID-19.

3.3 Premiums paid by consumers to health insurers increased

Australian consumers paid almost \$27.5 billion in private health insurance premiums in 2022–23, an increase of over \$876 million (or 3.3%) compared to the previous year.²⁰

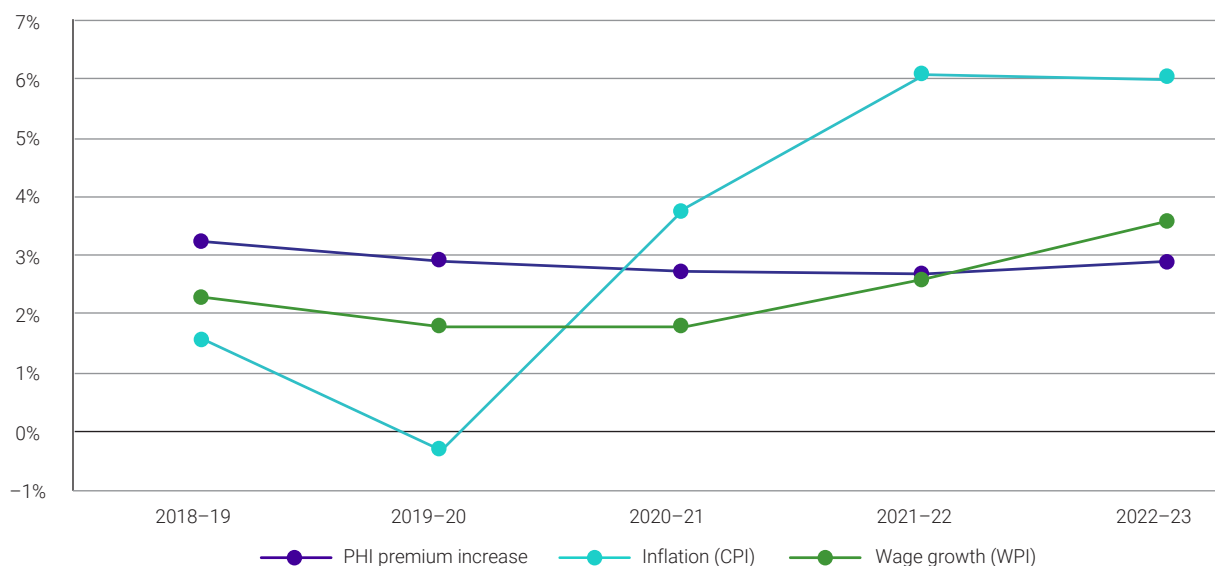
Table 2: Total consumer expenditure on private health insurance, per year, by dollar and percentage change, June 2021 to June 2023

	\$ paid (in '000)	\$ change from previous year (in '000)	% change from previous year
June 2021	25,680,469	785,137	3.2%
June 2022	26,590,698	910,229	3.5%
June 2023	27,467,151	876,453	3.3%

Source: APRA, Statistics: *Quarterly private health insurance statistics*, [June 2021](#), [June 2022](#) and [June 2023](#).

Figure 7 compares average premium increases (on an industry weighted average basis) with the inflation rate and the rate of growth in wages from 2018–19 to 2022–23.

Figure 7: Private health insurance premium increases, inflation and wage growth, 2018–19 to 2022–23



Source data: Department of Health and Aged Care, [Average annual price changes in private health insurance premiums](#); Australian Bureau of Statistics (ABS), [Consumer price index, Australia June 2023](#); ABS, [Wage Price Index, Australia June 2023](#), Table 1. Total hourly rates of pay excluding bonuses: sector, original, seasonally adjusted and trend.

²⁰ APRA, Statistics: *Quarterly private health insurance statistics June 2023*, 23 August 2023, accessed 13 November 2023, https://www.apra.gov.au/sites/default/files/2023-08/Quarterly Private Health Insurance Statistics June 2023_0.pdf, p 10.

Average premium increases in 2022–23 were slightly higher at 2.9% from 2.7% in 2021–22. As occurred during the previous reporting period, some insurers deferred premium increases during 2022–23, including as part of efforts to meet commitments not to profit from the COVID-19 pandemic. More details on insurers’ responses to COVID-19 are set out at section 2.2.

Figure 8 compares the cumulative increase in average private health insurance premiums with the consumer price index (CPI), broader health inflation²¹ and wage growth over the five years to 2022–23. This shows that the cumulative increase in premiums over the five years to June 2023 has fallen below CPI and health inflation, but has outpaced wage growth.

