



# STATISTICS

## Quarterly Private Health Insurance Statistics

March 2020 (released 19 May 2020)

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### Forthcoming issues

This publication will be released according to the timetable published on the APRA website.

### Revisions

This publication will include revisions to previously published statistics if better source data becomes available or if compilation errors are uncovered.

APRA regularly analyses past revisions to identify potential improvements to the source data and statistical compilation techniques, in order to minimise the frequency and scale of any future revisions.

### Rounding

Details on tables may not add up to totals due to rounding of figures.

### Enquiries

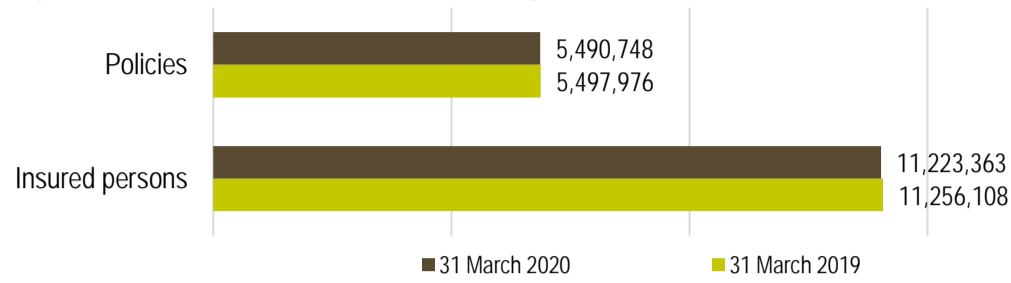
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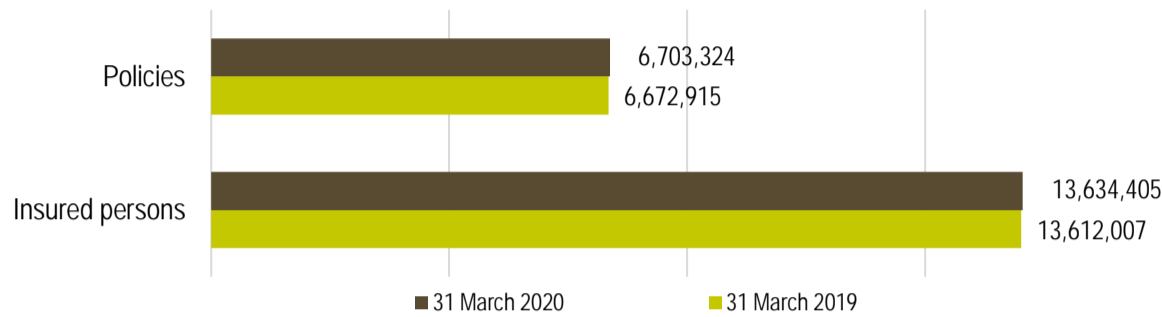
# Key metrics

## Hospital treatment membership



**43.8%** of population at 31 March 2020  
 ↓ **-0.2%** percentage points from 31 Dec 2019  
 ↓ **-9,760** insured persons over the quarter

## General treatment membership

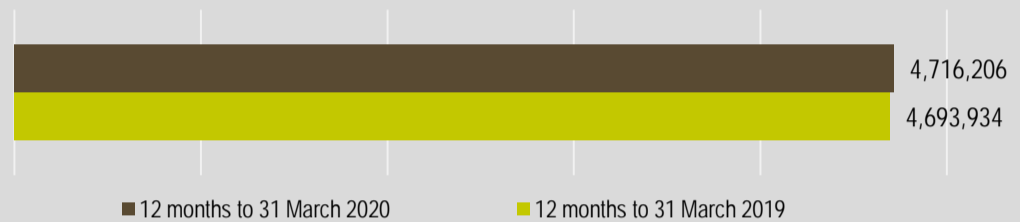


**53.2%** of population at 31 March 2020  
 ↓ **-0.2%** percentage points from 31 Dec 2019  
 ↑ **5,200** insured persons over the quarter

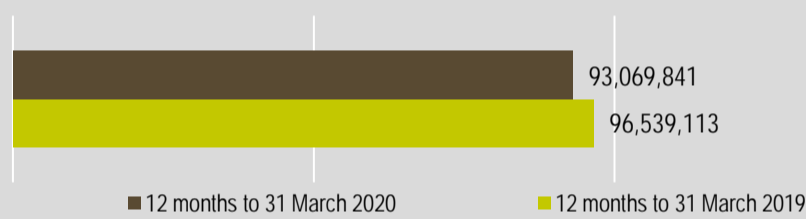
## Hospital treatment episodes

↑ **0.5%** over the 12 months to March 2020  
 ↓ **-3.1%** compared to the December 2019 quarter

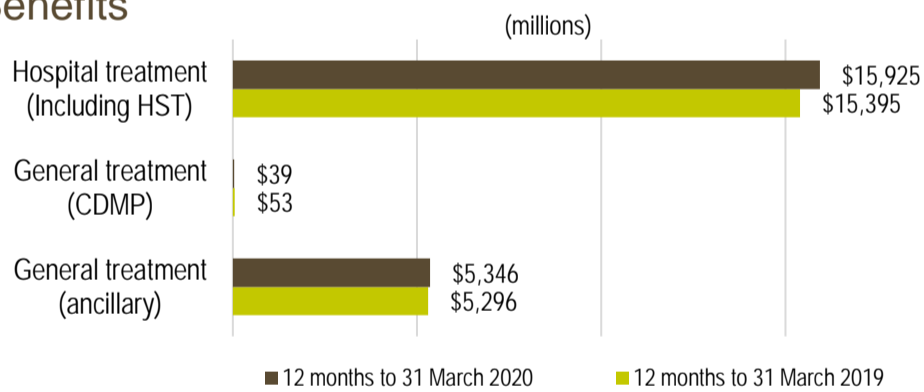
↓ **-3.6%** over the 12 months to March 2020  
 ↓ **-4.4%** compared to the December 2019 quarter



## General treatment services (ancillary)



## Benefits



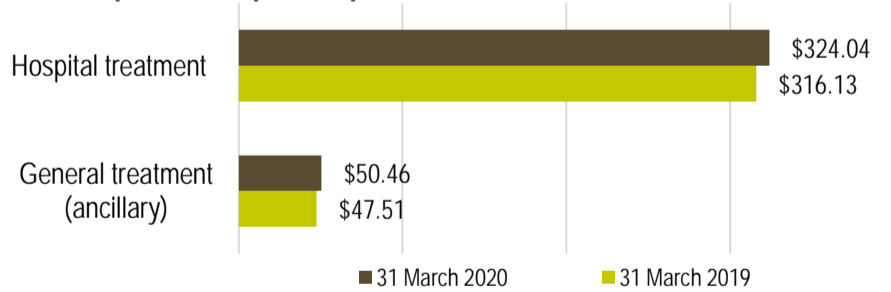
↑ **3.4%** over the 12 months to March 2020  
 ↑ **2.8%** compared to the March 2019 quarter

↑ **0.9%** over the 12 months to March 2020  
 ↓ **-3.4%** compared to the March 2019 quarter

