



STATISTICS

Quarterly private health insurance statistics

December 2020 (released 23 February 2021)

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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

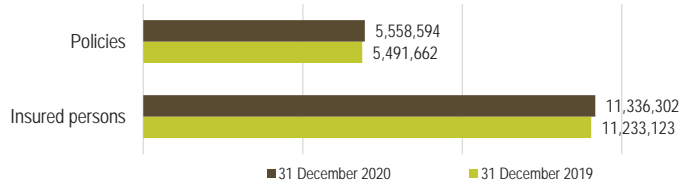
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Key metrics

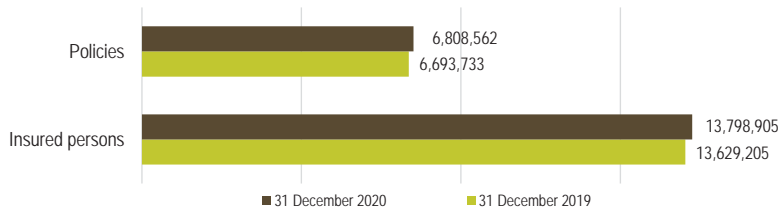
Hospital treatment membership



43.9% of population at 31 December 2020
0.0% percentage points from 30 Sep 2020
↑ 34,801 insured persons over the quarter

53.4% of population at 31 December 2020
↑ 0.1% percentage points from 30 Sep 2020
↑ 56,419 insured persons over the quarter

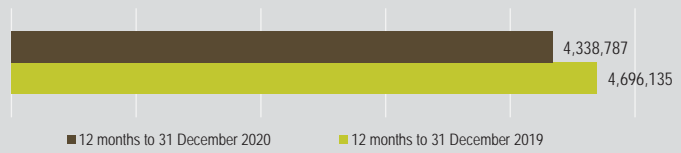
General treatment membership



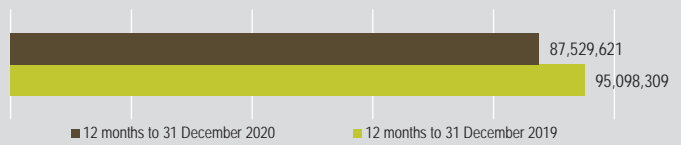
Hospital treatment episodes

↓ -7.6% over the 12 months to December 2020
↓ -0.7% compared to the September 2020 quarter

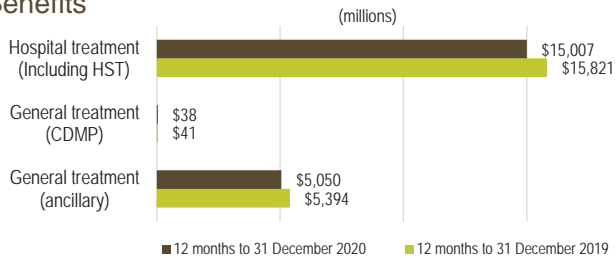
↓ -8.0% over the 12 months to December 2020
↑ 12.0% compared to the September 2020 quarter



General treatment services (ancillary)



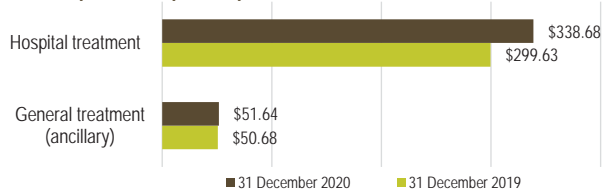
Benefits



↓ -5.2% over the 12 months to December 2020
↓ -3.4% compared to the December 2019 quarter

↓ -6.4% over the 12 months to December 2020
↑ 6.2% compared to the December 2019 quarter

