



## **ACCUSATIONS AGAINST NIB**

NIB Holdings has been accused of unconscionable, misleading and deceptive conduct by the Australian Competition and Consumer Commission (ACCC) – according to reports in The Age, The Herald Sun and The Australian of 31 May 2017.

Investors lobbed 5.5% off NIB's share price following the announcement by ACCC on Tuesday 30 May. The ACCC is alleging that NIB decided to remove certain eye procedures from being comprehensively covered by its Medigap scheme – including those who had previously undertaken treatments and would likely need to undertake them again.

Making the claims against NIB all the more sinister the ACCC is alleging that when a doctor at Newcastle Eye Hospital attempted to inform patients of the upcoming changes to their benefits, NIB contacted the hospital to request a commitment that its medical practitioners not communicate with NIB members or the media about the Medigap change.

Meanwhile, a negative analyst report from Credits Suisse says earnings in the private health care sector are unsustainable.

As dental procedures make up approximately 50% of private health insurance extras cover, dentists have every right to be worried that health funds will make unannounced changes to benefits schedules. This reinforces the overall concern that across the health insurance industry extras cover only pays 78% of premiums in benefits. It appears that health funds regard extras cover as being a piggy bank which can cross subsidise their far more risky hospital cover.

Australians have every right to be suspicious of health funds and with recent confirmation that average wages in the community are rising below CPI there is little wonder that health fund members are questioning whether they get value for money. In the case of extras cover it's pretty clear that they don't.

Regards to all dentists,

**GRAHAM MIDDLETON**

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### **SYNSTRAT SERVICES**

**Synstrat provides Accounting, Financial Services, Business Advice, Financial Advice and practice valuation services to Dentists.**

**Contact Graham Middleton or if I am immediately unavailable, Jenny O'Brien on (03) 9843 7777 who will arrange a time to discuss. We will then contact you to discuss your needs. Obviously if significant services are involved, then charges will apply. These include fees for consultations with Graham Middleton once the need is defined.**

**We are happy to discuss our charges on contact**