



# STATISTICS

## Quarterly private health insurance statistics

September 2020 (released 17 November 2020)

## **Disclaimer and Copyright**

While APRA endeavours to ensure the quality of this publication, it does not accept any responsibility for the accuracy, completeness or currency of the material included in this publication and will not be liable for any loss or damage arising out of any use of, or reliance on, this publication.

### **© Australian Prudential Regulation Authority (APRA)**

This work is licensed under the Creative Commons Attribution 3.0 Australia Licence (CCBY 3.0). This licence allows you to copy, distribute and adapt this work, provided you attribute the work and do not suggest that APRA endorses you or your work. To view a full copy of the terms of this licence, visit <https://creativecommons.org/licenses/by/3.0/au/>

## Contents

Snapshot of the industry.....	4
Membership and coverage.....	5
Benefits paid.....	7
Service utilisation.....	10
Out-of-pocket payments.....	11
Financial information.....	12
Notes on statistics.....	14
Related publications.....	15

## Copyright

© Australian Prudential Regulation Authority (APRA)

This work is licensed under the Creative Commons Attribution 3.0 Australia Licence (CCBY 3.0).



This licence allows you to copy, distribute and adapt this work, provided you attribute the work and do not suggest that APRA endorses you or your work. To view a full copy of the terms of this licence, visit: [www.creativecommons.org/licenses/by/3.0/au/](http://www.creativecommons.org/licenses/by/3.0/au/)

## Disclaimer

While APRA endeavours to ensure the quality of this publication, APRA does not accept any responsibility for the accuracy, completeness or currency of the material included in this publication, and will not be liable for any loss or damage arising out of any use, or reliance on, this publication.

## 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

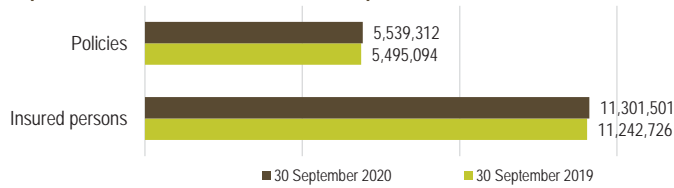
For more information about the statistics in this publication:

[DataAnalytics@apra.gov.au](mailto:DataAnalytics@apra.gov.au)

Manager, External Data and Reporting  
Australian Prudential Regulation Authority  
GPO Box 9836  
Sydney NSW 2001

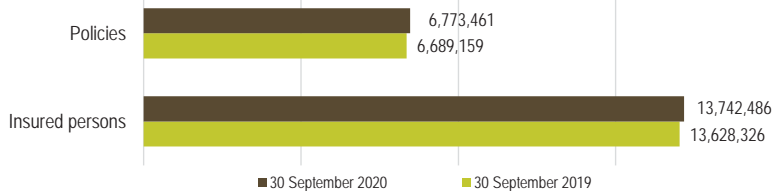
# Key metrics

## Hospital treatment membership



**43.8%** of population at 30 September 2020  
 ↑ **0.3%** percentage points from 30 Jun 2020  
 ↑ **104,106** insured persons over the quarter

## General treatment membership



**53.2%** of population at 30 September 2020  
 ↑ **0.4%** percentage points from 30 Jun 2020  
 ↑ **142,704** insured persons over the quarter

## Hospital treatment episodes

↓ **-6.6%** over the 12 months to September 2020  
 ↑ **18.4%** compared to the June 2020 quarter

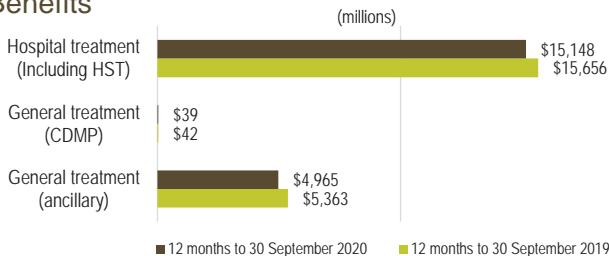


## General treatment services (ancillary)

↓ **-10.1%** over the 12 months to September 2020  
 ↑ **39.2%** compared to the June 2020 quarter



## Benefits

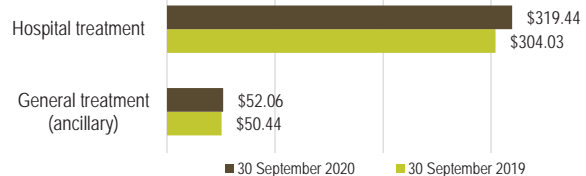


↓ **-3.2%** over the 12 months to September 2020  
 ↓ **-3.8%** compared to the September 2019 quarter