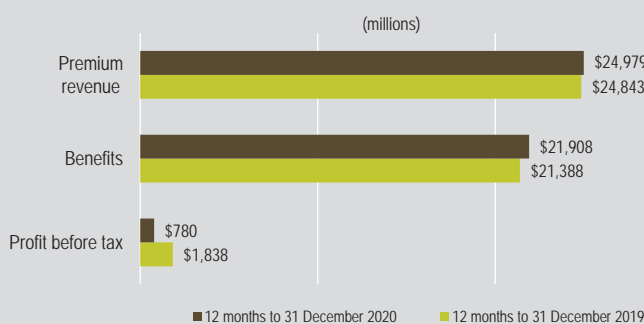
Out-of-pocket per episode/service



↑ 13.0% over the 12 months to December 2020

↑ 1.9% over the 12 months to December 2020

Financial



↑ 0.5% over the 12 months to December 2020

↑ 2.4% over the 12 months to December 2020

↓ -57.5% over the 12 months to December 2020

Membership and coverage

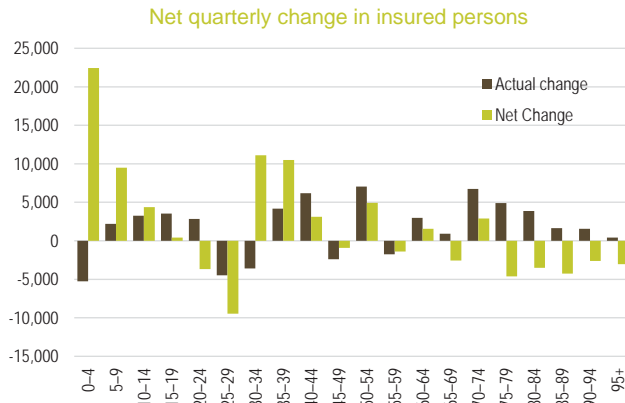
as at 31 December 2020

Hospital Treatment

At 31 December 2020, 11,336,302 people, or 43.9 % of the population, were covered by hospital treatment cover. This was broadly unchanged from September 2020.

There was an increase in coverage of 34,801 insured people in the December 2020 compared to September 2020. Family policies increased by 3,893 and single policies by 10,817 during the quarter.

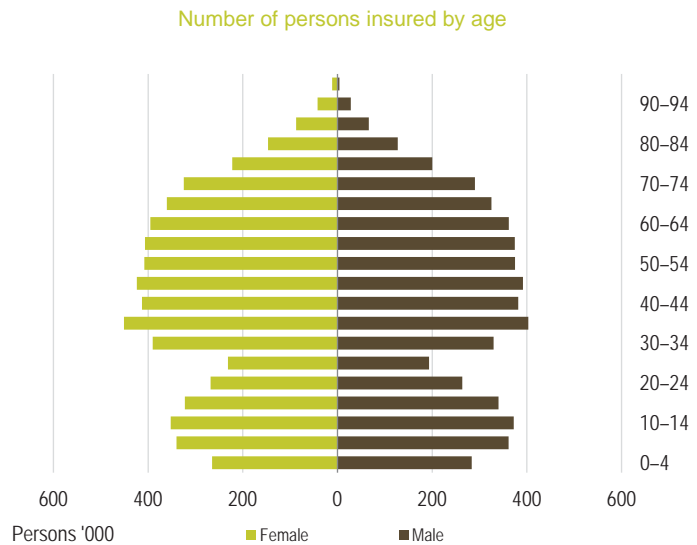
The largest increase in coverage during the quarter was 7,035 for people aged between 50 and 54. The largest net increase (taking into account movement between age groups) was for the 0-4 with an increase of 22,432 people.



Lifetime health cover

The majority of adults with hospital cover (89.3%) have a certified age of entry of 30, with no penalty loading.

At the end of the December 2020 quarter, there were 875,307 people with a certified age of entry of more than 30 and subject to a Lifetime Health Cover loading; a net decreasing in people paying a penalty over the preceding 12 months of 20,145. There was a net increase in people with a certified age of entry of 30 (with no penalty) over the year of 100,335. Over the year, 124,644 people had their loading removed after paying a loading for ten years.



Hospital treatment tables

State/Territory	Insured persons (%)	Non insured persons (%)	Total Insured (Male/Female)	Single policies (%)	Family policies (%)
Aust.	43.9%	56.1%	5,474,486 / 5,861,816	48.5%	51.5%
NSW	45.4%	54.6%	1,803,754 / 1,921,613	48.4%	51.6%
VIC	40.1%	59.9%	1,301,356 / 1,406,223	50.7%	49.3%
QLD	40.5%	59.5%	1,015,180 / 1,097,777	46.5%	53.5%
SA	44.2%	55.8%	375,819 / 409,323	48.7%	51.3%
WA	53.9%	46.1%	710,536 / 734,707	46.9%	53.1%
TAS	42.0%	58.0%	107,983 / 120,071	48.8%	51.2%
ACT	54.4%	45.6%	112,799 / 123,003	48.7%	51.3%
NT	39.1%	60.9%	47,059 / 49,099	47.9%	52.1%

