



→ MANAGING DIRECTOR'S REPORT

This financial year was a year of change, challenges and successes for HIC. Our Business Improvement Program continued to gather momentum and build a framework for our future business processes, and we also started to explore new functions and prepare for the introduction of new programs such as Medical Indemnity.

Our Business Improvement Program has been designed to take advantage of emerging technology to improve the service we offer our customers, especially the channels our customers use to do business with us. This year saw a number of our business improvement initiatives successfully implemented. For example, the information technology architecture has been developed which allows online applications such as HIC Online, PBS online services, eAuthorities and MediConnect to provide more efficient, value added interaction between HIC and its customers. Work on other systems has also enabled the easy extraction and analysis of Medicare data to assist health decision-makers.

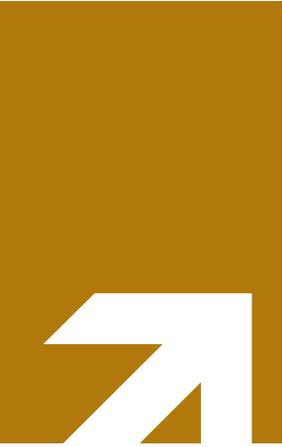
Earlier this year the Australian Government announced a new framework for Medical Indemnity insurance for the medical profession. HIC will administer two of the schemes associated with this new Medical Indemnity framework – the Incurred But Not Reported Indemnity Scheme and the High Cost Claim Indemnity Scheme.

It is rewarding to see the inroads we are making with new business opportunities as a result of our Business Improvement Program and our subsequent eBusiness capability. We are looking forward to using our eBusiness platform to deliver new and innovative programs on behalf of Government.

HIC Online is one of the key business improvement initiatives. The system allows doctors and patients to claim their Medicare entitlements online. At 30 June 2003 there were 69 sites transmitting claims to HIC with a total of 326,902 bulk billed claims and 20,954 patient claims processed since the system was introduced in March 2002.

HIC has also played an important role in implementing changes to the Pharmaceutical Benefits Scheme (PBS). The 2002 Federal Budget measures aimed at sustaining the PBS have resulted in a number of projects which HIC is leading. These include the Prescription Shopping project, Overseas Drug Diversion project, PBS Risk, PBS Restrictions, and Enhancing PBS Authorities.

The Australian Organ Donor Register, also administered by HIC, had a very successful year – 4.7 million Australians are now listed as potential organ and tissue donors. This year the Australian Childhood Immunisation Register recorded more than 400,000 meningococcal C vaccinations following the introduction of the National Meningococcal C Vaccination Program in January 2003.



In 2002–03, HIC placed a priority on reaching Aboriginal and Torres Strait Islander communities to increase understanding of the health system and improve access to health services. This work will continue in 2003–04.

It is pleasing to note that the Australian community continues to hold HIC's services in administering programs such as Medicare and the PBS in high regard with a satisfaction rating of 93 per cent.

We continue to work with doctors and pharmacists to improve our service to them. Our Stakeholder Advisory Committee has provided an opportunity for timely and meaningful consultation on many aspects of our business and we are working closely with the Red Tape Taskforce to identify and re-engineer business practices which could be streamlined further. Over the past year we have also worked to implement a range of new and dynamic initiatives to ensure our front line staff particularly have the best possible information to pass on to our customers and the tools to do their work more efficiently.

The developments over 2002–03 have resulted in significant change for HIC. The changes are aimed at providing a better service to the Australian public and to other key customers including doctors and pharmacists. These changes are only possible as the result of a very high level of dedication and professionalism of staff across HIC. Maintaining HIC's reputation for being a people focused organisation is valued highly by the Executive team and will continue to be supported at every opportunity.

I also want to thank Mr James Kelaheer and the Executive for their excellent contribution over the period before my appointment. On behalf of my HIC colleagues I am proud to commend our 2002–03 Annual Report to you.



Jeff Whalan
Managing Director