



Australian Government

**Private Health Insurance
Administration Council**

Circular

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FLUCTUATION IN RISK EQUALISATION- DECEMBER 2007 AND MARCH 2008

Medibank Private has advised PHIAC that, following the implementation of a new claims processing system, they have experienced an anticipated build up of unprocessed hospital claims. At the end of December these additional unprocessed claims equated to approximately one week's usual claims processing activity. This will decrease the processed hospital claims being reported in the December 2007 quarter for Medibank Private. There will be a catch up in claims processed in the March 2008 quarter. This will impact the risk equalisation results for the December and March quarters. Insurers should take this fluctuation into account in regard to estimating their own payments to, or receipts from, the Risk Equalisation pool.

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