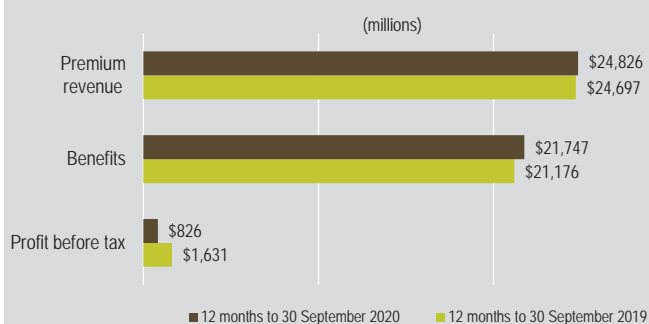
↓ **-7.4%** over the 12 months to September 2020  
 ↑ **0.4%** compared to the September 2019 quarter

## Out-of-pocket per episode/service

↑ **5.1%** over the 12 months to September 2020  
 ↑ **3.2%** over the 12 months to September 2020



## Financial



↑ **0.5%** over the 12 months to September 2020

↑ **2.7%** over the 12 months to September 2020

↓ **-49.3%** over the 12 months to September 2020

# Membership and coverage

as at 30 September 2020

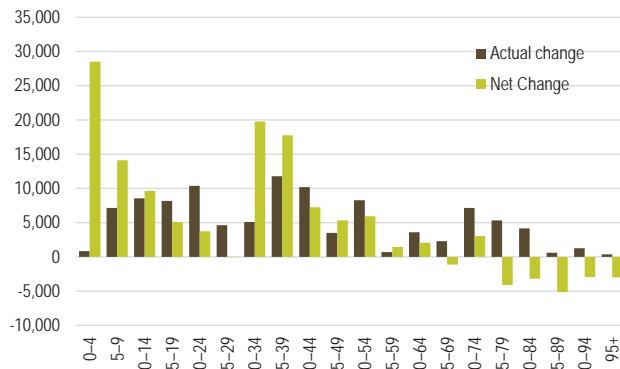
## Hospital Treatment

At 30 September 2020, 11,301,501 people, or 43.8% of the population, were covered by hospital treatment cover. This was an increase of 0.3 percentage points in coverage compared to June 2020.

There was an increase in coverage of 104,106 insured people in the September 2020 quarter. Family policies increased by 12,091 and single policies by 30,017 during the quarter.

The largest increase in coverage during the quarter was 11,760 for people aged between 35 and 39. The largest net increase (taking into account movement between age groups) was for the 0-4, with an increase of 28,504 people.

Net quarterly change in insured persons

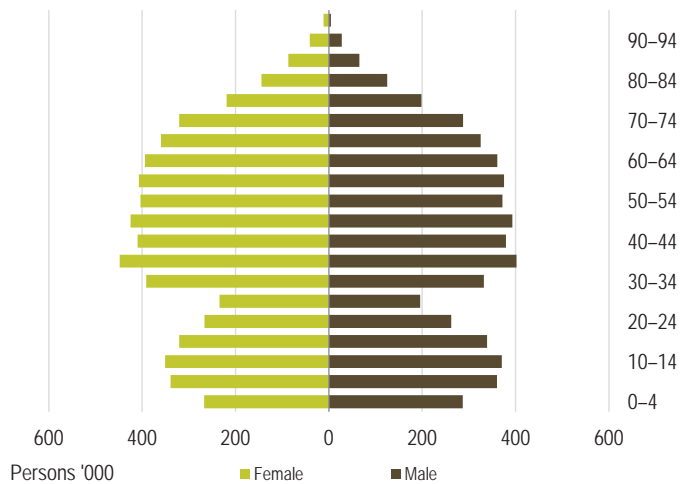


## Lifetime health cover

The majority of adults with hospital cover (89.3%) have a certified age of entry of 30, with no penalty loading; with no change compared to June 2020.

At the end of the September 2020 quarter, there were 878,665 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 30,929. There was a net increase in people with a certified age of entry of 30 (with no penalty) over the year of 80,261. Over the year, 124,858 people had their loading removed after paying a loading for ten years.

Number of persons insured by age



### Hospital treatment tables

State/Territory	Insured persons (%)	Non insured persons (%)	Total Persons	Male	Female	Single policies (%)	Family policies (%)
Aust.	43.8%	56.2%	11,301,501	5,459,161	5,842,340	48.4%	51.6%
NSW	45.4%	54.6%	1,801,166	1,295,233	1,398,675	48.4%	51.6%
VIC	39.9%	60.1%	1,013,098	375,295	408,560	50.7%	49.3%
QLD	40.5%	59.5%	707,119	107,927	119,944	46.4%	53.6%
SA	44.1%	55.9%	112,425	46,898	48,918	48.6%	51.4%
WA	53.7%	46.3%	112,425	707,119	730,869	46.8%	53.2%
TAS	42.0%	58.0%	112,425	107,927	119,944	48.7%	51.3%
ACT	54.6%	45.4%	112,425	112,425	122,593	48.7%	51.3%
NT	39.1%	60.9%	46,898	46,898	48,918	47.9%	52.1%

