

Guidelines and Audit Programs for PHIAC 1

June 2008 Amendments

| Section | Page | Edit |
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| 2 Guidance Notes | 9 | <p>The following clarification on classifying Hospital Treatment Only and Hospital Treatment and General Treatment Combined has been added, explaining that the ambulance component of policies previously classified as hospital only is a general treatment component.</p> <p>Private health insurers will need to ensure that their systems classify hospital treatment policies that also cover ambulance transport as Hospital Treatment and General Treatment Combined. Prior to 1 April 2007 those policies that covered hospital treatment and included a component for ambulance transport but no other general treatment were classified as hospital treatment only, but the ambulance component is defined under the Act as general treatment.</p> |
| 2 Guidance Notes | 11 | <p>The wording explaining the High Cost Claimants Pool has been changed slightly to provide clarification. Reference is provided to an example in PHIAC Circular 08/04</p> <p>High Cost Claimants Pool</p> <p>This section includes the number of HCCP claimants in the current quarter, the gross benefits paid for current and preceding three quarters (for HCCP claimants related to current quarter), the net benefits paid for current and the preceding three quarters for HCCP claimant after age based pooling (related to current quarter claimants), the net benefits above threshold for current and preceding three quarters (for HCCP claimants related to current quarter) and total benefits to be included in HCCP for the current quarter.</p> <p>PHIAC Circular 08/04 provides examples of the calculation of benefits to be included in the HCCP</p> |
| 2 Guidance Notes | 12 | <p>Clarification that Part 6 of the PHIAC 1 form is to include total persons with General Treatment policies and only to include general treatment benefits from Part 9</p> <p>This section of the return is to be completed for all persons insured for general treatment including persons covered for hospital-substitute treatment, CDMP and ambulance only. The persons covered should be as at the end of the quarter and will agree with the insured persons in part 1 of the return. Benefits should agree with total general treatment benefits in part 9 of the return.</p> |
| 2 Guidance Note | 13 | <p>In explaining the General Treatment claims processing indicator words have been added to explain that the percent of claims processed within five working days is calculated based on risk equalisation jurisdictions not on national data.</p> |

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| <p>8 Cross Reference Checklist Policies and Insured Persons</p> | <p>78</p> | <p>Words added to clarify reporting of Hospital Treatment Only policies and persons Do the policies and persons reported as Hospital Treatment Only exclude policies that have a component covering ambulance transport. Those policies should be reported as Hospital Treatment and General Treatment Combined</p> |
| <p>8 Cross Reference Checklist Total CDMP</p> | <p>79</p> | <p>Changed “days” to “programs” Agree the total number of programs and benefits paid to the benefits records of the insurer which have been audited. Do the amounts agree?</p> |
| <p>8 Cross Reference Checklist High Cost Claimants Pool</p> | <p>80</p> | <p>Clarification of HCCP calculation This section shows the number of HCCP claimants in the current quarter, the gross and net benefits paid for the current and preceding 3 quarters for HCCP claimants related to current quarter claimants, the net benefits above threshold for the current and preceding 3 quarters for HCCP claimants related to current quarter claimants and the total benefits to be included in the HCCP for the current quarter. Agree the total number of claimants and benefits paid to the benefits records of the insurer which have been audited. Do the amounts agree? See PHIAC Circular 08/04 for examples of benefits to be included in the HCCP</p> |
| <p>8 Cross Reference Checklist High Cost Claimants Pool</p> | <p>84</p> | <p>Clarifies that the General Treatment processing indicator is to be calculated on a state basis This table shows the percent of general treatment claims processed (excluding hospital substitute and CDMP) within five working days by risk equalisation jurisdiction (state)</p> |
| <p>8 Cross Reference Checklist Retention Index</p> | <p>84</p> | <p>Clarifies that the retention index is on a national basis Agree the percent shown to the calculation [Policies at end of reporting quarter less policies joining over previous eight quarters including the reporting quarter divided by policies at end of quarter nine quarters previously] This is a national calculation, not by risk equalisation jurisdiction</p> |