



# STATISTICS

## Quarterly Private Health Insurance Statistics

June 2020 (released 18 August 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

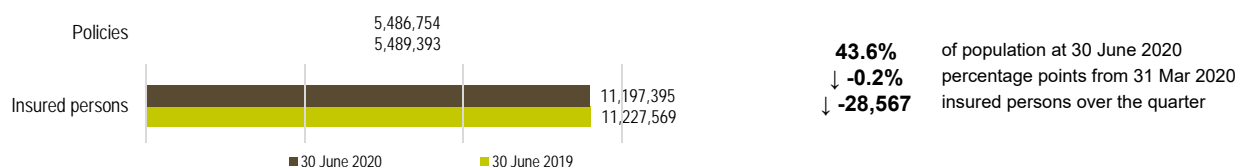
For more information about the statistics in this publication:

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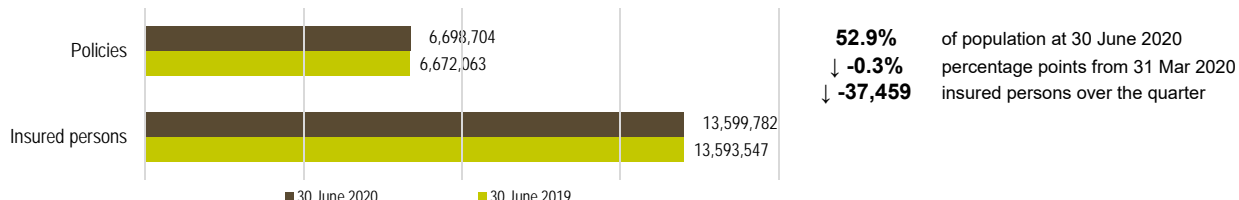
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## Key metrics

### Hospital treatment membership

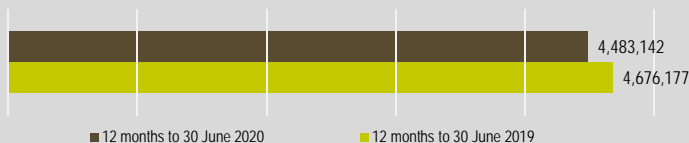


### General treatment membership



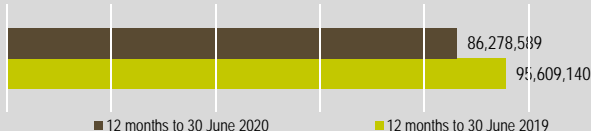
### Hospital treatment episodes

↓ **-4.1%** over the 12 months to June 2020  
 ↓ **-16.7%** compared to the March 2020 quarter

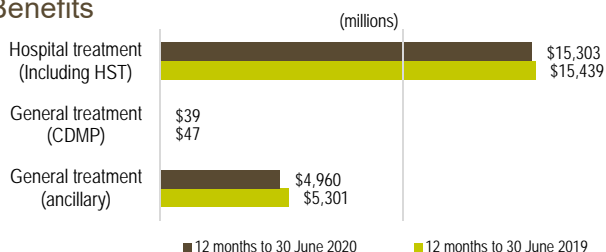


### General treatment services (ancillary)

↓ **-9.8%** over the 12 months to June 2020  
 ↓ **-28.4%** compared to the March 2020 quarter



### Benefits



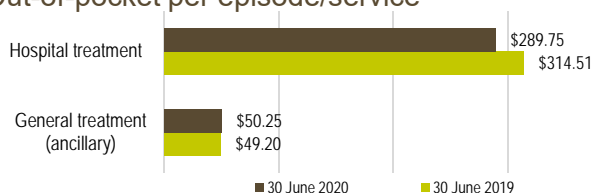
↓ **-0.9%** over the 12 months to June 2020  
 ↓ **-15.8%** compared to the June 2019 quarter

↓ **-6.4%** over the 12 months to June 2020  
 ↓ **-29.7%** compared to the June 2019 quarter