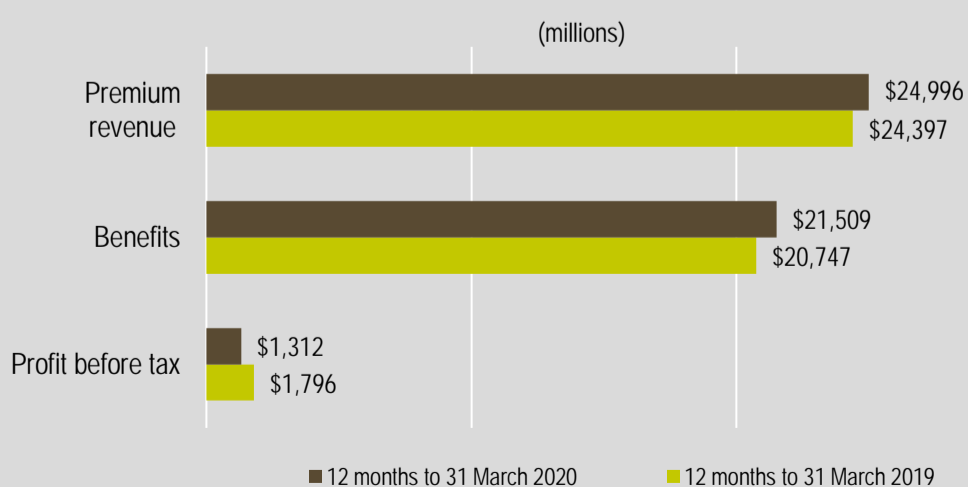
## Out-of-pocket per episode/service

↑ **2.5%** over the 12 months to March 2020

↑ **6.2%** over the 12 months to March 2020



## Financial



↑ **2.5%** over the 12 months to March 2020

↑ **3.7%** over the 12 months to March 2020

↓ **-26.9%** over the 12 months to March 2020

# Membership and coverage

as at 31 March 2020

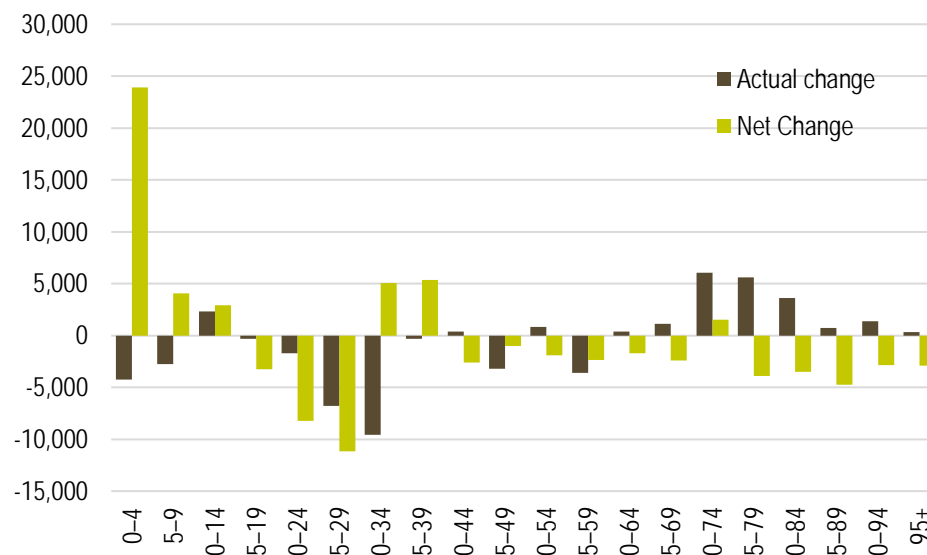
## Hospital Treatment

At 31 March 2020, 11,223,363 people, or 43.8% of the population, were covered by hospital treatment cover. There was a 0.2 percentage point decrease in the percentage of the population covered compared to the December 2019 quarter.

There was a decrease in coverage of 9,760 insured people in the March 2020 quarter. Single policies decreased by 683 and family policies by 4,375 during the quarter. This resulted in an overall decrease of 914 hospital policies. For the 12 months to 31 March 2020, the number of insured people with hospital treatment cover has increased by 1,355 policies.

The largest decrease in coverage during the quarter was 9,565 for people aged between 30 and 34. The largest net decrease (taking into account movement between age groups) was for the age group between 25 and 29, with a drop of 11,176 people.

Net quarterly change in insured persons

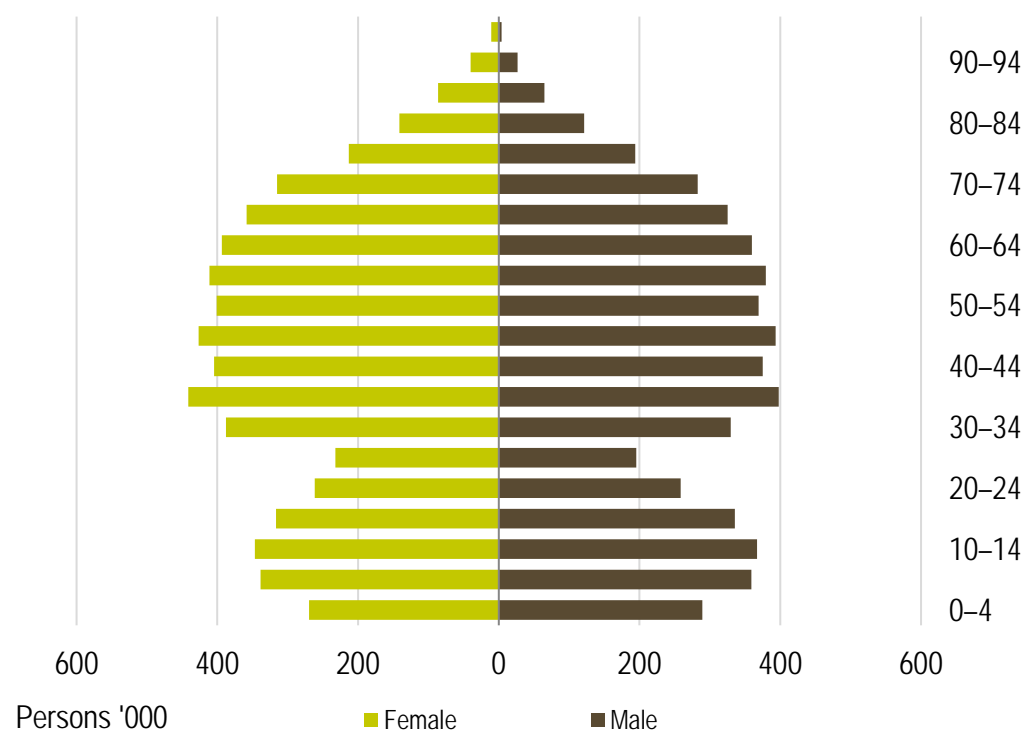


## Lifetime health cover

The majority of adults with hospital cover (89.1%) have a certified age of entry of 30, with no penalty loading; a 0.1 percentage points increase compared to December 2019.

At the end of the March 2020 quarter, there were 882,791 people with a certified age of entry of more than 30 and subject to a Lifetime Health Cover loading; a net decrease in people paying a penalty over the preceding 12 months of 54,484. There was a net increase in people with a certified age of entry of 30 (with no penalty) over the year of 28,111.

Number of persons insured by age



Hospital treatment tables						
State/Territory	Insured persons (%)	Non insured persons (%)	Male	Female	Single policies (%)	Family policies (%)
Aust.	43.8%	56.2%	5,427,457	5,795,906	48.2%	51.8%
NSW	45.2%	54.8%	1,789,864	1,902,902	48.2%	51.8%
VIC	40.2%	59.8%	1,296,316	1,396,594	50.5%	49.5%
QLD	40.5%	59.5%	1,006,394	1,083,217	46.1%	53.9%
SA	44.0%	56.0%	371,893	404,195	48.4%	51.6%
WA	53.6%	46.4%	698,090	720,620	46.7%	53.3%
TAS	42.1%	57.9%	107,492	119,119	48.5%	51.5%
ACT	53.8%	46.2%	110,910	120,960	48.5%	51.5%
NT	38.7%	61.3%	46,498	48,299	47.9%	52.1%

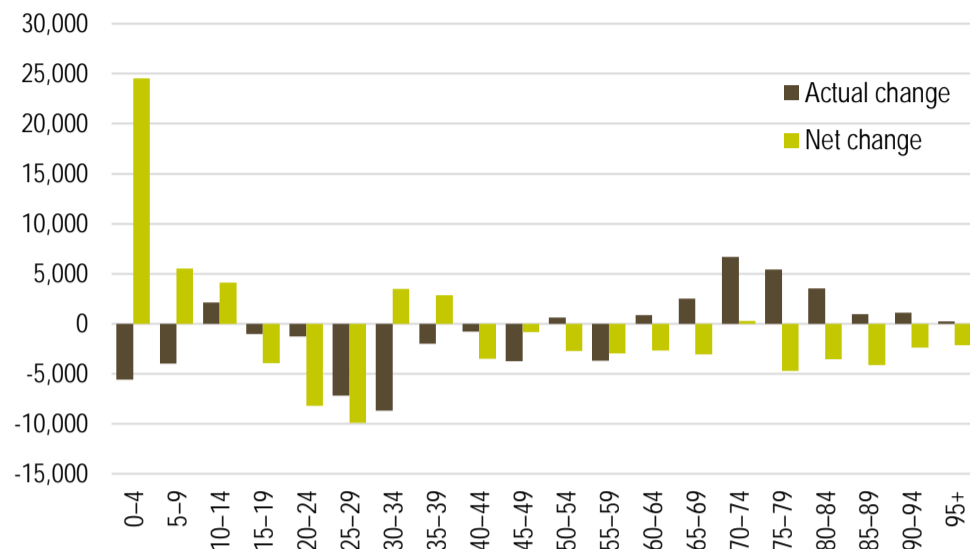
### General Treatment

At 31 March 2020, 13,634,405 people or 53.2% of the population had some form of general treatment cover. There was an increase of 5200 people when compared to the December 2019 quarter.