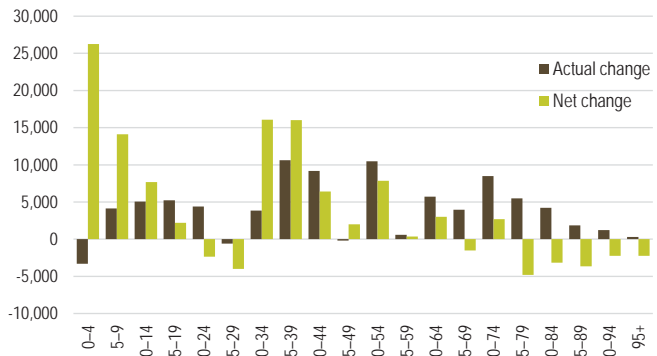
General Treatment

At 31 December 2020, 13,798,905 people or 53.4% of the population had some form of general treatment cover. There was an increase of 56,419 people when compared to the September quarter. There was an increase of General Treatment policies of 35,101 for December 2020 which was mainly driven by Single Policies which increased by 22,587. For the 12 months to 31 December 2020, the number of insured persons with general treatment cover has increased by 169,700.

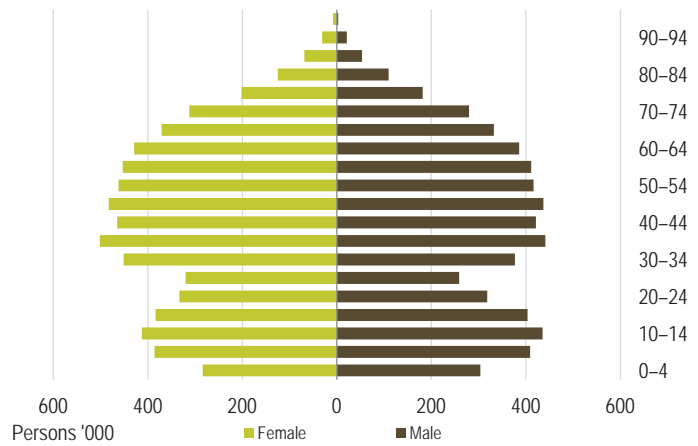
The general treatment (ancillary) by age charts and data in this report show data for those people that have general treatment policies covering ancillary services, regardless of other treatment included in the product. This excludes those general treatment policies that do not cover ancillary treatment.

There was an increase of 80,715 people with general treatment (ancillary) coverage in the December 2020. The largest net increase in coverage, after accounting for movements across age groups, was 26,255 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.	53.4%	46.6%	5,998,112	6,483,089	49.5%	50.5%
NSW	55.9%	44.1%	2,015,267	2,153,409	48.9%	51.1%
VIC	47.2%	52.8%	1,293,179	1,404,925	51.6%	48.4%
QLD	47.1%	52.9%	1,069,319	1,178,681	48.3%	51.7%
SA	58.9%	41.1%	465,124	512,480	49.7%	50.3%
WA	69.1%	30.9%	868,154	917,175	48.8%	51.2%
TAS	49.7%	50.3%	116,964	131,534	50.4%	49.6%
ACT	66.7%	33.3%	121,322	133,408	49.7%	50.3%
NT	43.7%	56.3%	48,783	51,477	49.4%	50.6%

Benefits Paid

Hospital treatment

Benefits per episode/service

	December 2020	Change from September 2020
Hospital Treatment		
Acute	\$2,491	2.7%
Medical	\$64	2.9%
Prostheses	\$677	0.9%
Cardiac	\$3,809	3.6%
Hip	\$1,692	0.8%
Knee	\$1,723	-1.4%
Total benefits and growth rate		
Hospital	\$3,988,611,509	2.4%
General	\$1,479,251,768	12.8%

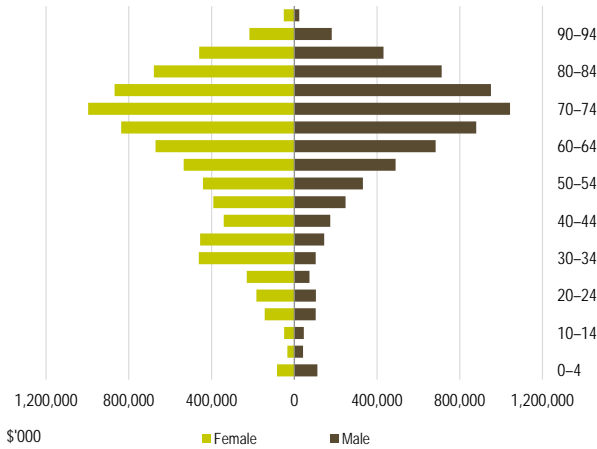
During the December 2020 quarter, insurers paid \$3,989 million in hospital treatment benefits, an increase of 2.4% compared to the September 2020 quarter. Hospital treatment benefits were comprised of:

- ◇ \$2,785 million for hospital services such as accommodation and nursing
- ◇ \$631 million for medical services
- ◇ \$572 million for prostheses items.