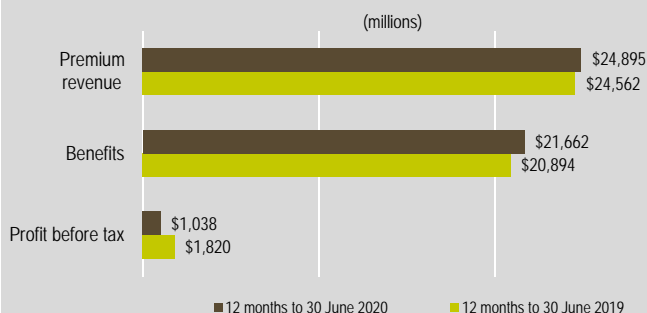
### Out-of-pocket per episode/service

↓ **-7.9%** over the 12 months to June 2020

↑ **2.1%** over the 12 months to June 2020



### Financial



↑ **1.4%** over the 12 months to June 2020

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

↓ **-43.0%** over the 12 months to June 2020

# Membership and coverage

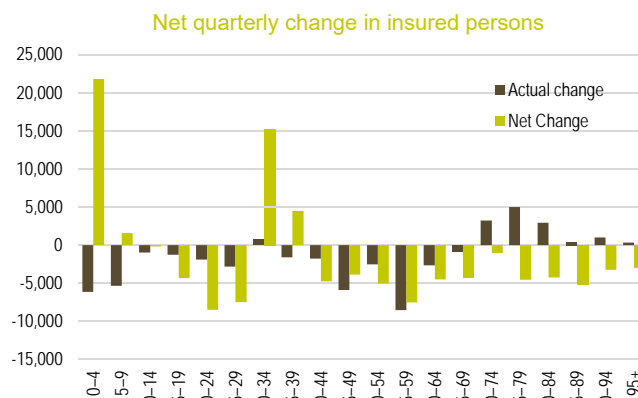
as at 30 June 2020

## Hospital Treatment

At 30 June 2020, 11,197,395 people, or 43.6% of the population, were covered by hospital treatment cover. This was a drop of 0.2 percentage points in coverage compared to March 2020.

There was a decrease in coverage of 28,567 insured people in the June 2020 quarter compared to March 2020. Family policies decreased by 7,064 and single policies increased by 2,997 during the quarter.

The largest decrease in coverage during the quarter was 8,544 for people aged between 55 and 59. The largest net decrease (taking into account movement between age groups) was for people age between 20 and 24 with a drop of 8,492 people.



## Lifetime health cover

The majority of adults with hospital cover (89.3%) have a certified age of entry of 30, with no penalty loading; a 0.2 percentage points increase compared to March 2020.

At the end of the June 2020 quarter, there were 863,625 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 52,629. There was a net increase in people with a certified age of entry of 30 (with no penalty) over the year of 33,324. Over the year, 124,601 people had their loading removed after paying a loading for ten years.



## Hospital treatment tables

Aust.	43.6%	56.4%
NSW	45.1%	54.9%
VIC	40.0%	60.0%
QLD	40.3%	59.7%
SA	44.0%	56.0%
WA	53.5%	46.5%
TAS	41.9%	58.1%
ACT	54.1%	45.9%
NT	38.8%	61.2%

■ Insured persons ■ Non insured persons

Aust.	5,412,525	5,784,870
NSW	1,784,893	1,898,268
VIC	1,290,295	1,391,155
QLD	1,001,608	1,080,355
SA	372,359	404,770
WA	698,451	721,588
TAS	107,250	119,054
ACT	111,205	121,333
NT	46,464	48,347

■ Male ■ Female

Aust.	48.3%	51.7%
NSW	48.3%	51.7%
VIC	50.6%	49.4%
QLD	46.3%	53.7%
SA	48.5%	51.5%
WA	46.8%	53.2%
TAS	48.6%	51.4%
ACT	48.6%	51.4%
NT	47.9%	52.1%

■ Single policies ■ Family policies

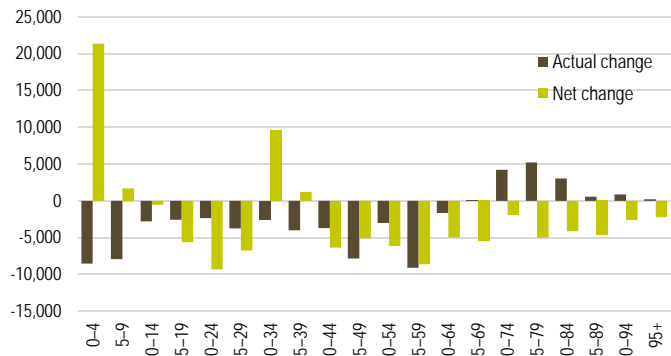
## General Treatment

At 30 June 2020, 13,599,782 people or 52.9% of the population had some form of general treatment cover. There was a decrease of 37,459 people when compared to the March 2020 quarter decrease was mainly driven by family policies (down 9,646). For the 12 months to 30 June 2020, the number of insured persons with general treatment cover has increased by 6,235.