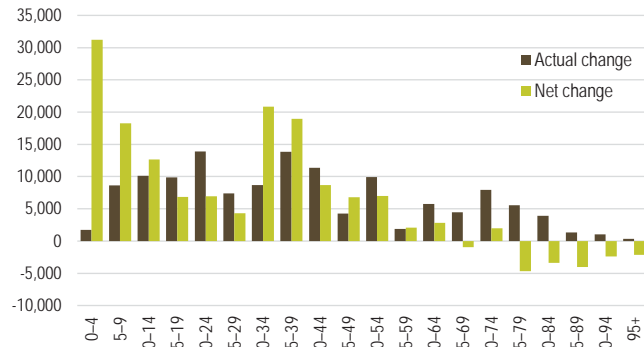
### General Treatment

At 30 September 2020, 13,742,486 people or 53.2% of the population had some form of general treatment cover. There was an increase of 142,704 people when compared to the June 2020 quarter. The increase was mainly driven by single policies (44,768). For the 12 months to 30 September 2020, the number of insured persons with general treatment cover has increased by 114,160.

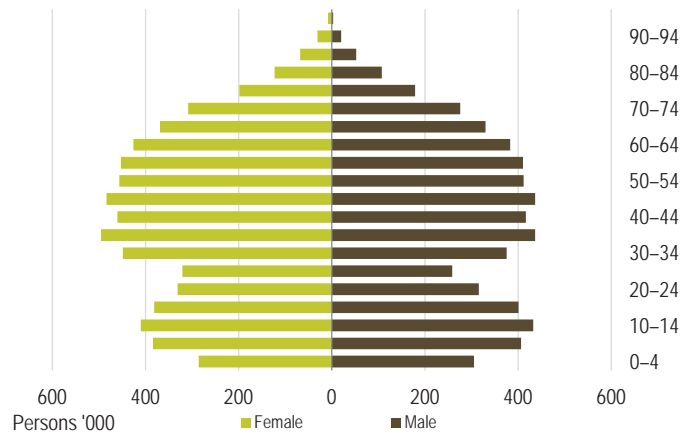
The general treatment (ancillary) by age charts and data in this report show data for those people that have general treatment policies covering ancillary services, regardless of other treatment included in the product. This excludes those general treatment policies that do not cover ancillary treatment.

There was an increase of people with general treatment (ancillary) coverage in the September quarter. The largest net increase in coverage, after accounting for movements across age groups, was 31,209 for people in the 0 to 4 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%	5,960,415	6,440,071	49.4%	50.6%
NSW	55.9%	44.1%	2,005,800	2,142,937	48.9%	51.1%
VIC	46.8%	53.2%	1,277,979	1,387,779	51.5%	48.5%
QLD	47.1%	52.9%	1,063,671	1,171,575	48.1%	51.9%
SA	58.8%	41.2%	463,956	511,103	49.6%	50.4%
WA	68.9%	31.1%	863,652	911,943	48.7%	51.3%
TAS	49.7%	50.3%	116,628	131,136	50.2%	49.8%
ACT	66.9%	33.1%	120,282	132,399	49.7%	50.3%
NT	43.6%	56.4%	48,447	51,199	49.2%	50.8%

# Benefits Paid

## Hospital treatment

### Benefits per episode/service

	September 2020	Change from June 2020
Hospital Treatment		
Acute	\$2,426	-3.6%
Medical	\$63	7.0%
Prostheses	\$671	-1.7%
Cardiac	\$3,678	-4.6%
Hip	\$1,678	2.4%
Knee	\$1,748	-0.3%
Total benefits and growth rate		
Hospital	\$3,897,026,567	17.6%
General	\$1,311,134,504	41.6%

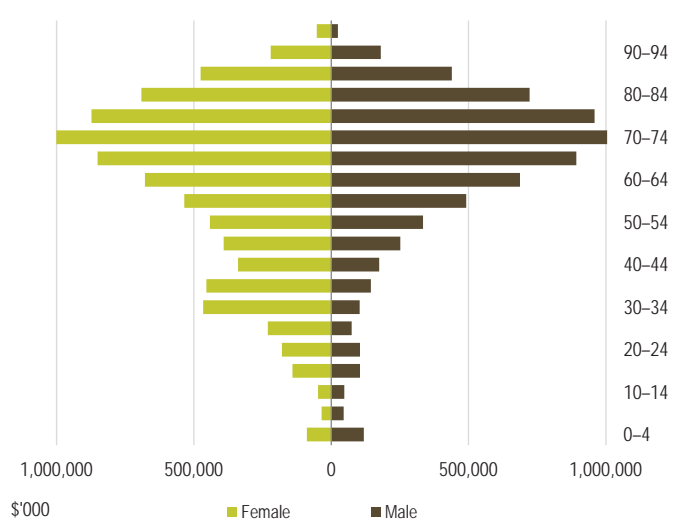
During the September 2020 quarter, insurers paid \$3,897 million in hospital treatment benefits, an increase of 17.6% compared to the June 2020 quarter. Hospital treatment benefits were comprised of:

- ◇ \$2,733 million for acute hospital services such as accommodation and nursing
- ◇ \$613 million for medical services
- ◇ \$551 million for prostheses items.