Figure 8: Cumulative increase in average private health insurance premiums, inflation (CPI and health) and wage growth, 2018–19 to 2022–23



Source data: Department of Health and Aged Care, [Average annual price changes in private health insurance premiums](#); Australian Bureau of Statistics (ABS), [Consumer price index, Australia June 2023](#); ABS, [Wage Price Index, Australia June 2023, Table 1. Total hourly rates of pay excluding bonuses: sector, original, seasonally adjusted and trend.](#)

3.4 Hospital and extras benefit payments increased

Table 3 shows that insurers paid 5% more on average in hospital benefits per policyholder in 2022–23 than in 2021–22. The average amount paid out by insurers for extras benefits increased by 8.4% per policyholder.

Table 3: Average benefits paid by health insurers to policyholders, per policyholder, 2021–22 to 2022–23

	2021–22	2022–23	Change
Hospital benefit per policyholder (\$)	\$1,330	\$1,397	5%
Extras benefit per policyholder (\$)	\$421	\$456	8.4%

Note: Benefit figures have been rounded to the nearest dollar.
 Source: APRA, [Statistics: Quarterly private health insurance statistics June 2023.](#)

21 Health inflation is a component of the CPI, and includes all expenditure relating to for health goods and services, including private health insurance premiums as well as other hospital, dental and medical services, pharmaceutical products and therapeutic equipment, <https://www.abs.gov.au/statistics/detailed-methodology-information-concepts-sources-methods/consumer-price-index-concepts-sources-and-methods/2018/price-collection#health>.

3.5 Policy exclusions and excesses

Exclusionary policies

Exclusions and restrictions²²

Some health insurance policies provide full cover for the costs of most hospital admissions, apart from any applicable **excess** or **co-payment** that the policyholder is required to pay.

Other policies restrict or exclude benefits for some treatments in return for offering lower premiums.

If a policy has **exclusions** for particular conditions, the policyholder is not covered at all for treatment as a private patient in a public or private hospital for those conditions. The insurer will not pay any benefits towards a policyholder's hospital and medical costs for such treatment.

If a policy has **restrictions** for particular conditions, the policyholder will be covered for treatment for those conditions, but only to a very limited extent, and the policyholder is still likely to face considerable out-of-pocket costs for such treatment.

Table 4 illustrates that during the reporting period, the proportion of policies held with exclusions increased by 1.9% since June 2022.²³ This is the fifth reporting period in a row where exclusionary policies outnumber non-exclusionary ones.

Table 4: Hospital policies with exclusions, by percentage, June 2019 to June 2023

	June 2019	June 2020	June 2021	June 2022	June 2023
% of policies with exclusions	56.8%	58.7%	60%	61.3%	63.2%

Source: APRA, [Statistics: Private health insurance membership and benefits June 2023](#).

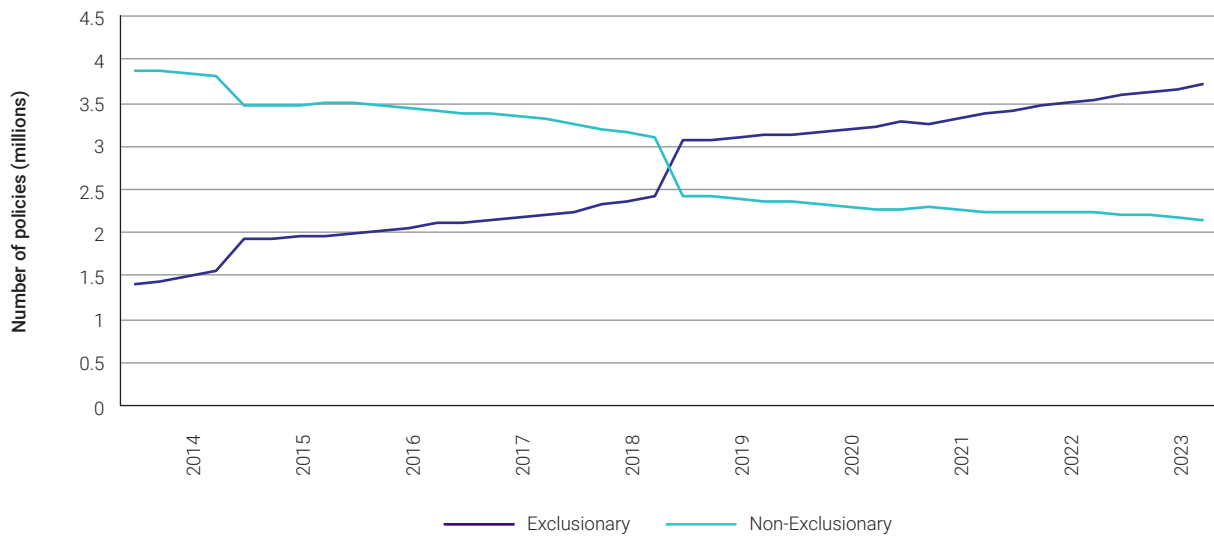
Figure 9 shows the number of exclusionary policies held during 2022–23 increased by 172,772 (or around 5%) with a reduction of 70,979 non-exclusionary policies (or around 3%) during the same period.²⁴

22 Commonwealth Ombudsman, *What are exclusions and restrictions?*, accessed 6 October 2023, <https://www.ombudsman.gov.au/publications-and-news-pages/publication-pages/brochures-and-factsheets/factsheets/private-health-insurance/policy-exclusions-and-restrictions>.