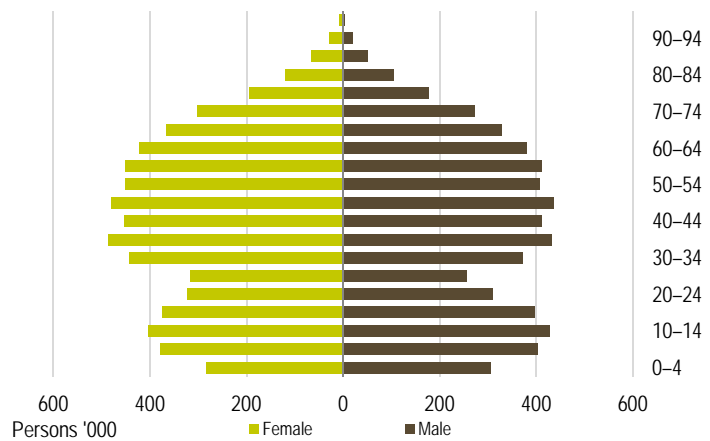
The general treatment (ancillary) by age charts and data in this report show data for those people that have general treatment policies covering ancillary services, regardless of other treatment included in the product. This excludes those general treatment policies that do not cover ancillary treatment.

There was a decrease of 45,265 people with general treatment (ancillary) coverage in the June 2020 quarter. The largest net decrease in coverage, after accounting for movements across age groups, was 9,289 for people in the 20 to 24 age group.

Net quarterly change in insured persons (ancillary)



Number of persons insured by age (ancillary)



General treatment tables (ancillary)

General treatment tables (ancillary)			General treatment tables (ancillary)			General treatment tables (ancillary)		
	Insured persons	Not insured persons		Male	Female		Single policies	Family policies
Aust.	52.9%	47.1%	Aust.	5,901,457	6,367,143	Aust.	49.3%	50.7%
NSW	55.4%	44.6%	NSW	1,984,721	2,117,271	NSW	48.7%	51.3%
VIC	46.9%	53.1%	VIC	1,273,965	1,381,644	VIC	51.4%	48.6%
QLD	46.7%	53.3%	QLD	1,048,380	1,152,017	QLD	47.9%	52.1%
SA	58.5%	41.5%	SA	459,292	505,616	SA	49.5%	50.5%
WA	68.6%	31.4%	WA	852,615	899,476	WA	48.6%	51.4%
TAS	49.5%	50.5%	TAS	115,605	129,739	TAS	50.1%	49.9%
ACT	66.3%	33.7%	ACT	118,857	130,803	ACT	49.6%	50.4%
NT	43.3%	56.7%	NT	48,022	50,577	NT	49.1%	50.9%

## Benefits Paid

### Hospital treatment

#### Benefits per episode/service

	June 2020	Change from March 2020
Hospital Treatment		
Acute	\$2,518	6.1%
Medical	\$59	-2.4%
Prostheses	\$683	2.2%
Cardiac	\$3,857	-1.9%
Hip	\$1,638	-2.6%
Knee	\$1,752	-1.2%
Total benefits and growth rate		
Hospital	\$3,314,170,705	-12.9%
General	\$925,799,872	-32.5%

During the June 2020 quarter, insurers paid \$3,314 million in hospital treatment benefits, a decrease of 12.9% compared to the March 2020 quarter. Hospital treatment benefits were comprised of:

◇ \$2,397 million for hospital services such as accommodation and nursing

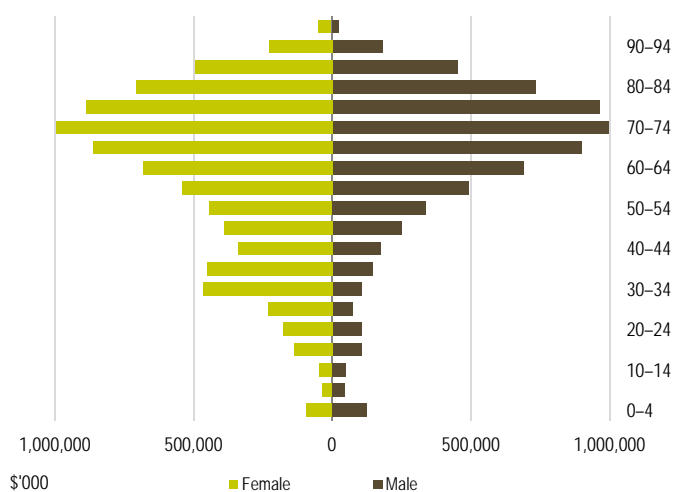
◇ \$473 million for medical services

◇ \$444 million for prostheses items.