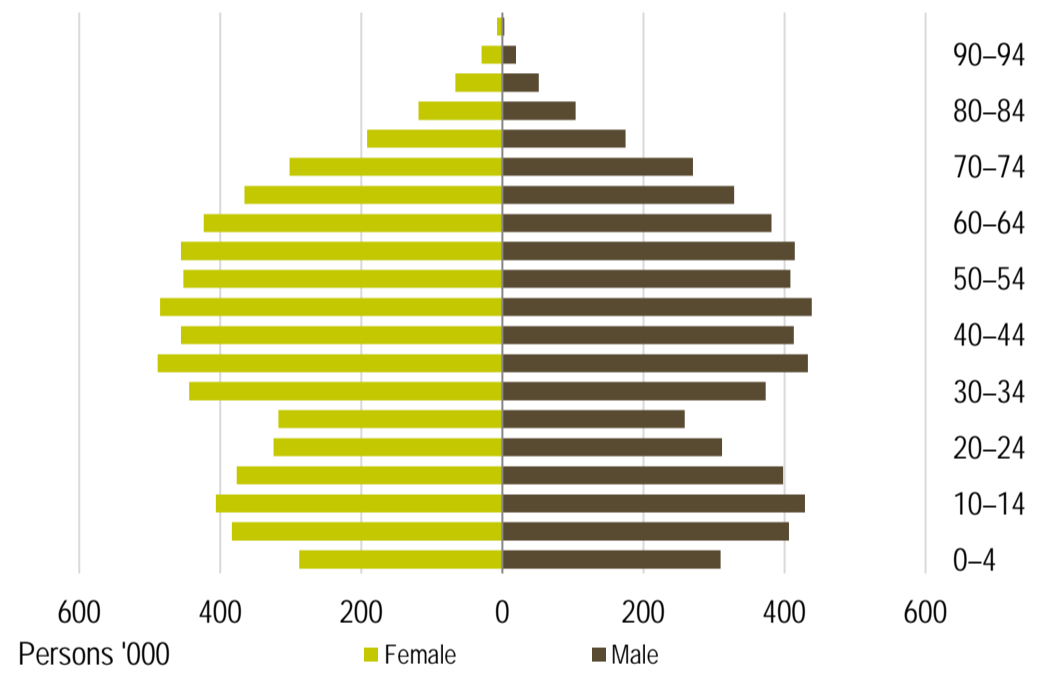
The increase was mainly driven by single policies (up 7,348). For the 12 months to 31 March 2020, the number of insured persons with general treatment cover has increased by 22,398.

There was a decrease of 13,894 people with general treatment (ancillary) coverage in the March 2020 quarter. The largest net decrease in coverage, after accounting for movements across age groups, was 9,888 for people in the 25 to 29 age group.

Net quarterly change in insured persons (ancillary)



Number of persons insured by age (ancillary)



General treatment tables (ancillary)

State/Territory	Insured persons (%)	Not insured persons (%)	Male	Female	Single policies (%)	Family policies (%)
Aust.	53.2%	46.8%	5,926,041	6,385,138	49.2%	50.8%
NSW	55.6%	44.4%	1,993,776	2,125,348	48.7%	51.3%
VIC	47.2%	52.8%	1,283,210	1,389,647	51.3%	48.7%
QLD	47.0%	53.0%	1,054,569	1,155,980	47.7%	52.3%
SA	58.5%	41.5%	459,146	505,031	49.3%	50.7%
WA	68.7%	31.3%	852,509	898,062	48.5%	51.5%
TAS	49.7%	50.3%	116,070	130,030	49.9%	50.1%
ACT	65.9%	34.1%	118,706	130,531	49.5%	50.5%
NT	43.1%	56.9%	48,055	50,509	49.1%	50.9%

# Benefits Paid

## Hospital treatment

### Benefits per episode/service

	March 2020	Change from December 2019
Hospital Treatment		
Acute	\$2,374	-4.2%
Medical	\$60	-3.8%
Prostheses	\$668	-1.7%
Cardiac	\$3,932	-2.1%
Hip	\$1,681	-3.5%
Knee	\$1,773	-1.5%
Total benefits and growth rate		
Hospital	\$ 3,805,565,414	-7.9%
General	\$1,371,713,283	-1.7%

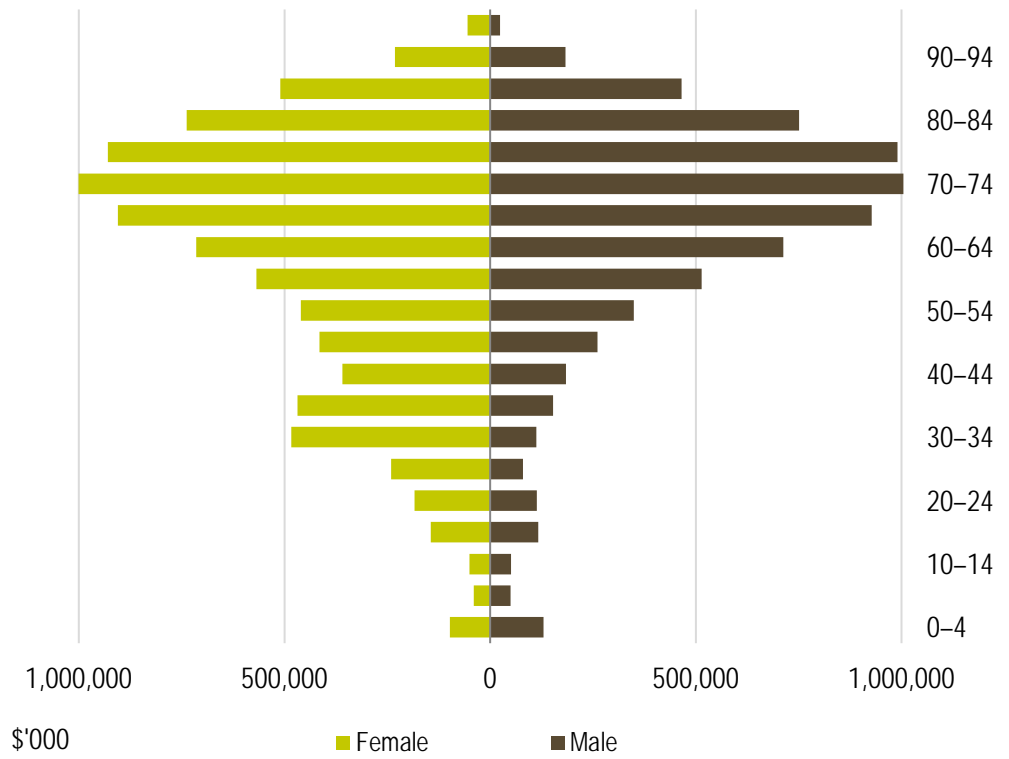
During the March 2020 quarter, insurers paid \$3,806 million in hospital treatment benefits, a decrease of 7.9% compared to the December 2019 quarter. Hospital treatment benefits were comprised of:

- ◇ \$2,710 million for hospital services such as accommodation and nursing
- ◇ \$575 million for medical services
- ◇ \$521 million for prostheses items.

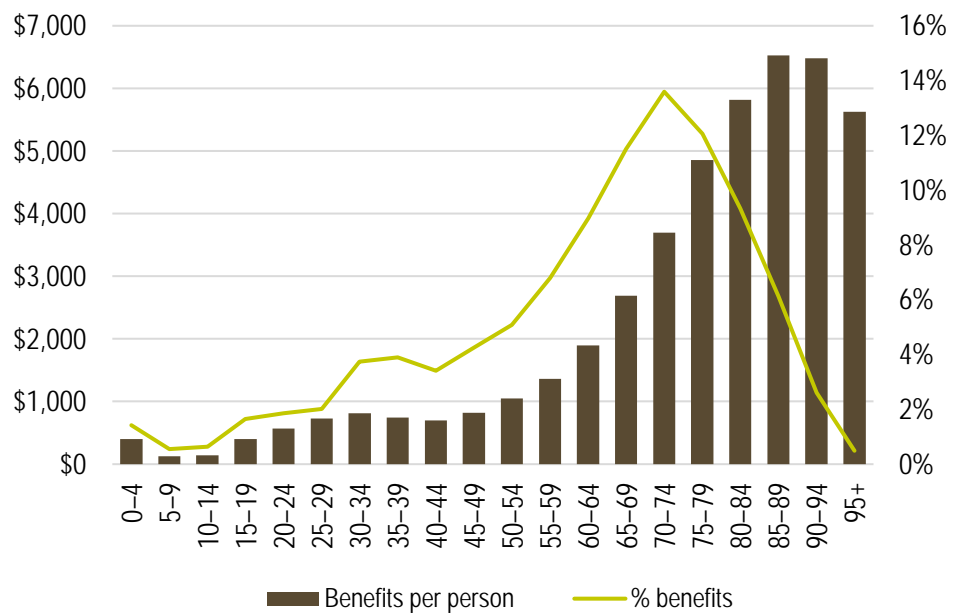
The age group for which most hospital benefits are paid is between 60 and 84 (top chart). Total benefits by age group is affected by the average benefits paid per person (displayed in the second chart) and the number of people in each age group. Older age groups have a higher claiming rate. The rise in benefits in the 20–39 age cohorts is due to increases in female benefits associated with child bearing.