23 APRA, *Statistics: Private health insurance membership and benefits June 2023*, 23 August 2023, accessed 27 September 2023, [https://www.apra.gov.au/sites/default/files/2023-08/Quarterly Private Health Insurance Membership and Benefits June 2023.xlsx](https://www.apra.gov.au/sites/default/files/2023-08/Quarterly%20Private%20Health%20Insurance%20Membership%20and%20Benefits%20June%202023.xlsx).

24 APRA, *Statistics: Private health insurance membership and benefits June 2023*, 23 August 2023, accessed 27 September 2023, [https://www.apra.gov.au/sites/default/files/2023-08/Quarterly Private Health Insurance Membership and Benefits June 2023.xlsx](https://www.apra.gov.au/sites/default/files/2023-08/Quarterly%20Private%20Health%20Insurance%20Membership%20and%20Benefits%20June%202023.xlsx).

Figure 9: Change in hospital exclusionary and non-exclusionary policies, June 2013 to June 2023



Source data: APRA, [Statistics: Private health insurance membership and benefits June 2023](#).

Excesses

Excesses and co-payments²⁵

Most insurers will offer policyholders the option of nominating an ‘excess’ or ‘co-payment’ on a hospital policy in return for reduced membership premiums.

An **excess** is a lump sum the policyholder pays towards their hospital admission before the health fund will pay its benefits.

A **co-payment** is an amount the policyholder must pay each time the health insurer pays hospital benefits for them. Normally a co-payment is payable for each day of hospitalisation up to a maximum annual amount or per admission amount.

Table 5 shows that over 87% of hospital policies have excesses and co-payments, with 0.8% increases during both 2021–22 and 2022–23.²⁶

Table 5: Hospital policies with excesses and co-payments, by percentage, June 2019 to June 2023

	June 2019	June 2020	June 2021	June 2022	June 2023
% of policies with excesses & co-payments	84.8%	85.8%	85.7%	86.5%	87.3%

Source: APRA, [Statistics: Private health insurance membership and benefits June 2023](#).

²⁵ Commonwealth Ombudsman, *Choosing a health insurance policy*, accessed 6 October 2022, <https://www.ombudsman.gov.au/publications-and-news-pages/publication-pages/brochures-and-factsheets/factsheets/private-health-insurance/choosing-a-health-insurance-policy>.

²⁶ APRA, *Statistics: Private health insurance membership and benefits June 2023*, 23 August 2023, accessed 27 September 2023, <https://www.apra.gov.au/sites/default/files/2023-08/Quarterly Private Health Insurance Membership and Benefits June 2023.xlsx>.

3.6 Out-of-pocket (gap) costs

An out-of-pocket or 'gap' payment is the amount a consumer pays either for medical or hospital charges, over and above what they receive from the Australian Government's Medicare scheme or their private health insurer.