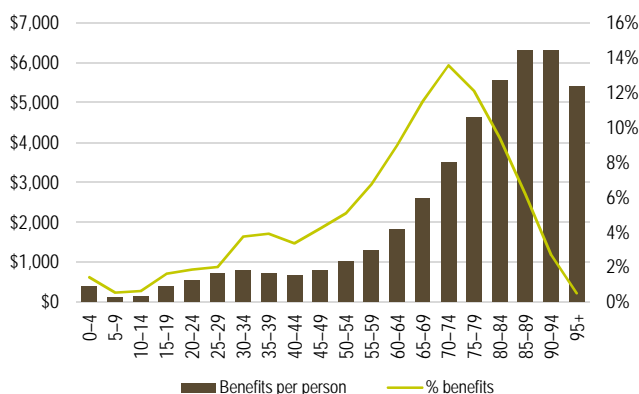
The age group for which most hospital benefits are paid is between 60 and 84 (top chart). Total benefits by age group is affected by the average benefits paid per person (displayed in the second chart) and the number of people in each age group. Older age groups have a higher claiming rate. The rise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

Average hospital benefits per person decreased from \$1,375 for the year ending June 2019 to \$1,366.68 for the year ending June 2020. The largest amount of benefits per person was spent on hospital accommodation and nursing, followed by medical and prostheses benefits.

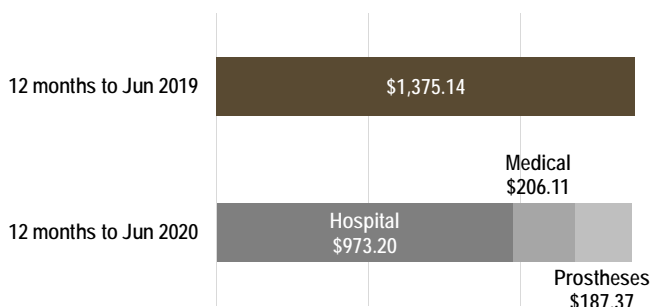
#### Hospital treatment benefits paid by age 12 months to 30 June 2020



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



#### Hospital treatment benefits per person



## General treatment

### Benefits per service

	June 2020	Change from March 2020
Dental	\$64	-6.5%
Chiropractic	\$33	-3.9%
Physiotherapy	\$39	0.4%
Optical	\$77	1.3%

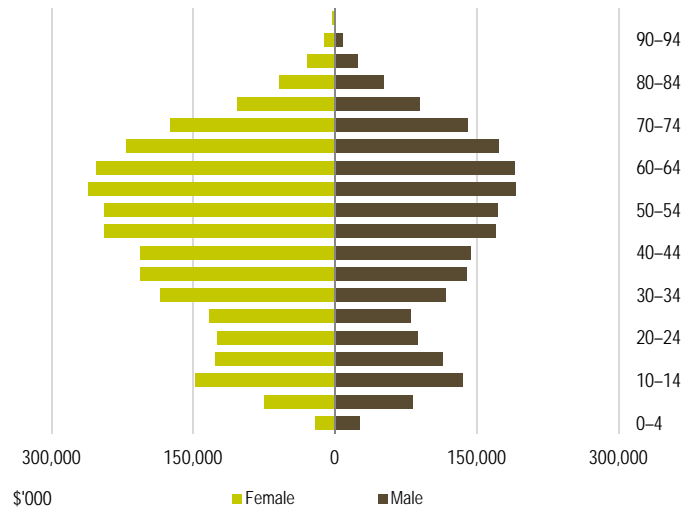
During the June 2020 quarter, insurers paid \$915 million in general treatment (ancillary) benefits. This was a decrease of 32.9% compared to the March 2020 quarter. Ancillary benefits for the June 2020 quarter included the major categories of:

- ◇ Dental \$457 million
- ◇ Optical \$133 million
- ◇ Physiotherapy \$90 million
- ◇ Chiropractic \$72 million.

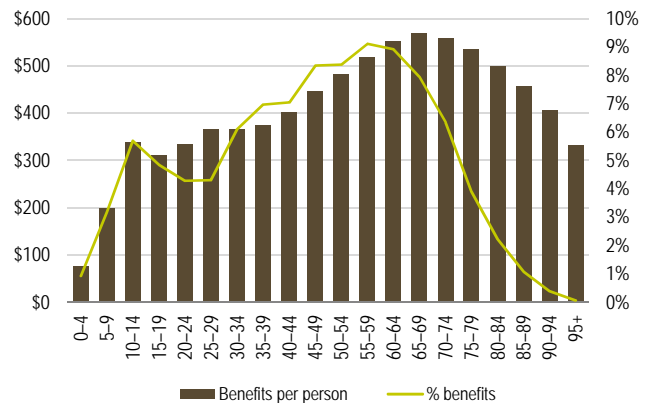
There is a marked difference between the distribution of benefits over age groups between hospital benefits and ancillary benefits. The major difference is the higher claiming rate in older age groups for hospital benefits while benefits per person for ancillary benefits are more evenly spread over the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

General treatment (ancillary) benefits per person during the year to June 2019 were \$432, decreasing to \$404 for the year to June 2020. The largest component of ancillary benefits is dental, for which \$212.17 was paid per insured.

