



Australian Government

**Private Health Insurance
Administration Council**

Circular

Circular No 08/10

Replaces Circular: 08/05

15 April 2008

FLUCTUATION IN RISK EQUALISATION- MARCH 2008 AND JUNE 2008

In Circular 08/05 Insurers were informed that 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 March 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 March 2008 quarter for Medibank Private. There will be a catch up in claims processed in the June 2008 quarter. This will impact the risk equalisation results for the March and June 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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