Average hospital benefits per person increased from \$1,368 for the year ending March 2019 to \$1,419 for the year ending March 2020. The largest amount of benefits per person was spent on hospital accommodation and nursing, followed by medical and prostheses benefits.

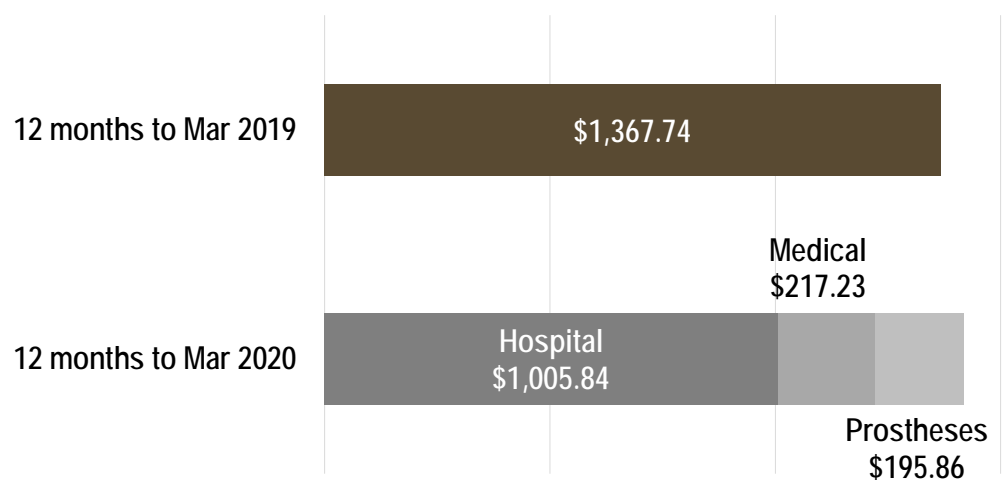
Hospital treatment benefits paid by age 12 months to 31 March 2020



Hospital treatment benefits per person covered and percentage of benefits paid by age cohort



Hospital treatment benefits per person





**General treatment**

**Benefits per service**

	March 2020	Change from December 2019
Dental	\$68	5.0%
Chiropractic	\$34	10.7%
Physiotherapy	\$39	8.1%
Optical	\$76	2.1%

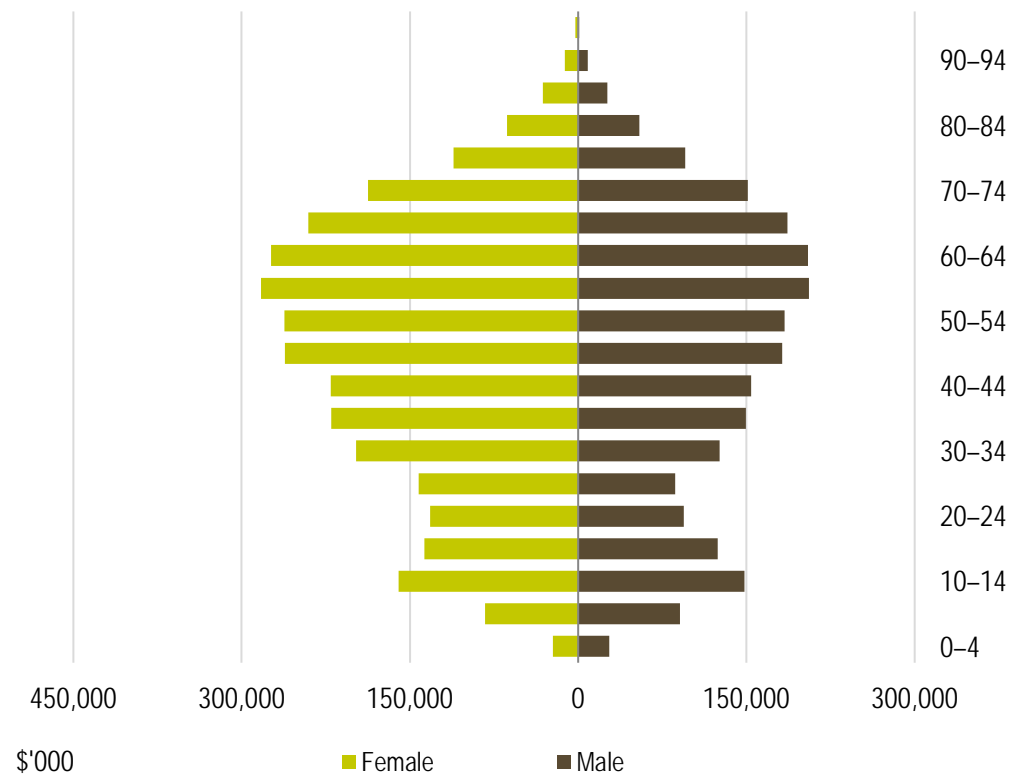
During the March 2020 quarter, insurers paid \$1,363 million in general treatment (ancillary) benefits. This was a decrease of 1.6% compared to the December 2019 quarter. Ancillary benefits for the March 2020 quarter included the major categories of:

- ◇ Dental \$705 million
- ◇ Optical \$252 million
- ◇ Physiotherapy \$109 million
- ◇ Chiropractic \$79 million.

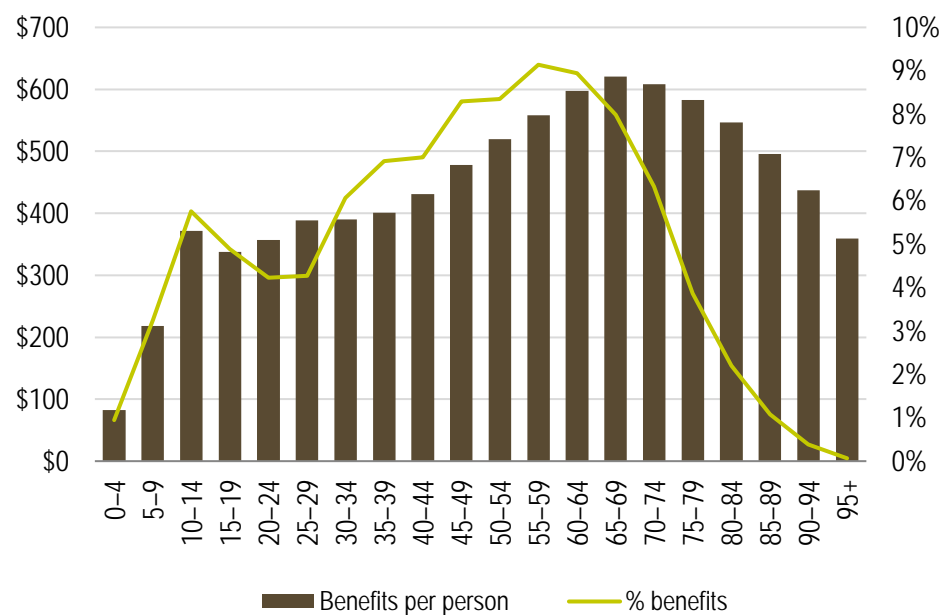
There is a marked difference between the distribution of benefits over age groups between hospital benefits and ancillary benefits. The major difference is the higher claiming rate in older age groups for hospital benefits while benefits per person for ancillary benefits are more evenly spread over the age groups.

General treatment (ancillary) benefits per person during the year to March 2020 were \$434, increasing from \$430 for the year to March 2019. The largest component of ancillary benefits is dental, for which \$231 was paid per insured.

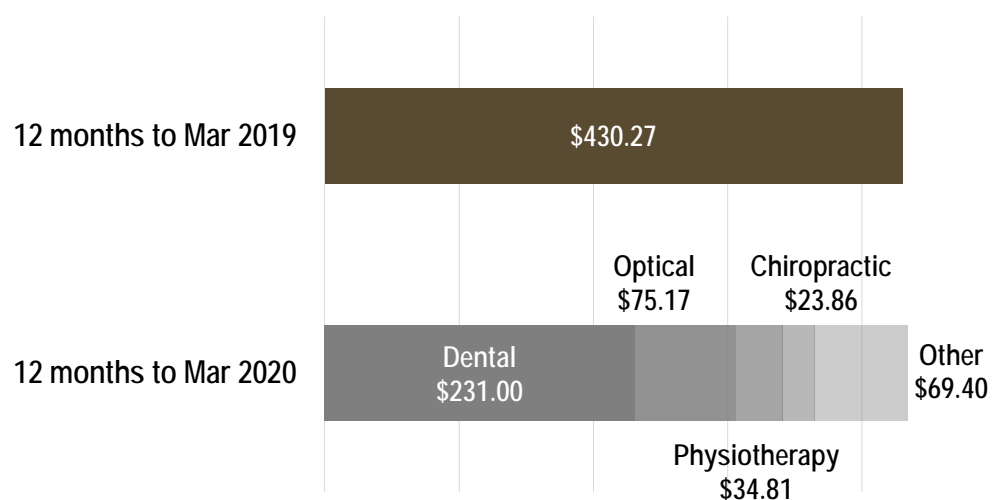
**General treatment benefits paid by age 12 months to 31 March 2020 (ancillary)**