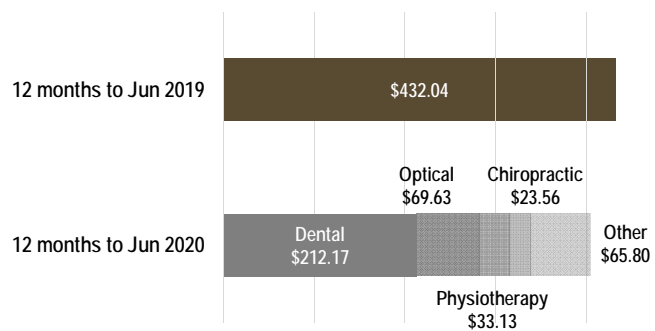
### General treatment benefits paid by age 12 months to 30 June 2020 (ancillary)



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



### General treatment benefits per person (ancillary)





### Medical benefits

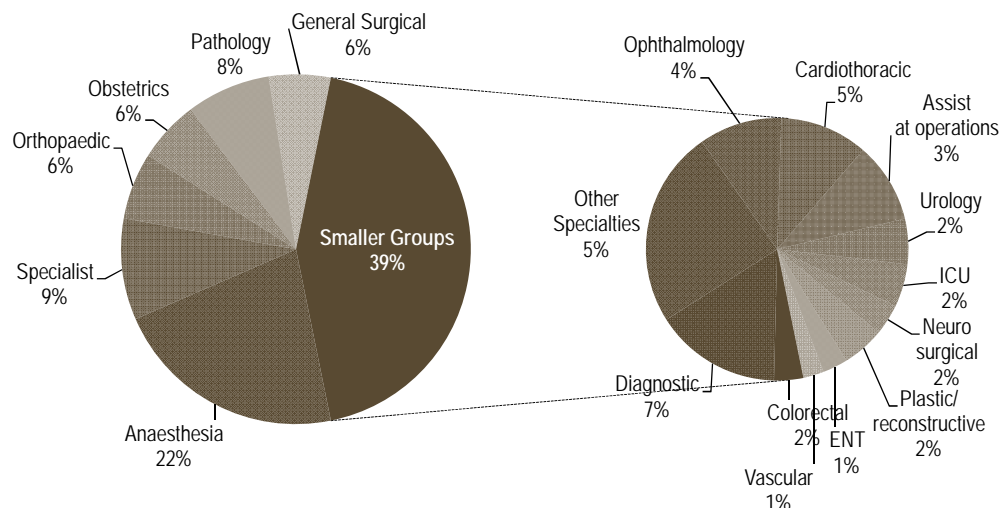
Total benefits for medical services decreased 56.7% during the June quarter 2020, driven largely by a 58.4% decrease in the number of services.

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 21.6% of all medical benefits and totalling \$53.9 million.

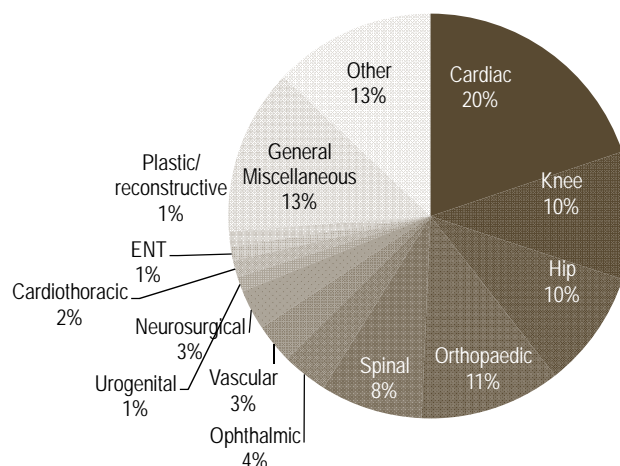
### Prostheses benefits

Total benefits paid for prostheses decreased by 14.7% in the June quarter 2020 compared to the March quarter 2020. 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 19.8% of all prosthetic benefits and totalling \$88.1 million.