Types of gap arrangements

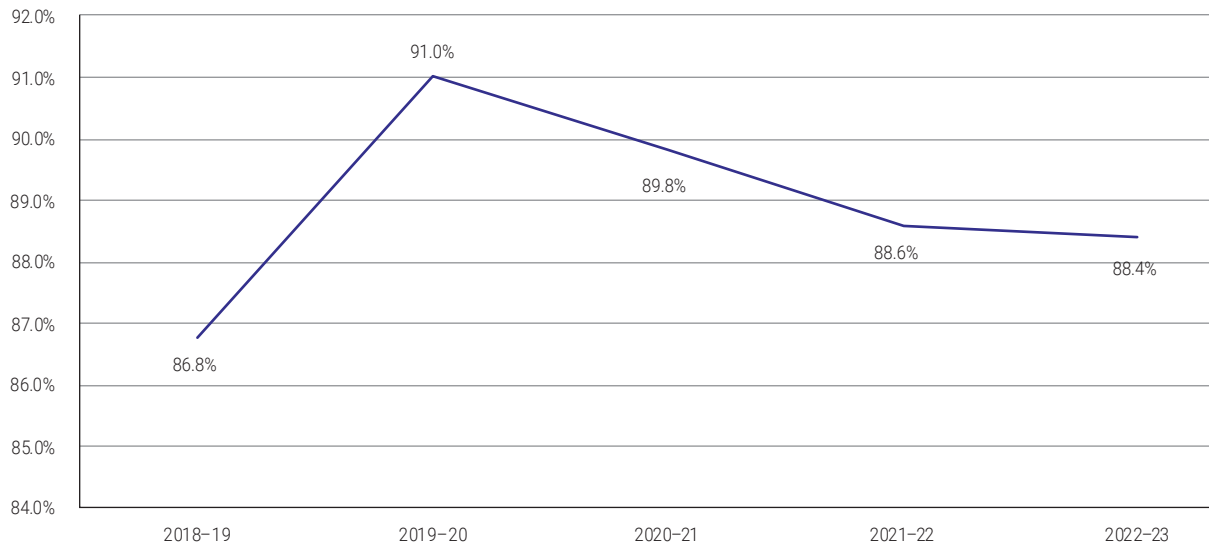
Typically, health insurers enter contractual arrangements with selected health care service providers, in part, to minimise the out-of-pocket expenses incurred by members. Insurers negotiate set fees and other terms with those providers in exchange for the right to participate in their 'preferred provider' networks or 'no gap' and 'known gap' schemes.

In the case of a **no gap** arrangement, the participating health care service provider agrees to charge a certain amount for services and the health insurer will fully cover the cost of the relevant medical procedure performed by the participating provider.

In the case of a **known gap** arrangement, the participating provider can charge an amount beyond that which the health insurer will cover, but it is restricted to a capped maximum set by the health insurer.

Gap payments are not needed for most in-hospital services, however the proportion of services without a gap has varied in recent years, as detailed in Figure 10. The proportion of hospital services with no gap declined by 0.2% during the reporting period.²⁷

Figure 10: Proportion of in-hospital services with no gap, June 2019 to June 2023



Source data: APRA, [Statistics: Private health insurance medical gap June 2023](#).

Table 6 shows that in 2022–23, the average gap expense incurred by a policyholder for hospital treatment increased by 7.3% from the previous year. The average gap payment for extras treatment over the same period also increased by 7.3%.²⁸

27 APRA, *Statistics: Private Health Insurance Medical Gap June 2023*, 23 August 2023, accessed 6 October 2023, <https://www.apra.gov.au/sites/default/files/2023-08/Quarterly Private Health Insurance Medical Gap June 2023.xlsx>.

28 APRA, *Statistics: Quarterly private health insurance statistics June 2023*, 23 August 2023, accessed 27 September 2023, https://www.apra.gov.au/sites/default/files/2023-08/Quarterly Private Health Insurance Statistics June 2023_0.pdf.

Table 6: Average gap expense incurred by policyholders (hospital and extras treatments), June quarter 2019 to June quarter 2023

	Hospital treatment	% change from previous year	Extras treatment	% change from previous year
June 2019	\$314.51	1.9%	\$49.20	3.8%
June 2020	\$289.75	- 7.9%	\$50.25	2.1%
June 2021	\$347.53	19.9%	\$52.85	5.2%
June 2022	\$380.48	9.5%	\$54.37	2.9%
June 2023	\$408.38	7.3%	\$58.33	7.3%

Source: APRA, *Quarterly private health insurance statistics*, [June 2019](#), [June 2020](#), [June 2021](#), [June 2022](#) and [June 2023](#).

Medical Costs Finder

The ACCC notes the Department of Health and Aged Care’s Medical Costs Finder website was updated during the reporting period to include searchable information about individual specialists’ fees for common medical services. The Department of Health and Aged Care expects these changes to increase transparency and raise awareness about potential costs for treatments and procedures in Australia and help consumers choose the right specialist for their needs.²⁹

3.7 Insurer collection and use of consumer data

In our last report, we noted the increasing use of wellness apps and rewards programs by health insurers and how the October 2022 Medibank cybersecurity incident highlighted the risks that arise when businesses collect large amounts of sensitive data. In June 2023, APRA announced that it would impose an additional capital adequacy requirement of \$250 million on Medibank to reflect weaknesses identified in its security environment, following its review of Medibank’s cybersecurity incident.³⁰

Some insurers have either created new programs or have continued or expanded existing rewards programs over the reporting period. Such programs typically allow the insurers to access, use or in some cases share consumers’ personal information. This includes Bupa’s launch of its ‘Life Rewards’ member loyalty program in October 2022. The program offers certain members rewards, experiences and discounts.³¹ Bupa’s Life Rewards terms and conditions state that upon redeeming awards or making purchases, Bupa will collect certain information to provide members with a ‘personalised Life Rewards experience’ and for data analytics purposes. Bupa notes it will also share member information with third parties involved in providing Life Rewards, and it may also share this information with related companies within the Bupa Group.³²

29 Department of Health and Aged Care, ‘Medical Costs Finder’, accessed 23 October 2023, <https://www.health.gov.au/resources/apps-and-tools/medical-costs-finder>.

