



# CHANGES TO BENEFITS POLICY

## 1. PREFACE

To ensure prudent administration, risk management and governance Police Health maintains a register of Board of Director approved policies.

The Board of Directors, where appropriate, has approved policies to delegate their authority or provide guidance to appropriate employees.

These policies are reviewed regularly, but not later than the determined policy 'review date'.

## 2. INTRODUCTION

This policy is to be used as a guideline for providing information to members on any changes to benefits. This information will be in plain language and in a format aimed to assist comprehension by members in a timely manner.

Changes to benefits have been classified into the following categories:

- i. significant detrimental changes to hospital policy benefits;
- ii. other detrimental changes to hospital policy benefits other than significant detrimental changes;
- iii. significant detrimental changes to ancillary policy benefits;
- iv. other detrimental changes to ancillary policy benefits other than significant detrimental changes.

There may have to be some flexibility to deal with special or unusual circumstances on a case by case basis. For example, the policy may not apply to changes imposed outside the control of Police Health.

While not constituting a change to hospital benefits for the purpose of this policy, changes to hospital contracting arrangements between Police Health and a hospital can affect a member. Requirements for notification of members of such changes and transition arrangements are included in the relevant agreements and the Code of Conduct for Health Benefit Fund and hospital negotiations.

## 3. DEFINITIONS

*Board of Directors* means those persons appointed as Directors of Police Health when meeting formally in relation its Corporate Governance.

*Chief Executive Officer* means the person appointed by the Board of Directors to give effect to the Board's decisions.

*The Management Team* means the Chief Executive Officer and persons under the direct leadership of the Chief Executive Officer.

## 4. POLICY

### 4.1 Commitment

Police Health understands and recognises the members' right to receive notification of detrimental changes to their level of cover within in a reasonable time prior to such changes coming into effect. We

are committed to improve the quality of our products, services and processes so that members' satisfaction is increased and member complaints are kept to a minimum.

## 4.2 Changes to Benefits Procedure

### 4.2.1 Significant detrimental changes to hospital policy benefits

A significant detrimental change to hospital policy benefits includes:

- a) removal of material benefits or restriction to default benefits for any identified condition;
- b) additional of material excesses/co-payments; and
- c) increases in excesses/co-payments greater than 50%.

Where there is a significant detrimental change to hospital benefits, the following shall apply:

- a) Police Health shall provide the affected members with at least 60 days' notice;
- b) Police Health shall not apply the changes to pre-booked admissions; and
- c) transitional measures shall be put in place for patients in a course of treatment for a reasonable time period, depending upon the nature of the episode of care, of up to six months.

### 4.2.2 Other detrimental changes to hospital policy benefits other than significant detrimental changes

For detrimental changes to hospital policy benefits other than significant detrimental changes, the following shall apply:

- a) Police Health shall provide the affected members with at least 30 days' notice;
- b) Police Health shall not apply the changes to pre-booked admissions; and
- c) transitional measures shall be put in place for patients in a course of treatment for a reasonable time period, depending upon the nature of the episode of care, of up to three months.

### 4.2.3 Significant detrimental changes to ancillary policy benefits

A significant detrimental change to ancillary policy benefits includes:

- a) introduction of a new limit or sub-limit; and
- b) a greater than 50% reduction in any limit.

For significant detrimental changes to ancillary benefits, the following shall apply:

- a) Police Health shall provide the affected members with at least 30 days' notice; and
- b) transitional measures shall be put in place for rollover type benefits accumulated in a previous year.

### 4.2.4 Other detrimental changes to ancillary policy benefits other than significant detrimental changes

For other significant changes to ancillary policy benefits other than significant detrimental changes Police Health undertakes to provide affected members with appropriate notification depending upon the severity of the detrimental change.

Date Policy Approved	08/03/2006
Policy Review Date	08/03/2009

#### **References:**

*National Health Act 1953*  
*Health Insurance Act 1973*  
*Anti-discrimination Act 1977*  
*Trade Practices Act 1974*  
*National Privacy Principles*  
*Private Health Insurance Code of Conduct*  
*Code of Conduct for Health Benefit Fund and Hospital Negotiations*