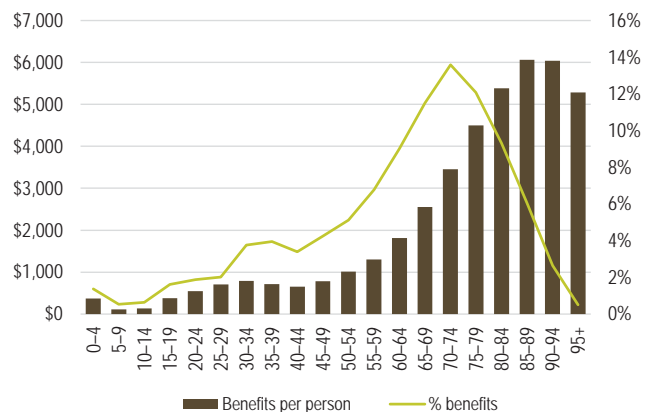
The age group for which most hospital benefits are paid is between 60 and 84 (top chart). Total benefits by age group is affected by the average benefits paid per person (displayed in the second chart) and the number of people in each age group. Older age groups have a higher claiming rate. The rise 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 \$1,392.58 for the year ending September 2019 to \$1,340.34 for the year ending September 2020. The largest amount of benefits per person was spent on hospital accommodation and nursing, followed by medical and prostheses benefits.

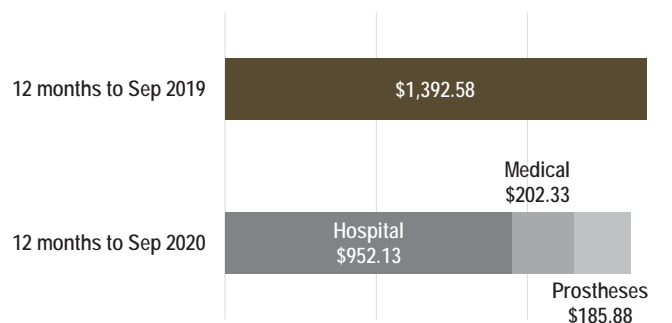
### Hospital treatment benefits paid by age 12 months to 30 September 2020



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



### Hospital treatment benefits per person



## General treatment

### Benefits per service

	September 2020	Change from June 2020
Dental	\$65	1.6%
Chiropractic	\$32	-2.3%
Physiotherapy	\$38	-2.6%
Optical	\$76	-1.0%

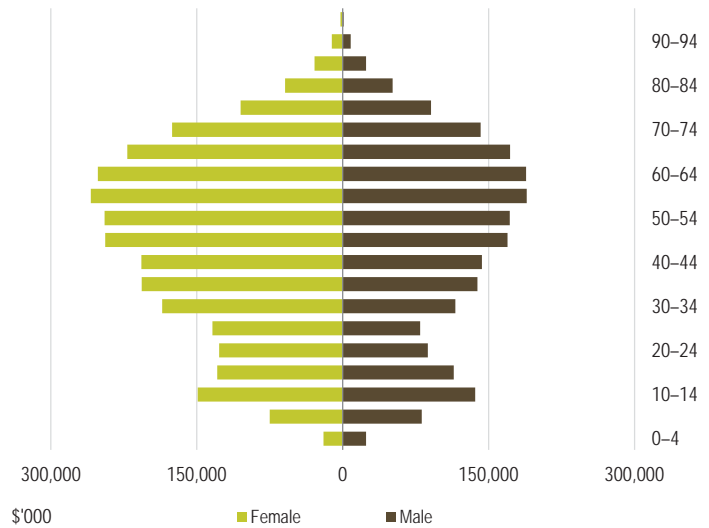
During the September 2020 quarter, insurers paid \$1,302 million in general treatment (ancillary) benefits. This was an increase of 42.2% compared to the June 2020 quarter. Ancillary benefits for the September 2020 quarter included the major categories of:

- ◇ Dental \$719 million
- ◇ Optical \$196 million
- ◇ Physiotherapy \$113 million
- ◇ Chiropractic \$76 million.

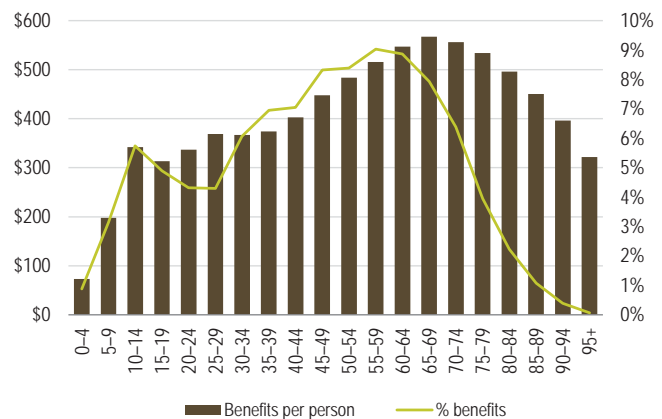
There is a marked difference between the distribution of benefits over age groups between hospital benefits and ancillary benefits. The major difference is the higher claiming rate in older age groups for hospital benefits while benefits per person for ancillary benefits are more evenly spread over the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

General treatment (ancillary) benefits per person during the year to September 2020 were \$400 decreasing from \$435 for the year to September 2019. The largest component of ancillary benefits is dental, for which \$211 was paid per insured.