30 APRA, *APRA takes action against Medibank Private in relation to cyber incident*, APRA, June 2023, accessed 9 October 2023, <https://www.apra.gov.au/news-and-publications/apra-takes-action-against-medibank-private-relation-to-cyber-incident>.

31 Bupa, *Bupa launches ‘Life Rewards’ – its supercharged rewards and loyalty program*, 14 October 2022, accessed 9 October 2023, <https://media.bupa.com.au/bupa-launches-life-rewards---its-supercharged-rewards-and-loyalty-program/>.

32 Bupa, *Terms and Conditions of Life Rewards*, accessed 10 October 2023, <https://www.bupa.com.au/life-rewards-terms-and-conditions>.

Medibank has also expanded its Live Better rewards program, partnering with card-linked loyalty technology company ‘Loyalty Now’ in July 2023 to allow its members to link up to five payment cards to their Live Better account to earn points when shopping.³³

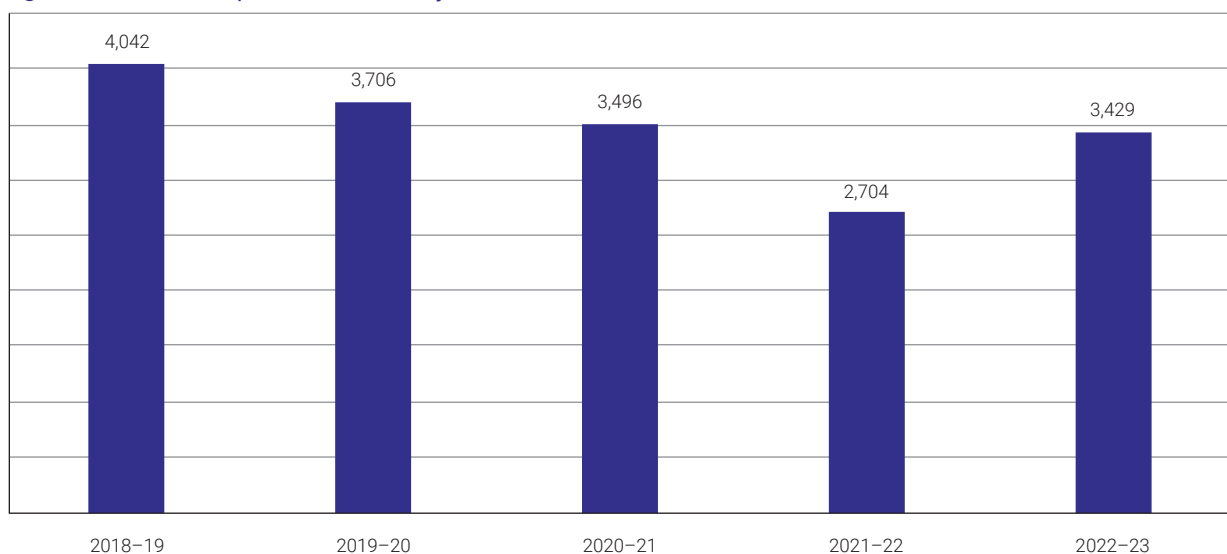
The ACCC reiterates its expectation that private health insurers and other businesses in the health sector should be alive to the sensitive nature of the personal information they may be collecting and using. In this regard, private health insurers should ensure they comply with all their obligations, including those under the ACL and Australian privacy principles and law.

3.8 Consumer contacts about private health insurance

Complaints received by the Private Health Insurance Ombudsman

The main agency handling consumers’ private health insurance complaints is the PHIO. Figure 11 shows that in 2022–23, the PHIO received 3,429 complaints about private health insurance.³⁴ The number of complaints increased by 26.8% from 2021–22, where the PHIO received 2,704 complaints, and returned to a similar number of complaints received in 2020–21 (3,496).³⁵ The PHIO attributed this overall increase to a general uptick in consumer interest in private health insurance after a noticeable dip during the COVID-19 pandemic, as well as specific complaint issues.³⁶

Figure 11: Total complaints received by the PHIO 2018–19 to 2022–23



Source data: Commonwealth Ombudsman annual reports 2018–19, 2019–20 and 2020–21, and Commonwealth Ombudsman Private Health Insurance Quarterly Updates: [1 April to 30 June 2022](#) and [1 April to 30 June 2023](#).