Medical benefits by Speciality group



Benefits paid for prostheses



## Service utilisation

### Episodes/Services by type

	June 2020	Change from March 2020
Hospital Episodes	951,800	-16.7%
Hospital Days	2,650,378	-11.3%
Medical Services	8,074,825	-15.7%
Prostheses Items	650,716	-16.5%
Specialist Orthopaedic	122,995	-13.7%
Ophthalmic	60,496	-27.0%
Spinal	49,352	-7.0%
General Treatment	16,366,614	-28.4%
Dental	7,168,067	-30.7%
Chiropractic	2,183,321	-6.0%
Physiotherapy	2,289,773	-17.8%
Optical	1,724,244	-48.0%

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

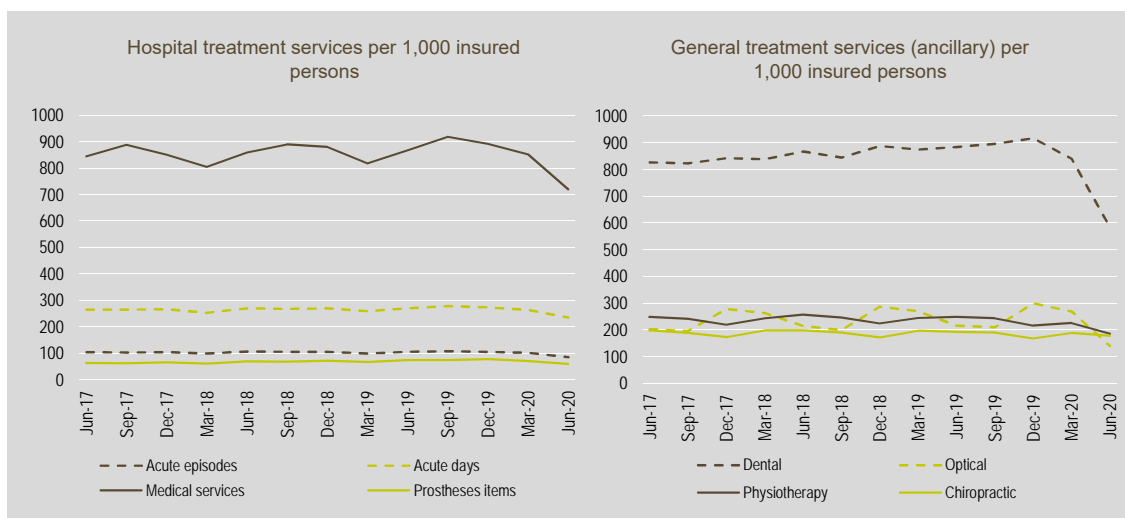
- ◇ public hospitals 176,687 episodes
- ◇ private hospitals 611,496 episodes
- ◇ day hospital facilities 123,435 episodes
- ◇ hospital substitute 40,182 episodes.

For the June 2020 quarter, hospital utilisation (measured in episodes) decreased by 16.7%, driven by both public and private hospital in the year ending June 2020.

During the June 2020 quarter, insurers paid benefits for 2.65 million days in hospital, arising from 0.95 million hospital episodes of care.

	Quarter change	Year change
◇ public hospitals	↓ -8.9%	↓ -4.0%
◇ private hospitals	↓ -19.0%	↓ -3.5%
◇ day hospital facilities	↓ -14.4%	↓ -5.9%
◇ hospital-substitute	↓ -18.4%	↓ -8.4%

Day-only episodes in the four categories of hospital totalled 627,675, a decrease of 17.4% compared to the March 2020 quarter.



## Out-of-pocket payments

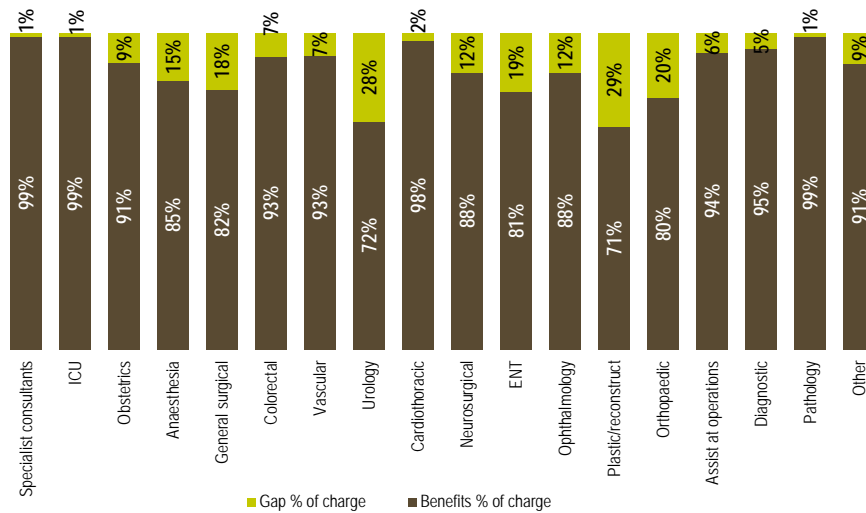
### Average out-of-pocket per episode/service