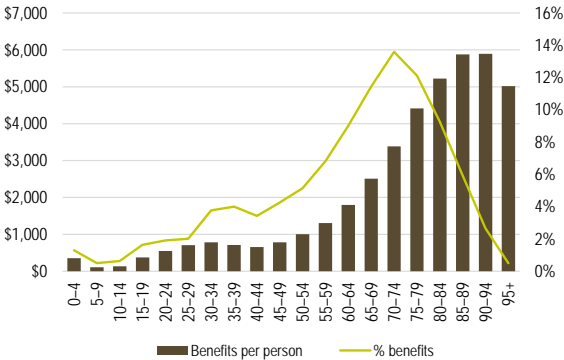
The age group for which most hospital benefits are paid is between 60 and 84 (top chart). Total benefits by age group is affected by the average benefits paid per person (displayed in the second chart) and the number of people in each age group.

Average hospital benefits per person decreased from \$1,408.47 for the year ending December 2019 to \$1,323.76 for the year ending December 2020. The largest amount of benefits per person was spent on hospital accommodation and nursing, followed by medical and prostheses benefits.

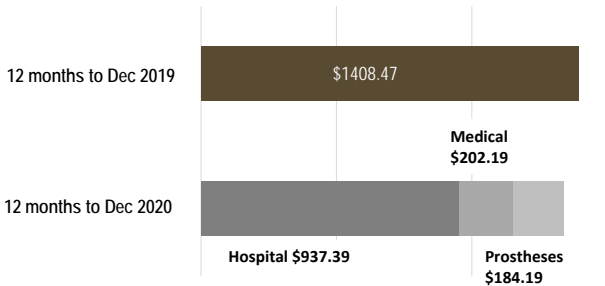
Hospital treatment benefits paid by age 12 months to 31 December 2020



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



Hospital treatment benefits per person



General treatment

Benefits per service

	December 2020	Change from September 2020
Dental	\$65	-0.2%
Chiropractic	\$31	-2.9%
Physiotherapy	\$38	-2.0%
Optical	\$73	-4.1%

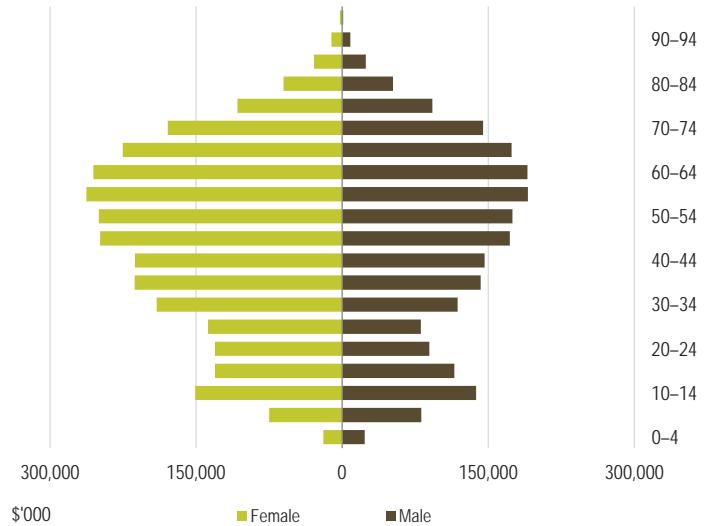
During the December 2020 quarter, insurers paid \$1,470 million in general treatment (ancillary) benefits. This was an increase of 13.0% compared to the September 2020 quarter. Ancillary benefits for the December 2020 quarter included the major categories of:

- ◇ Dental \$779 million
- ◇ Optical \$306 million
- ◇ Physiotherapy \$104 million
- ◇ Chiropractic \$68 million.