**General treatment benefits per person covered and percentage of benefits paid by age cohort (ancillary)**



**General treatment benefits per person (ancillary)**





## Medical benefits

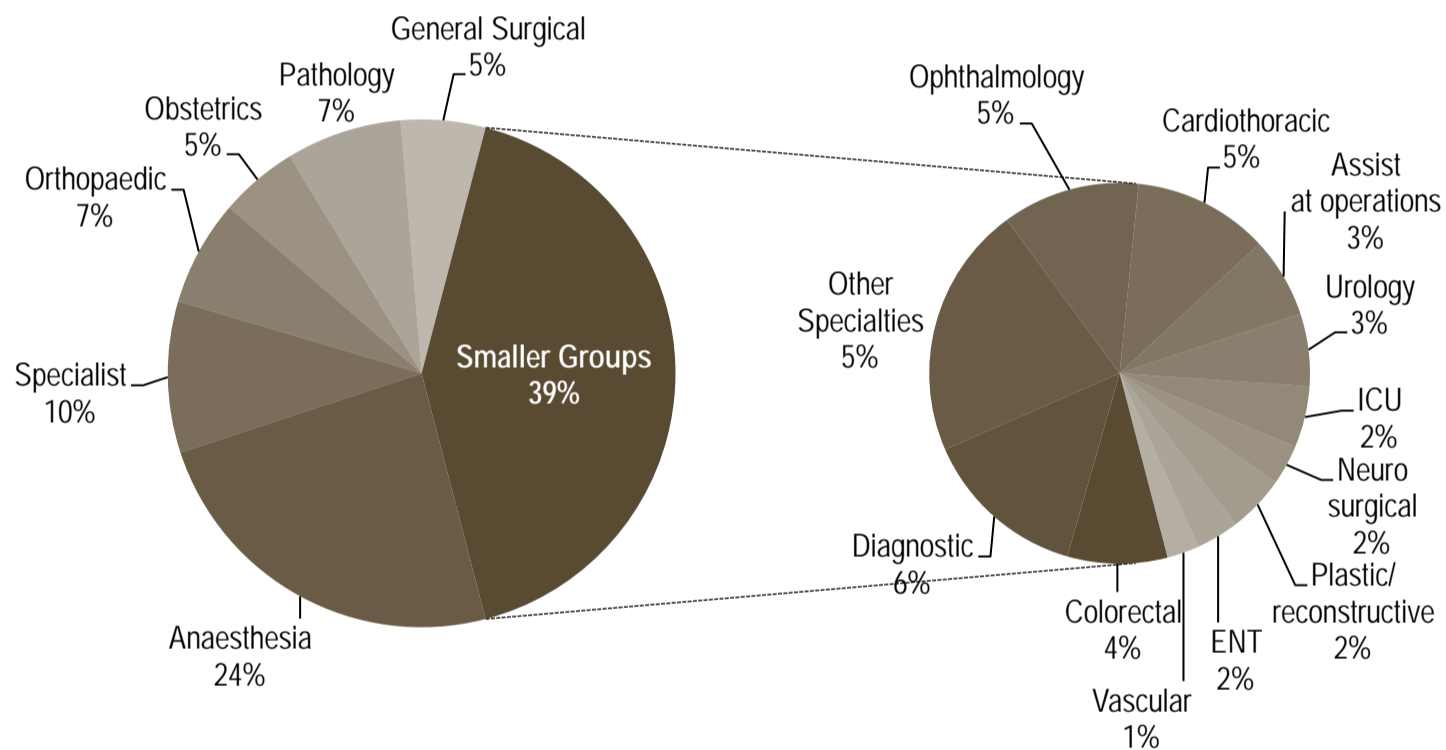
Total benefits for medical services decreased 8.2% during the March quarter 2020, driven largely by a 3.6% decrease in the number of services.

The change in medical benefits paid per service was calculated over a range of medical services and does not mean medical services overall decreased or increased in cost. The average benefits paid reflects the type of medical services utilised during the quarter as well as the volume of services. The medical service for which the greatest amount of benefits was paid was anaesthetics, comprising 24.0% of all medical benefits and totalling \$138 million.

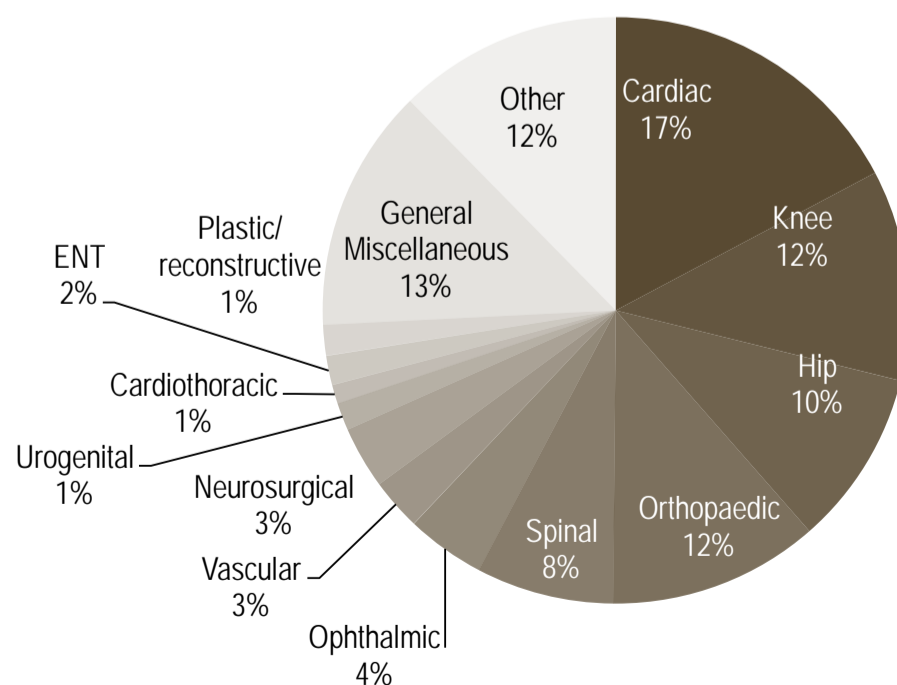
## Prostheses benefits

Total benefits paid for prostheses decreased by 10.9% in the March quarter 2020 compared to the December quarter 2019. Similar to medical services, the change in benefits paid for prostheses was calculated over a range of prosthetics (see chart) and does not mean prostheses overall changed in cost. The change in benefits paid may reflect a change in the type of prosthetics utilised, or a change in the overall utilisation of prosthetics. The prosthetic group for which the greatest amount of benefits were paid was cardiac, comprising 17.2% of all prosthetic benefits and totalling \$90 million.

Medical benefits by Speciality group



Benefits paid for prostheses



# Service utilisation

## Episodes/Services by type

	March 2020	Change from December 2019
Hospital Episodes	1,141,509	-3.1%
Hospital Days	2,988,019	-3.3%
Medical Services	9,574,984	-4.5%
Prostheses Items	779,616	-9.4%
Specialist Orthopaedic	142,547	-7.6%
Ophthalmic	82,920	-11.5%
Spinal	53,057	-11.3%
General Treatment	22,839,322	-4.4%
Dental	10,338,800	-8.6%
Chiropractic	2,321,874	12.2%
Physiotherapy	2,783,058	4.3%
Optical	3,313,800	-10.4%