33 itwire, *Loyalty now partners with Medibank to help Australians Live Better*, 11 July 2023, accessed 9 October 2023, <https://itwire.com/guest-articles/company-news/loyalty-now-partners-with-medibank-to-help-australians-live-better.html>.

34 Commonwealth Ombudsman, *Private Health Insurance Quarterly Update: 1 April to 30 June 2023*, accessed 16 October 2023, https://www.ombudsman.gov.au/__data/assets/pdf_file/0011/301205/PHIO-QU-April-June-2023-and-Annual-Summary.pdf, p 6.

35 Commonwealth Ombudsman, *Private Health Insurance Quarterly Update: 1 April to 30 June 2023*, accessed 16 October 2023, https://www.ombudsman.gov.au/__data/assets/pdf_file/0011/301205/PHIO-QU-April-June-2023-and-Annual-Summary.pdf, p 6.

36 Commonwealth Ombudsman, *Private Health Insurance Quarterly Update: 1 April to 30 June 2023*, accessed 16 October 2023, https://www.ombudsman.gov.au/__data/assets/pdf_file/0011/301205/PHIO-QU-April-June-2023-and-Annual-Summary.pdf, p 6.

The PHIO reported that 2,747 of the complaints it received in 2022–23 were about health insurers,³⁷ representing about 80% of total complaints.

PHIO complaints by issue

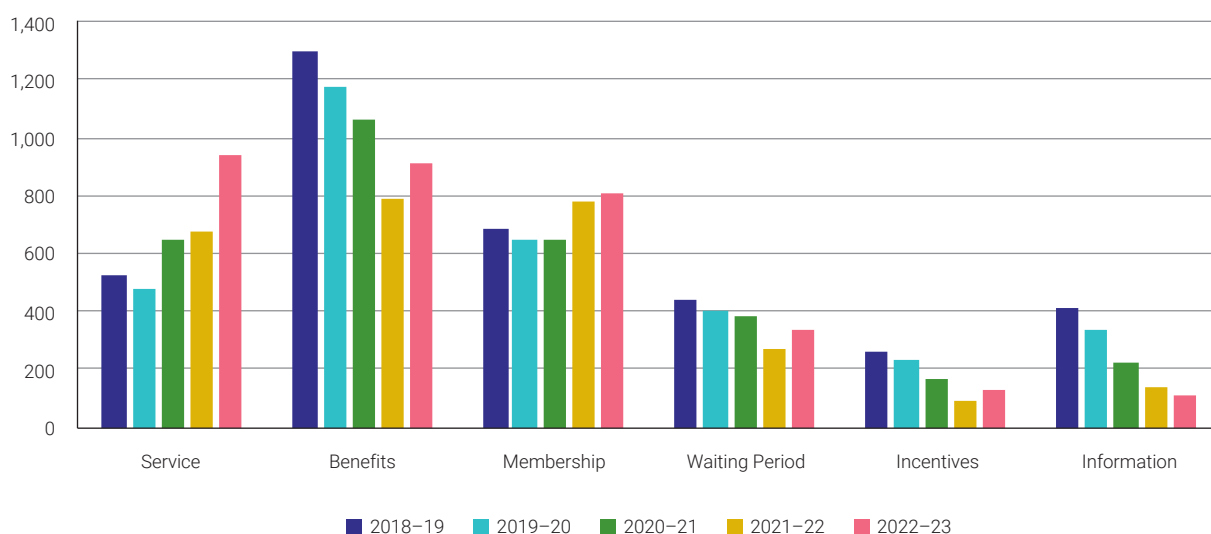
Figure 12 shows that the top 6 categories for complaints to the PHIO were service, benefits, membership, waiting period, incentives and information.

Key issues within these complaint categories include:

- service: customer service advice, service delays, general service issues, premium payment problems
- benefits: general treatment (extras or ancillary benefits), delays in payment, hospital exclusions and restrictions
- membership: cancellation, continuity, clearance certificates
- waiting period: pre-existing conditions, general
- incentives: Lifetime Health Cover, rebates
- information: verbal advice, lack of notifications.

Figure 12 shows that complaints increased in each of the top 5 complaint categories from 2021–22 to 2022–23. Complaints about service, incentives and waiting periods increased by about 40%, 31% and 24% respectively.³⁸

Figure 12: PHIO complaints, by issue, 2018–19 to 2022–23



Source data: Commonwealth Ombudsman Private Health Insurance Quarterly Bulletins [91 \(2018–19\)](#), [95 \(2019–20\)](#) and [99 \(2020–21\)](#), and Commonwealth Ombudsman Private Health Insurance Quarterly Updates [103 \(2021–22\)](#) and [107 \(2022–23\)](#).