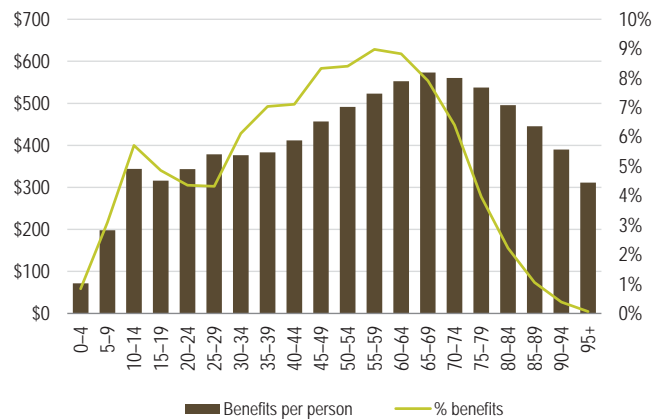
There is a marked difference between the distribution of benefits over age groups between hospital benefits and ancillary benefits. The major difference is the higher claiming rate in older age groups for hospital benefits while benefits per person for ancillary benefits are more evenly spread over the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

General treatment (ancillary) benefits per person during the year to December 2019 were \$437.65 decreasing to \$404.64 for the year to December 2020. The largest component of ancillary benefits is dental, for which \$213.22 was paid per insured.

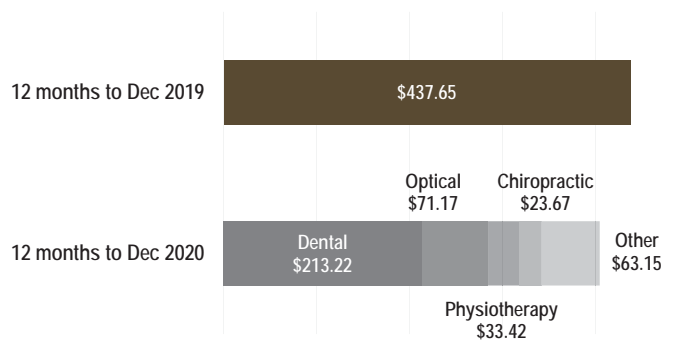
General treatment benefits paid by age 12 months to 31 December 2020 (ancillary)



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



General treatment benefits per person (ancillary)



Medical benefits

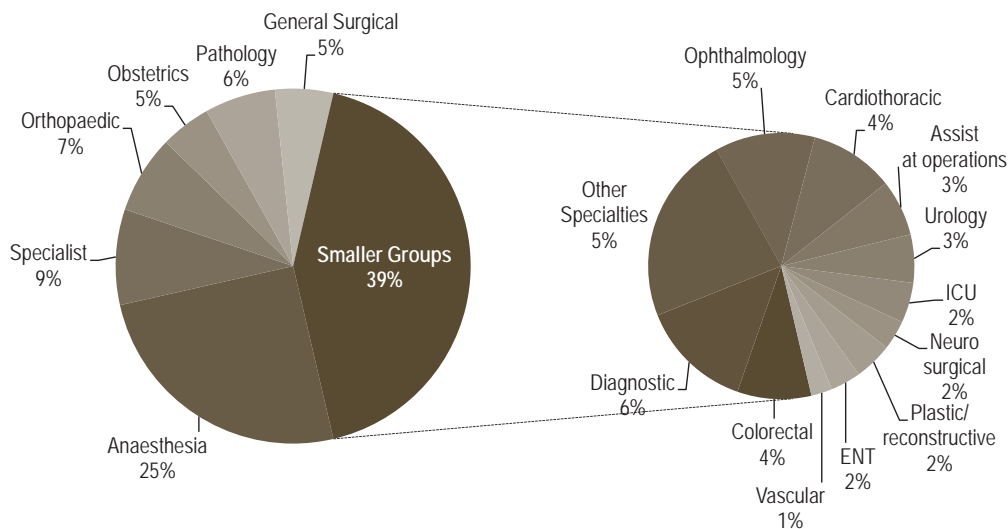
Total benefits for medical services increased 3.0% during the December quarter 2020.

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 25.1% of all medical benefits and totalling \$159 million.

