

# Using Behavioural Insights in Consumer Advocacy and Policy Making

Erin Turner

# CHOICE is part of a wider consumer movement



# We rely on behavioural economics

Recent key studies:

- [Disclosure documents don't help people find better insurance](#) - Financial Rights Legal Centre with Monash Professors Justin Malbon and Harmen Oppewal
- [Cooling-off periods for consumers don't work](#) - Consumer Action with Deakin University Professor Paul Harrison
- [Confident, but Confounded: Consumer Comprehension of Telecommunications Agreements](#) - ACCAN with Deakin University Professor Paul Harrison, Laura Hill and Charles Gray

But can't engage with research as much as we'd like



# Advocating for industry and government to test disclosure interventions

**Problem:** ownership influences mortgage broker recommendations.

- Brokers send 80% of borrowers to four preferred lenders
- CBA received 37.3% of Aussie Home Loans (owned by CBA); its overall market share is 20.9%.

**Solution** (that industry could stomach): Mortgage broker groups have committed to disclosing ownership. Industry now carrying out customer testing of disclosure formats and standards

# Adding B.E.(ish) data to debates where we can

## Health insurance disclosure

### UX insights

#### Survey data

*"Last time I went to hospital, about six years ago, for some stents to be put in for a heart problem, the cardiologist told me my policy didn't cover heart disease."*

*"LHC base day - I don't even know what that is. I suppose it's tax jargon. It'll be good to know what it realistically means in dollars terms"*

Table: Q16A. Please select what you found difficult when comparing different health insurance policies. (N=325)

	%
Difficulties comparing policies side by side	69% ↑
Difficulties comparing out-of-pocket costs if I were to go to hospital	54% ↑
Information from insurers not set out consistently	53% ↑
Difficulties comparing extras rebates	53% ↑

# Challenge - we're one voice in the policy process

- Industry opposition given greater weight than independent evidence.
- Conflicted evidence not critiqued - the policy cycle model applied uncritically let's industry groups buy evidence and results.



# That's how we get outcomes like this....

Current PHI disclosures - one page

Proposed new disclosure - four pages

Private Health Insurance Standard Information Statement - Hospital Policy	
<p>This Statement provides basic information for the purposes of comparison only. For full explanation of this hospital policy please contact the health insurer on 132331 or visit <a href="http://medibank.com.au">http://medibank.com.au</a>.</p> <p>HEALTH INSURER: <b>Medibank Private Limited</b> WHO IS COVERED: <b>One adult</b>            PRODUCT NAME: <b>Core Hospital</b> MONTHLY PREMIUM: # <b>\$106.00</b> (before any rebate or loading)            AVAILABLE FOR: <b>Residents of NSW &amp; ACT</b> MEDICARE LEVY SURCHARGE: <b>Exempt</b></p> <p># You may be entitled to an Australian Government rebate on this premium. Your premium may include a Lifetime Health Cover loading and/or an insurer discount depending on your individual circumstances. Check with your insurer for more details.</p>	
<p><b>WHAT'S COVERED IF I HAVE TO GO TO HOSPITAL?</b></p>	<ul style="list-style-type: none"> <li>✓ Hospital treatment, including accommodation as a private patient in a private or public hospital</li> <li>✓ Doctors' bills in hospital (see below)</li> <li>✓ Comprehensive cover for ambulance (see insurer for details) - 1 day waiting period applies</li> </ul>
<p><b>WHAT SERVICES ARE NOT COVERED AT ALL?</b> (Exclusions)</p>	<ul style="list-style-type: none"> <li>✗ Cardiac and cardiac related services</li> <li>✗ Cataract and eye lens procedures</li> <li>✗ Pregnancy and birth related services</li> <li>✗ Assisted reproductive services</li> <li>✗ Joint replacements ie shoulder, knee, hip and elbow, including revisions</li> <li>✗ Dialysis for chronic renal failure</li> <li>✗ Gastric banding and related services</li> <li>✗ Non-cosmetic plastic surgery</li> <li>✗ Hospital treatment for which Medicare pays no benefit eg most cosmetic surgery</li> <li>✗ Other services (see insurer for details)</li> </ul>
<p><b>WHAT SERVICES ARE ONLY COVERED TO A LIMITED EXTENT?</b> (Restrictions, Benefit Limitation Periods)</p>	<p>You are not fully covered for:</p> <ul style="list-style-type: none"> <li>● Rehabilitation</li> <li>● Psychiatric services</li> </ul> <p><i>No benefit limitation periods</i></p>
<p><b>HOW LONG ARE THE WAITING PERIODS FOR NEW AND UPGRADING MEMBERS?</b></p>	<ul style="list-style-type: none"> <li>● 2 months for palliative care, rehabilitation and psychiatric treatment</li> <li>● 12 months for treatments relating to other pre-existing ailments</li> <li>● 2 months for all other treatments</li> </ul>
<p><b>WILL I HAVE TO PAY ANYTHING IF I GO TO HOSPITAL?</b> (Excesses, Co-payments, Medical/Hospital gaps)</p>	<p><b>EXCESS:</b> You will have to pay an excess of \$500 per admission. This is limited to a maximum of \$500 per person per year.</p> <p><b>EXTRA COST PER DAY (CO-PAYMENTS):</b> No co-payments</p> <p><b>DOCTORS' AND HOSPITAL BILLS:</b> Almost 9 out of 10 medical services paid for by this health insurer in NSW &amp; ACT have no out-of-pocket expenses. This insurer also has arrangements that may mean lower out-of-pocket expenses on doctors' bills. You may also have to pay other costs depending upon:</p> <ul style="list-style-type: none"> <li>● the doctor(s) chosen</li> <li>● the treatment you are having</li> <li>● the hospital you go to</li> </ul> <p><b>Before you go to hospital, you should ask your doctor, hospital and health insurer about any out-of-pocket costs that may apply to you.</b></p>
<p><b>WHAT OTHER FEATURES DOES THIS POLICY HAVE?</b></p>	<p>Cover for thousands of MBS services. Includes an accident override, services which are normally restricted or excluded will be Included where you require hospital treatment as the result of an accident that occurred after joining this cover, refer to Member Guide for details.</p>

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