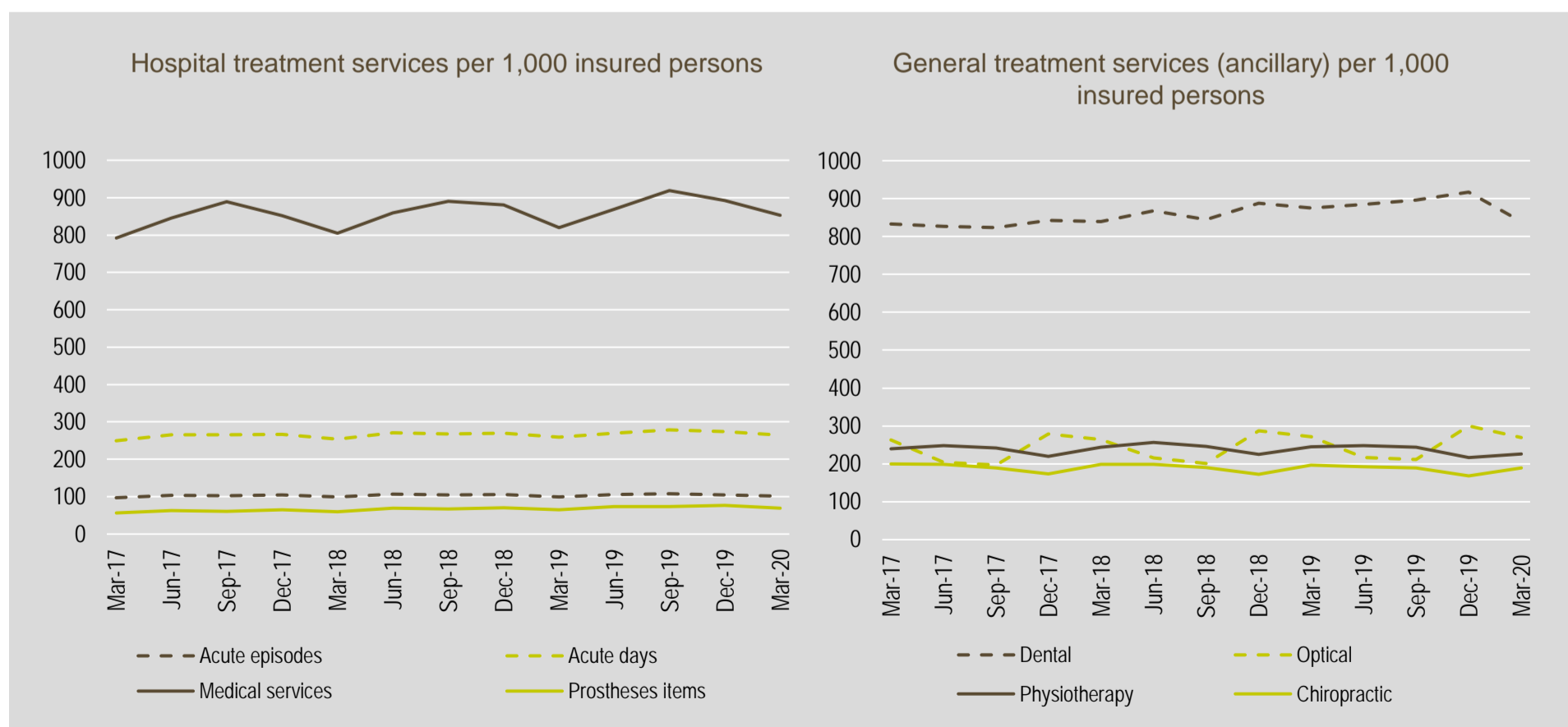
Hospital utilisation is distributed over four categories of hospital—public, private, day only facilities and hospital-substitute. During the March 2020 quarter, hospital episodes were distributed as follows:

- ◇ public hospitals 193,916 episodes
- ◇ private hospitals 754,215 episodes
- ◇ day hospital facilities 144,181 episodes
- ◇ hospital substitute 49,197 episodes.

During the March 2020 quarter, insurers paid benefits for 2.99 million days in hospital, arising from 1.14 million hospital episodes of care.

	Quarter change	Year change
◇ public hospitals	↑ 1.1%	↓ -2.5%
◇ private hospitals	↓ -3.7%	↑ 1.8%
◇ day hospital facilities	↓ -6.9%	↓ -2.3%
◇ hospital-substitute	↑ 2.2%	↑ 0.2%

Day-only episodes in the four categories of hospital totalled 759,533, a decrease of 3.0% compared to the December 2019 quarter.



# Out-of-pocket payments

## Average out-of-pocket per episode/service

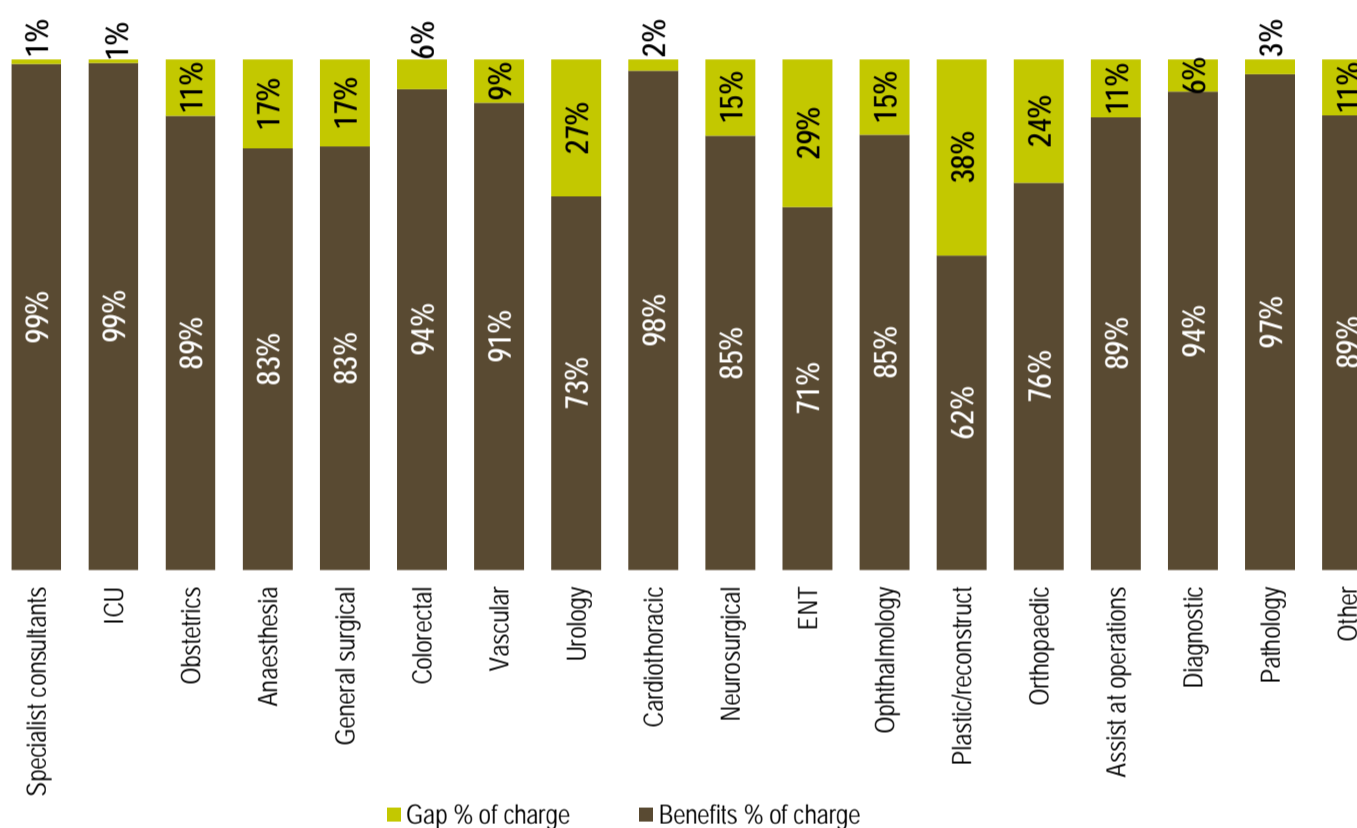
	March 2020	Change from Dec 19	Change from Mar 19
Hospital treatment	\$324.04	8.1%	2.5%
Hospital-substitute treatment	\$9.81	-6.2%	-10.8%
General treatment ancillary	\$50.46	-0.4%	6.2%
Medical gap where gap was paid	\$193.42	0.4%	24.4%

The out-of-pocket payments for hospital episodes increased by 2.5% compared to the same quarter for the previous year.