	June 2020	Change from Mar 20	Change from Jun 19
Hospital treatment	\$289.75	-10.6%	-7.9%
Hospital-substitute treatment	\$9.71	-0.9%	-6.3%
General treatment ancillary	\$50.25	-0.4%	2.1%
Medical gap where gap was paid	\$187.96	-2.8%	24.1%

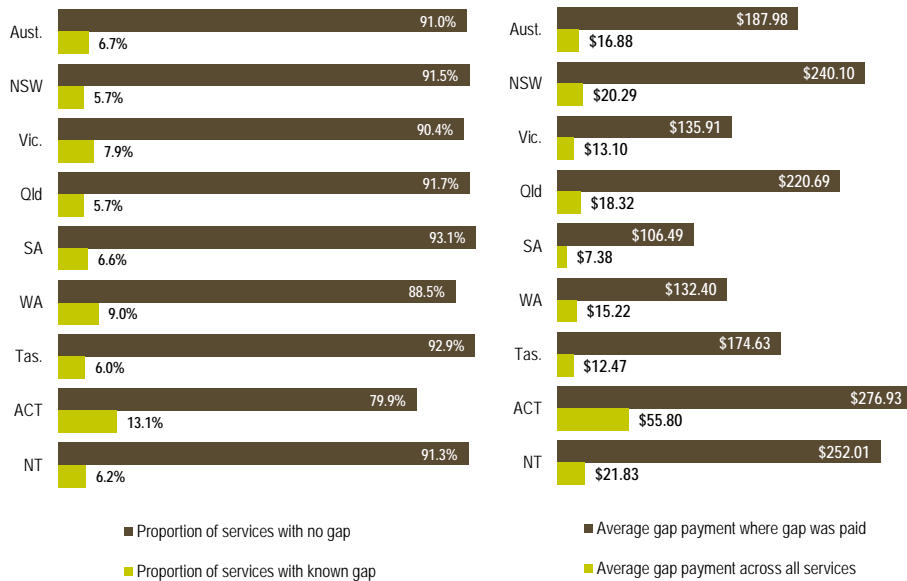
The average out-of-pocket (gap) payment for a hospital episode was \$290 in the June 2020 quarter. This included out-of-pocket payments for medical services, in addition to any excess or co-payment amounts relating to hospital accommodation.

The out-of-pocket payments for hospital episodes decreased by 7.9% compared to the same quarter for the previous year. Out-of-pocket payments for medical services were \$188 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 \$285. 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.

### 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 June 2020	12 months to June 2019
Revenue		
HIB premium revenue	24,895,120	24,561,694
Net investment income	146,165	456,493
Net HRB revenue	97,987	136,082
Net other operational revenue	182,181	73,169
<b>Total revenue</b>	<b>25,321,453</b>	<b>25,227,437</b>
Benefits		
Fund benefits	21,662,251	20,893,638
State ambulance levies	238,404	233,385
<b>Total fund benefits</b>	<b>21,900,655</b>	<b>21,127,022</b>
Expenses		
HIB expenses	1,891,542	1,828,397
HIB claims handling	409,703	404,142
Non-operating expenses	81,832	47,837
<b>Total expenses</b>	<b>2,383,078</b>	<b>2,280,375</b>
Profit of the industry		
Profit/(loss) before tax	1,037,720	1,820,039
Taxation expense	282,626	440,362
<b>Profit/(loss) after tax</b>	<b>755,094</b>	<b>1,379,678</b>
Margins		
Gross margin	12.03%	13.98%
HIB expenses	9.24%	9.09%
Net margin	2.78%	4.89%

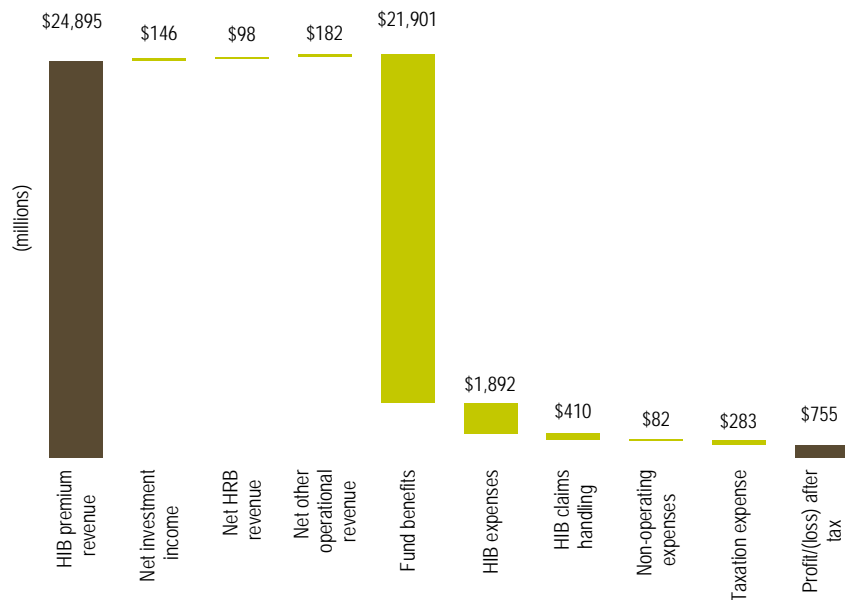
Health Insurance Business (HIB) premium revenue was up 1.4% for the year to June 2020, while total fund benefits increased by 3.7%. As a result, gross margin decreased from 14.0% to 12.0%.

