

# Fact Sheet

## Agreement between the ACCC and Bupa Health Insurance



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### Quick read

- The ACCC has announced it is taking legal action against Bupa Health Insurance for contraventions of the Australian Consumer Law.
- The matter relates to two sub-categories of hospital and medical claims – ‘mixed coverage’ and ‘uncategorised item’ claims, and related eligibility checks. In some instances, these claims were incorrectly rejected or assessed by Bupa.
- Of the 34 million hospital and medical claims Bupa received between May 2018 and August 2023 (the relevant period), less than 0.02% have been identified as affected mixed coverage claims and less than 0.004% have been identified as affected uncategorised item claims.
- While in the vast majority of cases, we get things right, in these instances we did not. We know this is not good enough and we’re committed to doing better.
- We’re deeply sorry for our failure to get this right and have strengthened our governance and internal processes, improved our ways of working and introduced additional training for our people.
- Bupa has been cooperating with the ACCC and is compensating identified affected customers and providers.
- Our priority now is to ensure any other affected customers and providers are identified, reviewed, and compensated as appropriate.

### Bupa and the ACCC reach agreement

The *Australian Competition and Consumer Commission (ACCC)* has announced it is taking action against Bupa’s Australian Health Insurance business for contraventions of the Australian Consumer Law.

In some instances, Bupa incorrectly assessed claims belonging to two sub-categories of hospital and medical claim types – ‘mixed coverage’ and ‘uncategorised item’ claims, and related eligibility checks – made between 1 May 2018 and 31 August 2023.

Bupa incorrectly rejected some mixed coverage claims and advised some health insurance customers that they would not be covered for their mixed coverage claim treatment, when in fact their hospital policy did cover one or more parts of their treatment.

Bupa also wrongly rejected some uncategorised item claims – these are claims for treatment of a member which included at least one item for which a member was eligible for benefits under their policy and at least one item which was not linked to a clinical category in our claims assessment systems.

As part of the agreement with the ACCC, Bupa has admitted that its conduct was false, misleading or deceptive and certain actions were unconscionable in contravention of the Australian Consumer Law. As a result of this conduct, Bupa has agreed with the ACCC to jointly propose to the Federal Court a penalty of \$35 million and continue its work to identify and compensate affected customers and providers and continue to uplift compliance.

## Apology

We're deeply sorry for our failure to get this right in these instances and we are saddened by any impact this may have had on our affected customers and our health insurance provider community. Our priority has been to identify and compensate affected health insurance customers and providers, and to take steps to improve our systems and processes, to help ensure this does not occur again.

## Our commitment to getting it right

Bupa pays out about 20 million claims (including six million hospital and medical claims) every year. In the vast majority of cases, we get things right. In this instance, we did not and we know this is unacceptable. We're committed to doing better.

Although we have contacted and compensated almost all customers and providers identified to date, we are asking our current and former health insurance customers and providers to contact us if they believe their eligibility check or claim for health insurance benefits under their hospital policy may have been incorrectly assessed between 1 May 2018 and 31 August 2023, and we will review their case. To request a case review, please visit our website at [www.bupa.com.au/mixedcoverage](http://www.bupa.com.au/mixedcoverage), or contact us on **134 135**, or visit us in store.

## What are we doing to fix the issue?

We want to reassure customers and providers that we are committed to ensuring they get the right advice and the benefits to which they are entitled. We are taking steps to understand and fix the issue including making changes to the way we work, and improving our systems and processes to help ensure that we're correctly assessing mixed coverage and uncategorised item claims and eligibility checks. We are continuing to work hard to protect and strengthen our operations.

## What is mixed coverage?

**Mixed coverage** is when a health insurance customer's policy covers some, but not all, aspects of their care during a hospital admission.

## What is an uncategorised item claim?

An **uncategorised item claim** is a claim for treatment of a member which included at least one item for which a member was eligible for benefits under their policy and at least one item which was not linked to a clinical category in our claims assessment systems. Pre-defined **clinical categories** form the basis of each tier of Australian private health insurance hospital cover.

For more information, visit our website at [www.bupa.com.au/mixedcoverage](http://www.bupa.com.au/mixedcoverage)