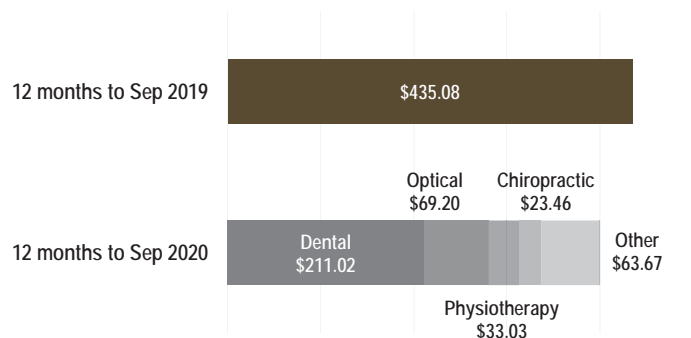
### General treatment benefits paid by age 12 months to 30 September 2020 (ancillary)



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



### General treatment benefits per person (ancillary)





### Medical benefits

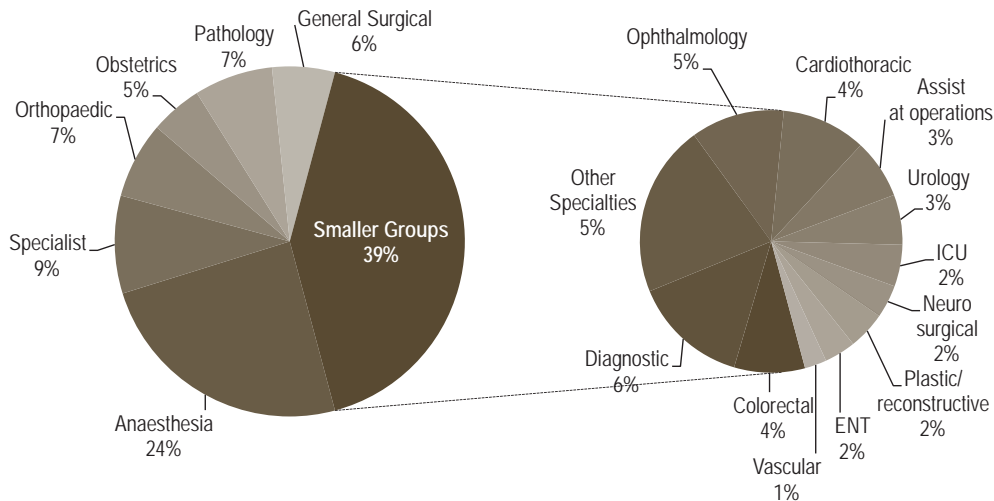
Total benefits for medical services increased 30% during the September quarter 2020, driven largely by a 21.2% increase in the number of services.

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 24.4% of all medical benefits and totalling \$151 million.

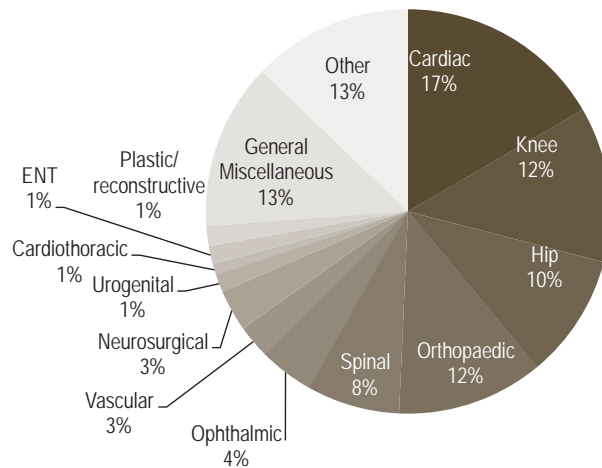
### Prostheses benefits

Total benefits paid for prostheses increased by 23.9% in the September quarter 2020 compared to the June 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 16.6% of all prosthetic benefits and totalling \$91.5 million.