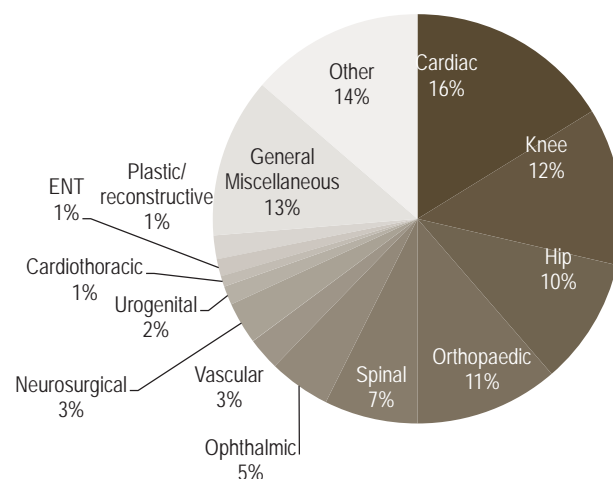
Prostheses benefits

Total benefits paid for prostheses increased by 3.9% in the December 2020 compared to the September 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 16.2% of all prosthetic benefits and totalling \$93 million.

Medical benefits by Speciality group



Benefits paid for prostheses



Service utilisation

Episodes/Services by type

	December 2020	Change from September 2020
Hospital Episodes	1,118,310	-0.7%
Hospital Days	2,813,354	-1.6%
Medical Services	9,787,881	0.1%
Prostheses Items	844,202	2.9%
Specialist Orthopaedic	151,440	-2.9%
Ophthalmic	100,348	12.9%
Spinal	57,660	0.0%
General Treatment	25,528,946	12.0%
Dental	12,047,685	8.6%
Chiropractic	2,195,108	-7.2%
Physiotherapy	2,772,434	-5.4%
Optical	4,183,858	63.0%

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

- ◇ public hospitals 162,376 episodes
- ◇ private hospitals 755,085 episodes
- ◇ day hospital facilities 156,289 episodes
- ◇ hospital substitute 44,560 episodes.

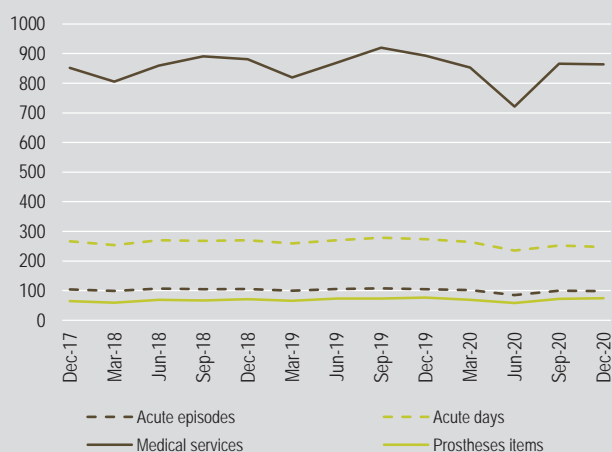
For the December 2020 quarter, hospital utilisation (measured in episodes) decreased by -0.7% which was mainly driven by public hospitals. In the year ending December 2020, episodes in all settings decreased.

During the December 2020 quarter, insurers paid benefits for 2.81 million days in hospital, arising from 1.12 million hospital episodes of care.

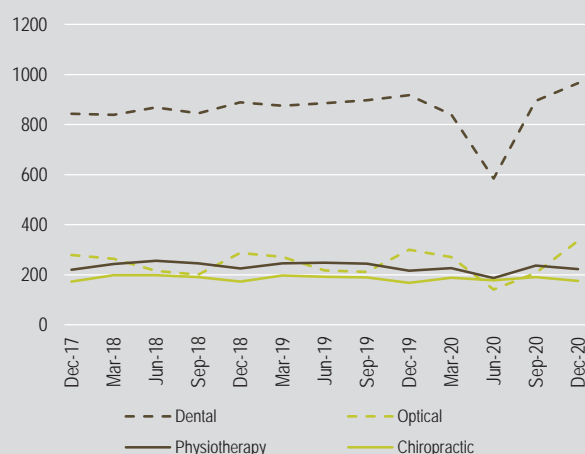
	Quarter change	Year change
◇ public hospitals	↓ -6.0%	↓ -10.6%
◇ private hospitals	↑ 0.1%	↓ -6.9%
◇ day hospital facilities	↑ 1.9%	↓ -6.8%
◇ hospital-substitute	↓ -4.0%	↓ -9.6%

Day-only episodes in the four categories of hospital totalled 762,846, with minimal increase from the September 2020 quarter.

