

Our Code

ISSUE 5 OCTOBER 2014 CODE COMPLIANCE COMMITTEE – PRIVATE HEALTHCARE AUSTRALIA



Letter from our new Chairman

My first duty as the new chair of the Code of Conduct Code Compliance Committee (CCC) is to pay tribute to my predecessor, Rob Seljak. Rob held the position from 2008 until March

this year and did an outstanding job. Rob was a very active and robust chair and the industry and the Code of Conduct is better for his contribution. Thanks Rob.

The current CCC is comprised of the following industry participants, with both PHA and hirmaa representation:

Ron Wilson (hirmaa – Navy Health) Chair
Chris Williams (PHA – St Luke's)
Byron Gregory (PHA – Health Partners)
Matthew Hall (Independent Member)

In addition, Amanda Hagan (PHA – Australian Unity) and Michael Bassingthwaight (hirmaa – Peoplecare) serve

as alternate members. Rob Bransby (PHA President – HBF) is an ex-officio member of the committee.

The Committee is supported by:
Wayne Cooper (Independent Auditor)
Greg Kovacs (PHA) Secretary

The Committee meets at least three times each year to monitor the ongoing compliance with the Code. All but three private health insurers in Australia are signatories to the Code demonstrating the strong commitment by the industry to protecting the rights of our policyholders and enhancing the reputation of our industry.

This newsletter covers recent developments with regard to Transfer Certificates. I cannot emphasize more strongly that our industry must get this right. If we don't, there is the

very strong risk of reputational damage – at both a consumer and government level.

From 1 July 2014, we are operating under a revised Code of Conduct and version 5 of the Self-Audit Guide. Our independent auditor, Wayne Cooper, is always available to assist any Fund with these issues. Specifically, Wayne is willing to offer advice regarding new websites, apps and/or brochures.

Thanks for your continuing support of the Code.

RON WILSON, Chair
Code Compliance Committee



Compliance Issues

Transfer Certificates

The Committee has noted that significant positive progress has been made on developing industry standards for the issue of Transfer Certificates. The PHA working group have made excellent progress and updated fund contact information can be found [here](#).

- All funds have agreed to communicate via email both to request a certificate of another fund and to issue certificates on request of another fund
- One point of contact has been established for each fund and one escalation point established in the event that certificates may be overdue or other issues identified.

It is essential to check on a regular basis that your funds contacts are complete and current, as our independent auditor, when assessing compliance, will review this information.

The following suggestions are made in regard to Transfer Certificates

- Version 5 of the Self-Audit Guide contains a new requirement for an internal process. When looking at internal processes for the issue of transfer certificates, it is essential to assume that it is impossible to issue every certificate within the required 14

days of receipt of a request. The inability to issue a certificate may be because of the need to obtain further information from a member, the need to obtain certain authority from the member or a change in the decision process that comes to light following contact with the member by your fund. Unavoidable processing delays will often result. Therefore, your fund's written process should include these exceptions. In addition, your process should also include advising your fund's escalation point of any inability to issue a certificate. Remember, a written process for handling exceptions is a requirement for compliance from 1 July 2014.

- If, because of the need to obtain further information, a certificate cannot be issued within the 14-day period, a fund should advise the requesting fund (and/or consumer) accordingly. This advice should be directed to the requesting fund's normal channel for receiving certificates.
- A fund receiving advice that a certificate has been delayed should ensure the advice is either identified on any list or communication of outstanding certificates to other funds or omitted from the first follow up list. This will avoid unnecessary double-checking.

For further information, questions or suggestions please email: code@pha.org.au

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Version 5 Code and Self-Audit Guide

Changes to the PHI Code of Conduct and Self-Audit Guide came into effect from 1 July 2014. All auditing programs have now incorporated these changes. Details were set out in *Our Code* Edition 4; details are available in the Code of Conduct Portal [here](#) (login required)

Tools available to funds from the PHA website to assist in introducing changes contained in Version 5 of Self-Audit Guide and Code are as follows;

- The Code of Conduct Portal/Code of Conduct Documents for Funds contains details of the changes to Version 5 in a PowerPoint template that can be customised for your fund.
- The portal also contains a PowerPoint template that can be customised to your fund and used to introduce new employees to the PHI Code of Conduct.

Please contact Wayne Cooper if you require clarification in implementing any of the changes.



PLEASE NOTE – The Self-Audit Guide question C8-3 contains a link to 'Insure/Not Sure', which is now out of date. PHIO has been contacted and will advise further.

Trends in Auditing

A new focus on mobile websites and apps

Changes to the way we communicate with consumers will continue to evolve. Presently, many funds are embracing mobile technology via mobile friendly websites or fund specific apps.

When addressing compliance with the Code, view these emerging channels in the same way as your main website. That is, they need to provide the same information but in an abridged format to suit the channel. It may not be too long before we, as an industry, are using social media to generate new business so we have to think how we can provide accurate and informative information that will benefit consumers and our organisations. Please ensure your fund's channel managers are aware of the requirements.

Contact Wayne Cooper for any questions you may have.



The importance of ensuring new consumers and upgrading members are always advised in advance of information that limits their cover.

The Committee's goal is always to work through the Code to ensure fund members are as fully informed as possible of their cover, and importantly, any limitations to that cover. To achieve this, the Code focuses on the joining or upgrading process as well as your welcome letter.

We again stress the importance of thinking about how to ensure a new member or transferring member is advised specifically of information that may limit their cover both before they join or change cover and after this has occurred. Information that may limit cover is described in the Code as *waiting periods, pre-existing conditions, exclusions, restrictions, benefit limitation periods, excesses, co-payments and (extras) limits*. This information may be provided: orally by phone or face-to-face; online via your normal website, mobile site, mobile app or member only section; or by completing an application form either by download or provided hard copy.

Note that we have included reference to a fund's 'members only' section of a website or members only app. These portals should be reviewed to ensure they comply in a similar way to other channels.



Description of pre-existing condition

The description of a pre-existing condition is set out in the publication Best Practice Guidelines for Pre-existing Condition found [here](#).

This description includes the important, and often overlooked, qualification " *...in the opinion of a medical practitioner appointed by the health fund...*". Omitting the qualification may lead to an increase in complaints.

The incorrect description also appears in some PHIO publications, which are presently being amended.