Medical benefits by Speciality group



Benefits paid for prostheses



## Service utilisation

### Episodes/Services by type

	September 2020	Change from June 2020
Hospital Episodes	1,126,722	18.4%
Hospital Days	2,859,329	7.9%
Medical Services	9,781,936	21.1%
Prostheses Items	820,204	26.0%
Specialist Orthopaedic	155,968	26.8%
Ophthalmic	88,868	46.9%
Spinal	57,632	16.8%
General Treatment	22,786,570	39.2%
Dental	11,093,106	54.8%
Chiropractic	2,364,222	8.3%
Physiotherapy	2,929,551	27.7%
Optical	2,566,869	48.5%

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

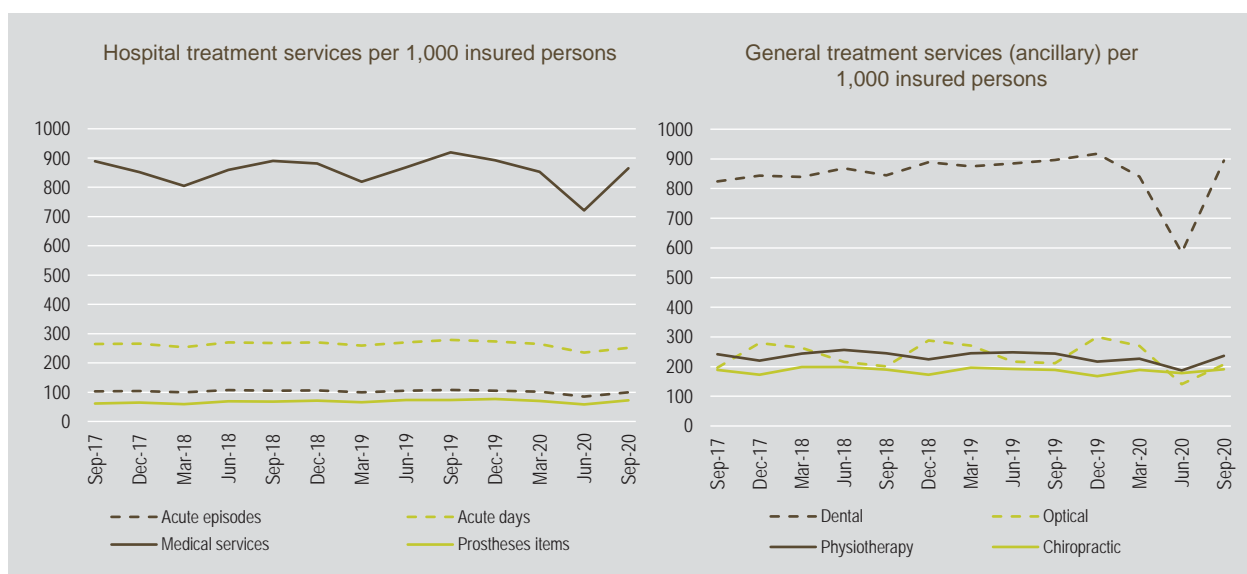
- ◇ public hospitals 172,707 episodes
- ◇ private hospitals 754,221 episodes
- ◇ day hospital facilities 153,381 episodes
- ◇ hospital substitute 46,413 episodes.

For the September 2020 quarter, hospital utilisation (measured in episodes) increased by 18.4%, driven by increases in all hospital settings except in public hospitals. In the year ending September 2020, episodes in all settings decreased.

During the September 2020 quarter, insurers paid benefits for 2.86 million days in hospital, arising from 1.13 million hospital episodes of care.

	Quarter change	Year change
◇ public hospitals	↓ -2.3%	↓ -7.5%
◇ private hospitals	↑ 23.3%	↓ -6.0%
◇ day hospital facilities	↑ 24.3%	↓ -7.3%
◇ hospital-substitute	↑ 15.5%	↓ -9.2%

Day-only episodes in the four categories of hospital totalled 762,807, an increase of 21.5% compared to the June 2020 quarter.



# Out-of-pocket payments

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

	September 2020	Change from Jun 20	Change from Sep 19
Hospital treatment	\$319.44	10.2%	5.1%
Hospital-substitute treatment	\$6.85	-29.5%	-38.9%
General treatment ancillary	\$52.06	3.6%	3.2%
Medical gap where gap was paid	\$184.42	-1.9%	0.8%

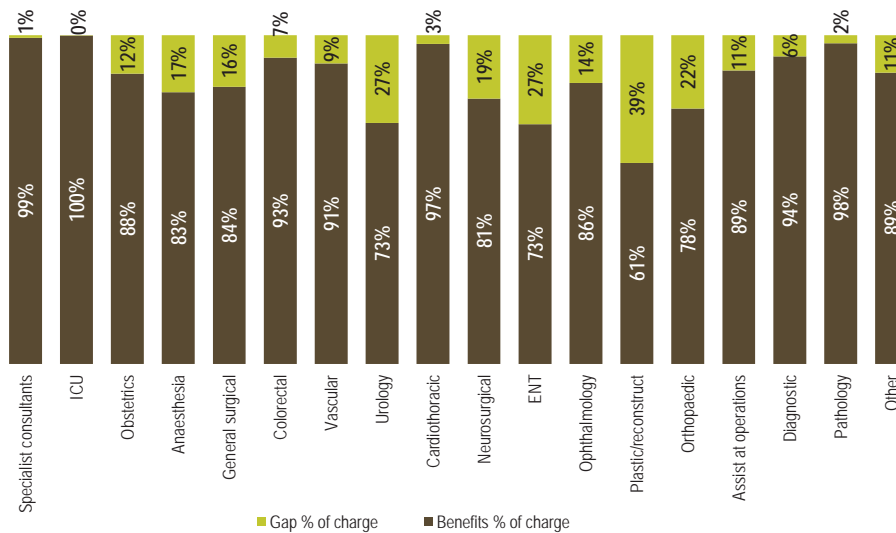
The average out-of-pocket (gap) payment for a hospital episode was \$319 in the September 2020 quarter. This included out-of-pocket payments for medical services, in addition to any excess or co-payment amounts relating to hospital accommodation.