Our previous report noted that the PHIO received 308 complaints in the June 2022 quarter from students experiencing cancellation problems in relation to Peoplecare Health Limited Overseas

³⁷ Commonwealth Ombudsman, *Private Health Insurance Quarterly Update: 1 April to 30 June 2023*, accessed 16 October 2023, https://www.ombudsman.gov.au/__data/assets/pdf_file/0011/301205/PHIO-QU-April-June-2023-and-Annual-Summary.pdf, p 2.

³⁸ Commonwealth Ombudsman, *Private Health Insurance Quarterly Update: 1 April to 30 June 2023*, accessed 16 October 2023, https://www.ombudsman.gov.au/__data/assets/pdf_file/0011/301205/PHIO-QU-April-June-2023-and-Annual-Summary.pdf, p 2.

Student Health Cover (OSHC) policies administered by Allianz Care Australia.³⁹ The majority of these complaints reportedly involved delays accessing refunds for OSHC policies unused due to border closures. The PHIO has reported that this issue continued into 2022–23.⁴⁰

The PHIO also reported receiving 186 complaints in 2022–23 about Medibank related to confidentiality and privacy issues, almost all relating to Medibank’s October 2022 cybersecurity incident.⁴¹ For context, the PHIO received only 4 complaints about confidentiality and privacy in 2021–22.⁴²

Contacts to the ACCC about private health insurance

The ACCC and state and territory fair trading agencies also receive consumer contacts (enquiries and reports) about the private health insurance industry. However, the ACCC is not a dispute resolution body and does not generally receive many contacts about private health insurance.

In 2022–23, the ACCC received 173 contacts about private health insurance. This represented a 26.3% increase from the previous financial year, when 137 contacts were received. Most private health insurance contacts related to consumer protection issues, and 42% of contacts concerned potential false misrepresentations or misleading conduct.

39 ACCC, *Private health insurance report 2021–22*, 1 December 2022, <https://www.accc.gov.au/about-us/publications/serial-publications/private-health-insurance-reports/private-health-insurance-report-2021-22>, p 29.

40 Commonwealth Ombudsman, *Private Health Insurance Quarterly Update: 1 April to 30 June 2023*, accessed 16 October 2023, https://www.ombudsman.gov.au/_data/assets/pdf_file/0011/301205/PHIO-QU-April-June-2023-and-Annual-Summary.pdf, p 6.

41 Commonwealth Ombudsman, *Private Health Insurance Quarterly Update: 1 April to 30 June 2023*, accessed 16 October 2023, https://www.ombudsman.gov.au/_data/assets/pdf_file/0011/301205/PHIO-QU-April-June-2023-and-Annual-Summary.pdf, p 6.

42 Commonwealth Ombudsman, *Private Health Insurance Quarterly Update: 1 April to 30 June 2023*, accessed 16 October 2023, https://www.ombudsman.gov.au/_data/assets/pdf_file/0011/301205/PHIO-QU-April-June-2023-and-Annual-Summary.pdf, p 6.

4. ACCC enforcement action and competition exemptions

This chapter summarises recent ACCC enforcement action and developments regarding competition exemptions.

4.1 ACCC enforcement action

Health Insurance Comparison Choosewell

On 6 September 2022, the ACCC announced⁴³ that health insurance comparison business Health Insurance Comparison Choosewell Pty Ltd (HICC) had admitted breaching the ACL by failing to inform consumers of their termination rights, including a 10 business day cooling-off period, when entering into unsolicited consumer agreements for private health insurance.

HICC engaged businesses as third party lead generators to initiate unsolicited contact by telephone with consumers on its behalf before negotiating agreements with those consumers for the supply of health insurance services by a partnered insurance provider.

HICC admitted that it entered into unsolicited consumer agreements without informing consumers verbally and in writing of their rights under the ACL to terminate the contract, how they could terminate the contract, and that the health insurance provider was not allowed to seek payment until after the 10 business day cooling-off period.

The ACCC has accepted a three-year court-enforceable undertaking⁴⁴ from HICC in which HICC commits to not entering into unsolicited sales contracts without giving consumers verbal and written information about their termination rights, to notify the relevant health insurance provider that the contract resulted from an unsolicited consumer agreement, and to implement a compliance program focusing on the ACL requirements for unsolicited consumer agreements. HICC has also paid a penalty of \$13,320 following the issuing of an infringement notice by the ACCC for failing to give a consumer information relating to their termination rights.