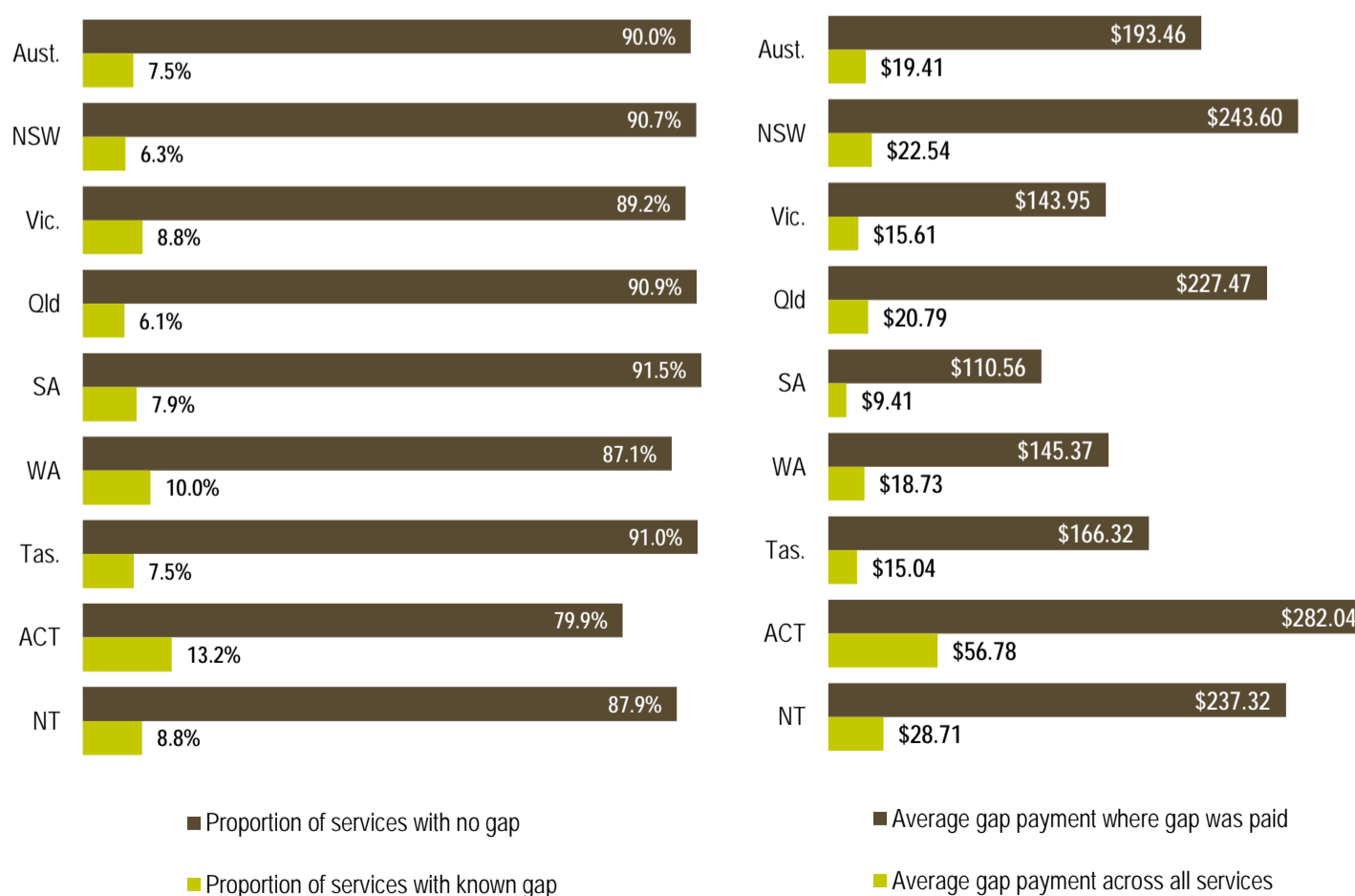
Out-of-pocket payments for medical services were \$193 where an out-of-pocket payment was payable. The amount of gap for medical services varies depending on the specialty group. The specialty group with the largest out-of-pocket payment was plastic/reconstructive with an average gap of \$414. Gap incurred for the various medical services is displayed in the first chart. Medical gap also varies by state and territory and these differences are shown in the bottom chart.

The average out-of-pocket (gap) payment for a hospital episode was \$324 in the March 2020 quarter. This included out-of-pocket payments for medical services, in addition to any excess or co-payment amounts relating to hospital accommodation.

## Medical benefits and out-of-pocket by specialty group



## Proportion of services and average out-of-pocket payments



# Financial information

## Financial Performance

All Figures \$'000	12 months to March 2020	12 months to March 2019
<b>Revenue</b>		
HIB premium revenue	24,995,955	24,397,186
Net investment income	94,734	415,861
Net HRB revenue	116,743	137,526
Net other operational revenue	185,314	69,362
<b>Total revenue</b>	<b>25,392,747</b>	<b>25,019,936</b>
<b>Benefits</b>		
Fund benefits	21,509,050	20,746,593
State ambulance levies	237,994	231,702
<b>Total fund benefits</b>	<b>21,747,044</b>	<b>20,978,295</b>
<b>Expenses</b>		
HIB expenses	1,844,175	1,799,911
HIB claims handling	414,619	399,024
Non-operating expenses	74,451	46,825
<b>Total expenses</b>	<b>2,333,245</b>	<b>2,245,760</b>
<b>Profit of the industry</b>		
Profit/(loss) before tax	1,312,458	1,795,881
Taxation expense	339,284	435,957
<b>Profit/(loss) after tax</b>	<b>973,174</b>	<b>1,359,924</b>
<b>Margins</b>		
Gross margin	13.00%	14.01%
HIB expenses	9.04%	9.01%
Net margin	3.96%	5.00%

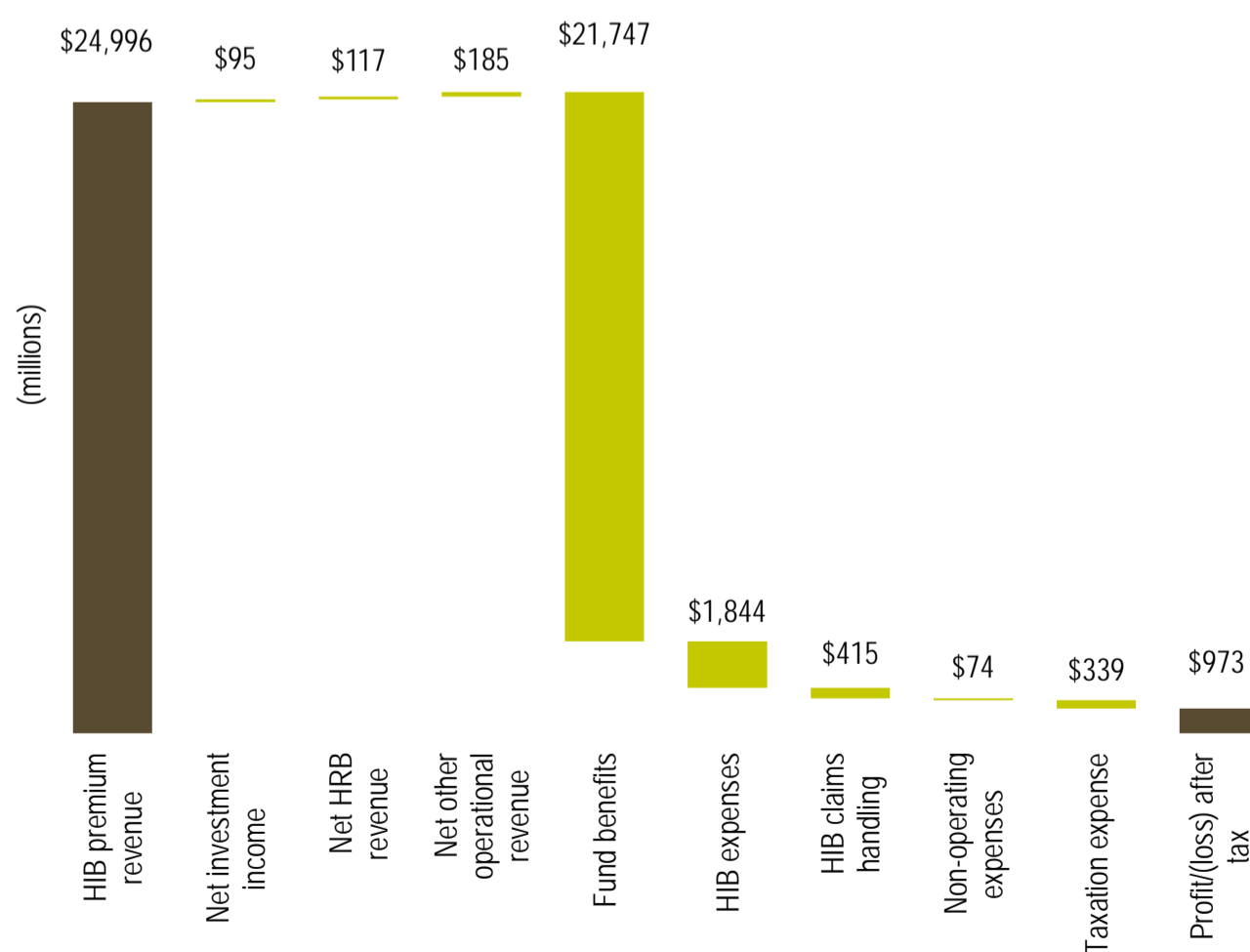
Health Insurance Business (HIB) premium revenue was up 2.5% for the year March 2020, while total fund benefits increased by 3.7%. As a result, gross margin decreased from 13.0% to 14.0%.

Net investment income decreased from \$416 million in the year ending March 2019 to \$95 million in the year ending March 2020.

HIB expenses as a percentage of revenue remained stable at 9.0% and net margin decreased from 5.0% to 3.96%.

Net profit after tax decreased to \$0.97 billion for the year ended March 2020 compared to \$1.359 billion for the year ended 31 March 2019.