The out-of-pocket payments for hospital episodes increased by 5.1% compared to the same quarter for the previous year.

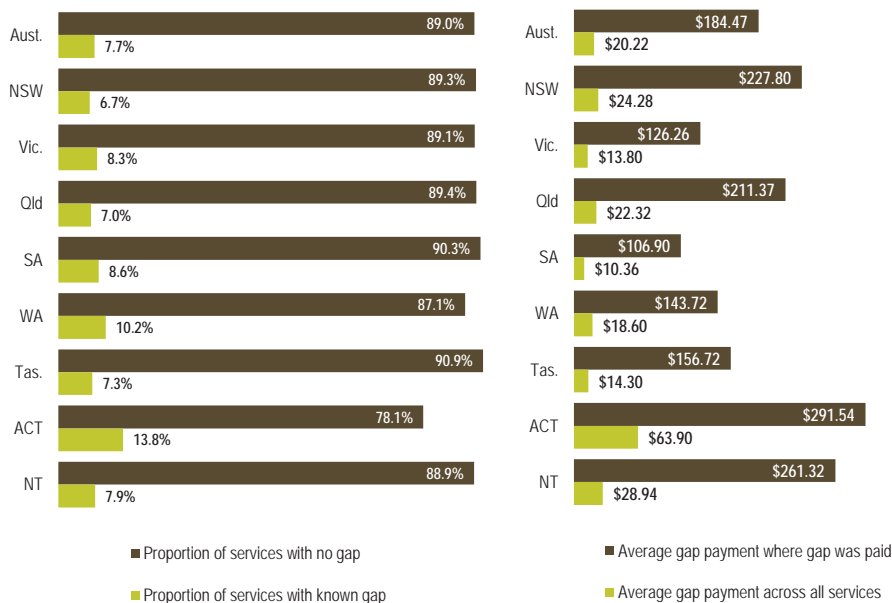
Out-of-pocket payments for medical services were \$184 where an out-of-pocket payment was payable. The amount of gap for medical services varies depending on the specialty group. The specialty group with the largest out-of-pocket payment was plastic/reconstructive with an average gap of \$425. Gap incurred 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 September 2020	12 months to September 2019
<b>Revenue</b>		
HIB premium revenue	24,825,618	24,696,818
Net investment income	131,916	447,416
Net HRB revenue	74,441	128,878
Net other operational revenue	170,997	84,582
<b>Total revenue</b>	<b>25,202,972</b>	<b>25,357,694</b>
<b>Benefits</b>		
Fund benefits	21,746,870	21,176,417
State ambulance levies	239,442	234,693
<b>Total fund benefits</b>	<b>21,986,312</b>	<b>21,411,110</b>
<b>Expenses</b>		
HIB expenses	1,896,921	1,848,083
HIB claims handling	411,335	410,757
Non-operating expenses	81,947	57,189
<b>Total expenses</b>	<b>2,390,203</b>	<b>2,316,028</b>
<b>Profit of the industry</b>		
Profit/(loss) before tax	826,458	1,630,556
Taxation expense	239,079	391,241
<b>Profit/(loss) after tax</b>	<b>587,379</b>	<b>1,239,316</b>
<b>Margins</b>		
Gross margin	11.44%	13.30%
HIB expenses	9.30%	9.15%
Net margin	2.14%	4.16%

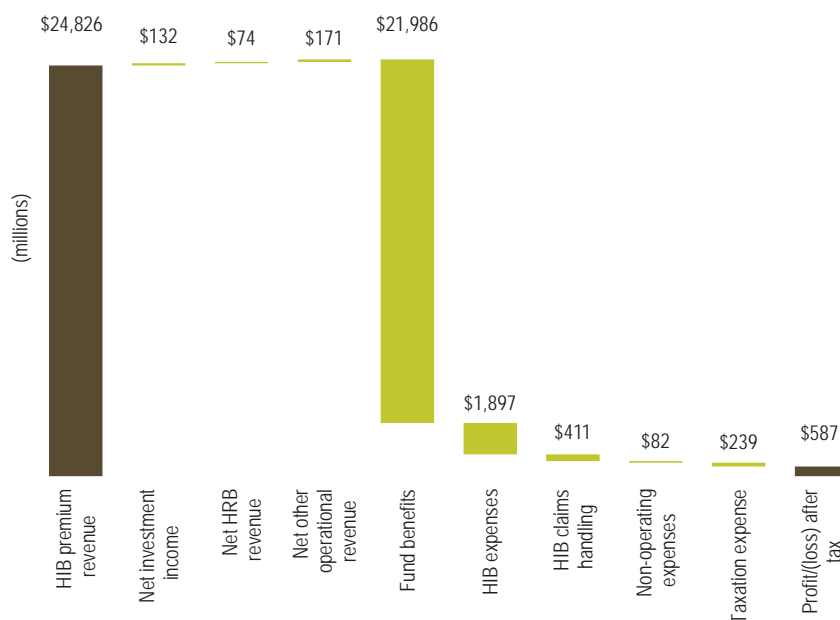
Health Insurance Business (HIB) premium revenue was up 0.52% for the year to September 2020, while total fund benefits increased by 2.7%. As a result, gross margin decreased from 13.30% to 11.44%.