Net investment income decreased from \$456 million in the year ending June 2019 to \$146 million in the year ending June 2020.

HIB expenses as a percentage of revenue remained relatively stable at 9.2% and net margin decreased from 4.9% to 2.8%.

Net profit after tax decreased at \$755 million for the year ended June 2020 compared to \$1,380 million for the year ended June 2019.

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



## Prudential Position

All figures \$'000	June 2020	March 2020	June 2019
<b>Assets</b>			
Cash	1,987,225	1,675,697	983,429
Investments			
Equities	1,684,782	1,447,593	1,812,466
Interest bearing assets	8,817,034	8,041,924	8,738,973
Property	737,090	746,884	737,816
Subsidiary and associated entities	291,045	296,563	291,542
Loans	32,062	34,481	37,865
Receivables	49,172	65,717	50,481
Intangibles DAC and FITBS	1,192,166	1,093,598	925,793
Pre-paid expenses	72,189	72,149	66,642
Other*	1,727,108	1,885,444	1,595,335
<b>Total assets</b>	<b>16,589,873</b>	<b>15,360,051</b>	<b>15,240,343</b>
<b>Liabilities</b>			
Unearned premium liabilities	3,114,806	3,382,257	3,126,279
Unpresented & outstanding claims	2,086,444	2,233,134	2,160,685
Other fund liabilities	1,537,450	164,560	176,993
of which: Other insurance liabilities	1,404,178	*	*
Interest bearing liabilities	2,260	2,390	3,867
Payables, provisions & other liabilities	1,164,849	1,054,256	1,013,398
<b>Total liabilities</b>	<b>7,905,809</b>	<b>6,836,597</b>	<b>6,481,222</b>
<b>Total assets minus total liabilities</b>	<b>8,684,064</b>	<b>8,523,454</b>	<b>8,759,120</b>

The symbol "\*" indicates that the data have been masked to maintain confidentiality.

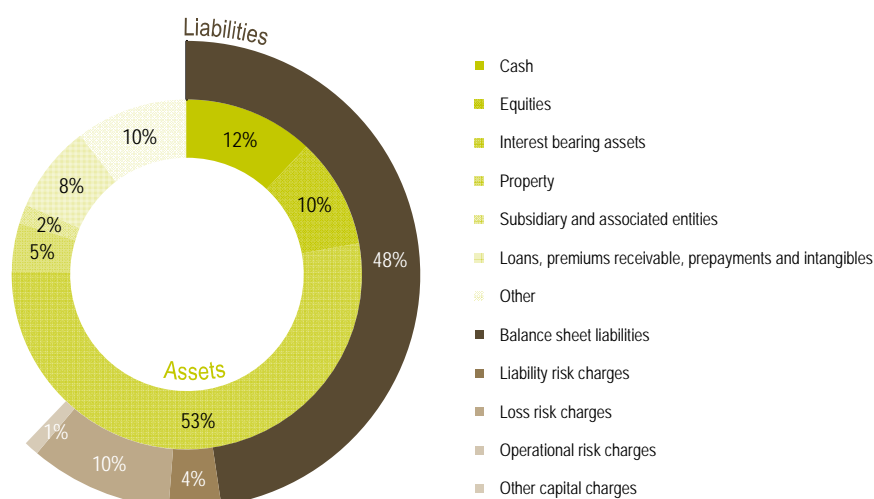
## Capital Adequacy Requirement

All figures \$'000	June 2020	March 2020	June 2019
<b>Total Liabilities</b>	<b>7,905,809</b>	<b>6,836,597</b>	<b>6,481,222</b>
Liability risk charges	598,151	334,651	473,682
Loss risk charges	1,635,857	1,339,805	1,074,446
Operational risk charges	170,454	166,336	171,769
Other capital charges	84,200	88,609	83,392
Less subordinated debt	4,537	4,479	4,282
<b>Total Capital Adequacy Requirement<sup>#</sup></b>	<b>10,389,935</b>	<b>8,761,519</b>	<b>8,280,231</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 June 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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