SmileDirectClub

On 11 November 2022, the Federal Court ordered⁴⁵ SmileDirectClub Aus Pty Ltd and its US parent company, SmileDirectClub LLC (together, SmileDirectClub) to pay penalties of \$3.5 million, following ACCC action. SmileDirectClub had admitted that between May 2019 and October 2020, it made false and misleading statements about private health insurance reimbursement for aligner treatment, in contravention of the ACL.

43 ACCC, *HICC failed to tell consumers of cooling-off period in unsolicited sales of private health insurance*, media release, 6 September 2022, <https://www.accc.gov.au/media-release/hicc-failed-to-tell-consumers-of-cooling-off-period-in-unsolicited-sales-of-private-health-insurance>.

44 A copy of the undertaking is available at <https://www.accc.gov.au/public-registers/undertakings-registers/health-insurance-comparison-choosewell-pty-ltd>.

45 ACCC, *SmileDirectClub to pay \$3.5m for misleading claims about health insurance reimbursement for teeth aligners*, media release, 11 November 2022, <https://www.accc.gov.au/media-release/smiledirectclub-to-pay-35m-for-misleading-claims-about-health-insurance-reimbursement-for-teeth-aligners>.

SmileDirectClub's statements represented to consumers that they may be eligible for a reimbursement for SmileDirectClub aligners and associated treatment from their private health insurer. However, the vast majority (98.5% of the market) of Australian private health insurance companies did not provide coverage for the costs of SmileDirectClub's aligner treatment. SmileDirectClub conveyed this information via email, text messages, printed information cards, and on its website. In the relevant period, at least 26,300 consumers signed up for SmileDirectClub's aligner treatment, at the cost of between \$2,499 and \$3,155.

The Court also ordered SmileDirectClub to compensate affected consumers, to implement a compliance program, and to pay a contribution to the ACCC's costs.

4.2 Competition exemptions

Review application withdrawn regarding authorisation for a collective buying group to negotiate with healthcare providers

On 29 July 2022, the Australian Competition Tribunal gave the Rehabilitation Medicine Society of Australia and New Zealand Ltd (RMSANZ) and the National Association of Practising Psychiatrists (NAPP) leave to withdraw their October 2021 applications for review of the ACCC's 21 September 2021 final determination granting authorisation to Honeysuckle Health Pty Ltd and NIB to form and operate a health service buying group.⁴⁶ This leave was given following a settlement deed that was executed between the review applicants, the Australian Medical Association (AMA) (which had successfully sought leave to intervene in the review proceedings), and Honeysuckle Health.

Authorisation granted regarding Health Partners Limited and its partner dental practices in regional South Australia

On 10 August 2023, the ACCC granted a 5 year authorisation to Health Partners Limited to enter into and give effect to certain pricing arrangement provisions with dentists and dental practices in regional South Australia.⁴⁷ These provisions require participating dental practices to cap the maximum prices for certain routine dental services provided to Health Partners' members, including preventative and diagnostics services, and ensure that Health Partners' members are charged no more than the practices' usual fee schedule for other patients.

46 Applications for review of Honeysuckle Health Buying Group authorisation determination (No 2) [2022] ACompT 4, https://www.competitiontribunal.gov.au/home/decisions?sq_content_src=%2BdXJsPWh0dHBzJTnBJTJGJTJGd3d3Lmp1ZGdtZW50cy5mZWRjb3VydC5nb3YuYXUIMkZqdWRnbWVudHMIMkZkdWRnbWVudHMIMkZ0cmliidW5hbHMIMkZhyY29tchQIMkYyMDlyJTJGMjAyMmFjb21wdDAwMDQmYWxsPTE%3D.

47 A copy of the authorisation is available at <https://www.accc.gov.au/public-registers/authorisations-and-notifications-registers/authorisations-register/health-partners-limited>.

Authorisation proposed to be granted regarding HCF's More For Teeth Program

On 20 October 2023, the ACCC issued a draft determination proposing to grant authorisation for 5 years to HCF to enter into and give effect to certain price capping provisions in agreements with dentists who participate in its 'More For Teeth Program' in the same local catchment areas that HCF owns and operates dental clinics.⁴⁸ Interim authorisation was also granted in May 2023.⁴⁹

48 ACCC, *ACCC proposes to authorise pricing arrangement provisions for The Hospitals Contribution Fund of Australia Limited*, media release, 20 October 2023, <https://www.accc.gov.au/about-us/media/media-updates/accc-proposes-to-authorise-pricing-arrangement-provisions-for-the-hospitals-contribution-fund-of-australia-limited>.

49 A copy of the interim authorisation is available at <https://www.accc.gov.au/public-registers/authorisations-and-notifications-registers/authorisations-register/the-hospitals-contribution-fund-of-australia-limited>.