Health Benefits Fund Profit After Tax Breakdown for 12 months to March 2020



## Prudential Position

All figures \$'000	March 2020	December 2019	March 2019
<b>Assets</b>			
Cash	1,675,697	1,216,958	1,204,782
Investments			
Equities	1,447,593	1,671,006	1,680,580
Interest bearing assets	8,041,924	7,772,708	8,182,336
Property	746,884	739,259	709,269
Subsidiary and associated entities	296,563	288,051	289,237
Loans	34,481	38,960	38,277
Receivables	65,717	55,567	63,442
Intangibles DAC and FITBS	1,093,598	1,075,189	902,070
Pre-paid expenses	72,149	72,556	63,582
Other*	1,885,444	1,714,320	1,821,354
<b>Total assets</b>	<b>15,360,051</b>	<b>14,644,575</b>	<b>14,954,930</b>
<b>Liabilities</b>			
Unearned premium liabilities	3,382,257	2,572,150	3,316,687
Unpresented & outstanding claims	2,233,134	2,034,425	2,097,970
Other fund liabilities	164,560	149,112	177,091
Interest bearing liabilities	2,390	926	3,953
Payables, provisions & other liabilities	1,054,256	1,065,858	975,664
<b>Total liabilities</b>	<b>6,836,597</b>	<b>5,822,472</b>	<b>6,571,364</b>
<b>Total assets minus total liabilities</b>	<b>8,523,454</b>	<b>8,822,103</b>	<b>8,383,566</b>

The industry held total assets of \$15.4 billion as at 31 March 2020.

Total assets have increased by \$405 million in the last 12 months.

Total liabilities reported by the industry have increased by \$265 million over the year.

Total net assets increased from \$8.4 billion in March 2019 to \$8.5 billion in March 2020.

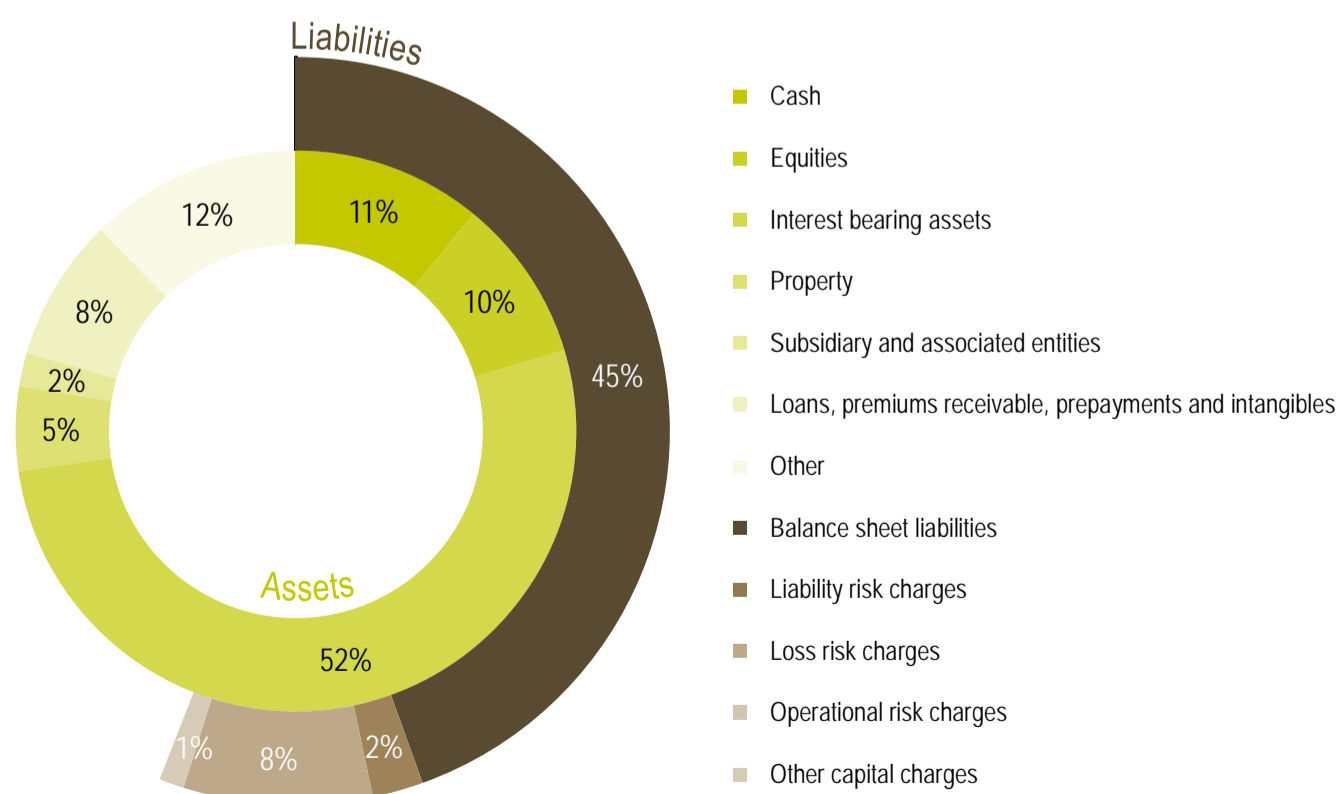
## Capital Adequacy Requirement

All figures \$'000	March 2020	December 2019	March 2019
Total Liabilities	6,836,597	5,822,472	6,571,364
Liability risk charges	338,263	446,990	-296,305
Loss risk charges	1,254,369	1,107,765	1,111,297
Operational risk charges	166,336	172,908	174,204
Other capital charges	88,609	85,378	85,378
Less subordinated debt	4,479	4,414	4,414
<b>Total Capital Adequacy Requirement*</b>	<b>8,679,695</b>	<b>7,631,098</b>	<b>7,641,523</b>

\* includes health insurance equipment and other assets

# Does not include Capital Management Policy target levels (refer to glossary)

## Health Benefits Fund Assets vs Liabilities as at March 2020



## Notes on statistics

### Source of data

On 1 July 2015, supervisory responsibilities were transferred from the Private Health Insurance Administration Council (PHIAC) to APRA under the *Private Health Insurance (Prudential Supervision) Act 2015*.

This publication is compiled primarily from regulatory returns submitted to APRA under the *Financial Sector (Collection of Data) Act 2001* by authorised Private Health Insurance companies.

Prior to 1 July 2015, PHIAC collected data from Private Health Insurers.

The population figures used to calculate coverage are derived from:

*Australian Bureau of Statistics, Australian Demographic Statistics, ABS cat no. 3101.0, ABS, Canberra.*

The June 2019 quarterly release of *Australian Demographic Statistics* contains the most recent estimates of the resident populations (ERP) of Australia and the states and territories based on the results of the 2019 Census of Population and Housing held on 9 August 2016. For more information refer to the publication at the ABS website.

Net change by five year age group is the actual change adjusted for the number of people moving into the cohort and out of the cohort due to ageing. The calculation makes the simplifying assumption that the number of people are evenly distributed over each year within the five year age group.

Lifetime Health Cover is a financial loading (LHC loading) that can be payable in addition to the premium for your private health insurance hospital cover (hospital cover). LHC loadings apply only to hospital cover. The loading is 2% above the base rate for each year over the age of 30 in which the policy holder did not have private health insurance hospital cover. After ten years of paying the loading the loading is removed.

Starting from 1 April 2007, general treatment policies replaced ancillary policies. General treatment policies cover treatment similar to that previously known as ancillary (eg. dental) but can also cover hospital-substitute treatment and Chronic Disease Management Programs.



## Related Publications

### Quarterly publications

A number of related quarterly publications are available from:

<https://www.apra.gov.au/publications>

These include:

#### [Quarterly Statistics](#)

The Quarterly Statistics are principal release of statistics with summaries for the key financial and membership statistics of the Private Health Insurance industry.

#### [Membership Statistics](#)

A publication which details by State the number of insured persons for hospital treatment and general treatment and the proportion of the population these persons represent. The tables are shown on both a quarterly and an annual basis and include hospital treatment by age cohort.

#### [Medical Gap Information](#)

A publication on in-hospital medical services. The proportion of services for which there was no gap or known gap and the average gap payment are shown for each state.

#### [Private Health Insurance Membership and Benefits \(formerly PHIAC A\)](#)

A publication detailing by State, the membership and benefits paid by private health insurers for the period. These State reports are available both in PDF format and Excel.

#### [Prostheses Report](#)

A report providing data on prosthetic benefits paid by private health insurers by major prosthetic category

#### [Medical Services Report](#)

A report providing data on services, benefits paid and gap payments by MBS Specialty Block Groupings for medical services paid by private health insurers.

#### [Statistical Trends - Quarterly Statistical trends in membership and benefits paid](#)

These are two separate publications detailing trends since September 1997 in the number of insured persons and benefits paid for hospital and general treatment.

### Annual publications

APRA will continue to produce an Annual Report on the Operations of the Private Health Insurance Industry. This report contains an industry overview and tables of statistics by individual fund. Current and historical versions are available at:

<https://www.apra.gov.au/publications/operations-private-health-insurers-annual-report>





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