Hospital treatment services per 1,000 insured persons



General treatment services (ancillary) per 1,000 insured persons



Out-of-pocket payments

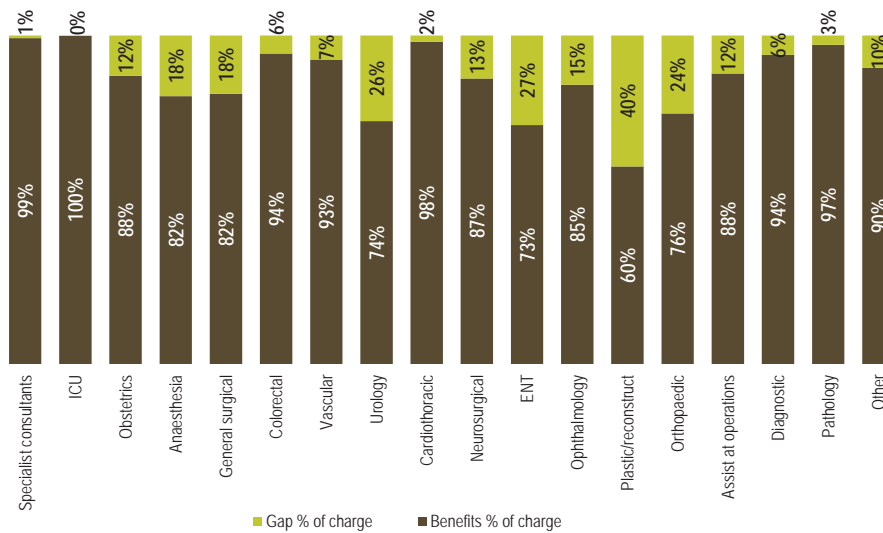
Average out-of-pocket per episode/service

	December 2020	Change from Sep 20	Change from Dec 19
Hospital treatment	\$338.68	6.0%	13.0%
Hospital-substitute treatment	\$7.70	12.5%	-26.3%
General treatment ancillary	\$51.64	-0.8%	1.9%
Medical gap where gap was paid	\$185.33	0.5%	-3.8%

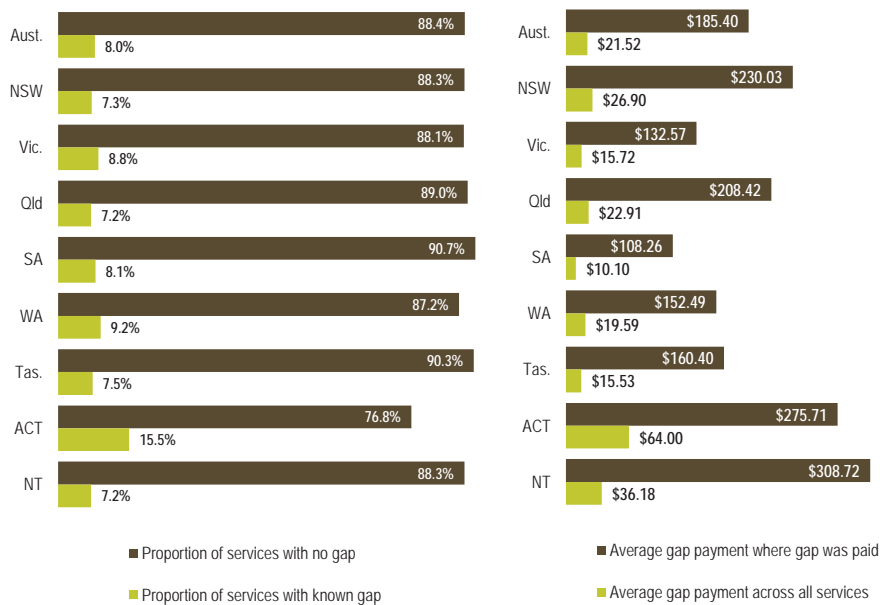
The average out-of-pocket (gap) payment for a hospital episode was \$339 in the December 2020 quarter. This included out-of-pocket payments for medical services, in addition to any excess or co-payment amounts relating to hospital accommodation.