Net investment income decreased from \$447 million in the year ending September 2019 to \$132 million in the year ending September 2020.

HIB expenses and claims handling as a percentage of revenue remained relatively stable at 9.3% in the year ending September 2020 compared to 9.1% in the year ending September 2019.

Net profit after tax decreased to \$0.59 billion for the year ended September 2020 compared to \$1.239 billion for the year ended September 2019.

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



## Prudential Position

All figures \$'000	September 2020	June 2020	September 2019
<b>Assets</b>			
Cash	1,646,091	1,987,225	1,032,329
Investments			
Equities	1,699,582	1,684,782	1,793,545
Interest bearing assets	9,032,812	8,817,034	8,390,261
Property	729,909	737,090	750,333
Subsidiary and associated entities	282,730	291,045	284,740
Loans	29,853	32,062	52,306
Receivables	44,586	49,172	55,189
Intangibles DAC and FITBS	1,253,734	1,192,166	950,123
Pre-paid expenses	76,246	72,189	62,522
Other*	1,792,725	1,727,108	1,610,911
<b>Total assets</b>	<b>16,588,268</b>	<b>16,589,873</b>	<b>14,982,259</b>
<b>Liabilities</b>			
Unearned premium liabilities	3,004,774	3,114,806	2,895,921
Unpresented & outstanding claims	2,001,138	2,086,444	2,252,860
Other fund liabilities	1,813,096	1,537,450	174,147
of which: Other insurance liabilities	1,669,099	1,404,178	*
Interest bearing liabilities	4,427	2,260	4,499
Payables, provisions & other liabilities	1,242,875	1,164,849	1,141,958
<b>Total liabilities</b>	<b>8,066,310</b>	<b>7,905,809</b>	<b>6,469,385</b>
<b>Total assets minus total liabilities</b>	<b>8,521,958</b>	<b>8,684,064</b>	<b>8,512,875</b>

The industry held total assets of \$16.6 billion as at 30 September 2020.

Total assets have increased by \$1.6 billion in the last 12 months.

Total liabilities reported by the industry have increased by \$1.6 billion over the last year.

Total net assets remained at \$8.5 billion from September 2019 to September 2020.

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

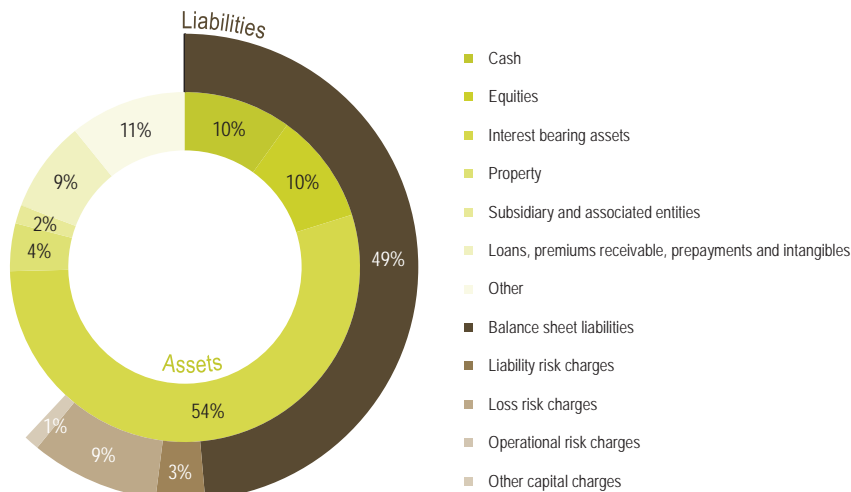
## Capital Adequacy Requirement

All figures \$'000	September 2020	June 2020	September 2019
<b>Total Liabilities</b>	<b>8,066,310</b>	<b>7,905,809</b>	<b>6,469,385</b>
Liability risk charges	565,135	598,151	443,327
Loss risk charges	1,475,521	1,635,857	1,134,054
Operational risk charges	174,146	170,454	173,041
Other capital charges	77,425	84,200	82,997
Less subordinated debt	4,595	4,537	4,349
<b>Total Capital Adequacy Requirement*</b>	<b>10,353,942</b>	<b>10,389,935</b>	<b>8,298,455</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 September 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>



 **APRA**