The out-of-pocket payments for hospital episodes increased by 13.0% compared to the same quarter for the previous year. Out-of-pocket payments for medical services were \$185 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 \$449. 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 December 2020	12 months to December 2019
Revenue		
HIB premium revenue	24,978,723	24,843,366
Net investment income	269,383	635,387
Net HRB revenue	45,769	128,567
Net other operational revenue	73,762	183,153
Total revenue	25,367,637	25,790,474
Benefits		
Fund benefits	21,908,384	21,387,880
State ambulance levies	241,018	235,862
Total fund benefits	22,149,402	21,623,742
Expenses		
HIB expenses	1,943,696	1,845,804
HIB claims handling	416,307	414,268
Non-operating expenses	78,078	69,113
Total expenses	2,438,081	2,329,185
Profit of the industry		
Profit/(loss) before tax	780,154	1,837,547
Taxation expense	221,908	397,611
Profit/(loss) after tax	558,247	1,439,936
Margins		
Gross margin	11.33%	12.96%
HIB expenses	9.45%	9.10%
Net margin	1.88%	3.86%

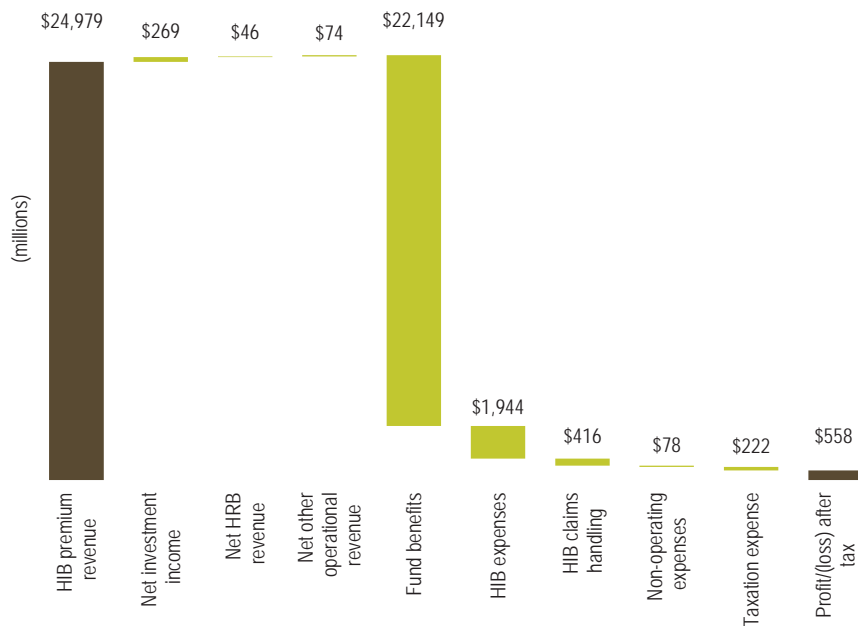
Health Insurance Business (HIB) premium revenue was up 0.5% for the year to December 2020, while total fund benefits increased by 2.4%. Gross margin decreased from 12.96% to 11.33%.

Net investment income decreased from \$635 million in the year ending December 2019 to \$269 million in the year ending December 2020.

HIB expenses as a percentage of revenue increased from 9.1% to 9.4% and net margin decreased from 3.9% to 1.9%.

Net profit after tax decreased from \$1.4 billion for the year ending December 2019 to \$558 million for the year ending December 2020.

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



Prudential Position

All figures \$'000	December 2020	September 2020	December 2019
Assets			
Cash	1,504,851	1,646,091	1,216,958
Investments			
Equities	1,814,850	1,699,582	1,671,006
Interest bearing assets	9,017,024	9,032,812	7,772,708
Property	732,845	729,909	739,259
Subsidiary and associated entities	288,230	282,730	288,051
Loans	33,250	29,853	38,960
Receivables	52,287	44,586	55,567
Intangibles DAC and FITBS	1,269,242	1,253,734	1,075,189
Pre-paid expenses	86,492	76,246	72,556
Other*	1,902,190	1,792,725	1,714,320
Total assets	16,701,260	16,588,268	14,644,575
Liabilities			
Unearned premium liabilities	2,660,824	3,004,774	2,572,150
Unpresented & outstanding claims	2,114,143	2,001,138	2,034,425
Other fund liabilities	1,926,609	1,813,096	149,112
of which: Other insurance liabilities	1,786,304	1,669,099	*
Interest bearing liabilities	4,897	4,427	926
Payables, provisions & other liabilities	1,133,373	1,242,875	1,065,858
Total liabilities	7,839,846	8,066,310	5,822,472
Total assets minus total liabilities	8,861,414	8,521,958	8,822,103

The industry held total assets of \$16.7 billion as at 31 December 2020.

Total assets have increased by \$2,057 million in the last 12 months.

Total liabilities reported by the industry have increased by \$2,017 million over the year.

Total net assets slightly increased from \$8.8 billion in December 2019 to \$8.9 billion in December 2020.

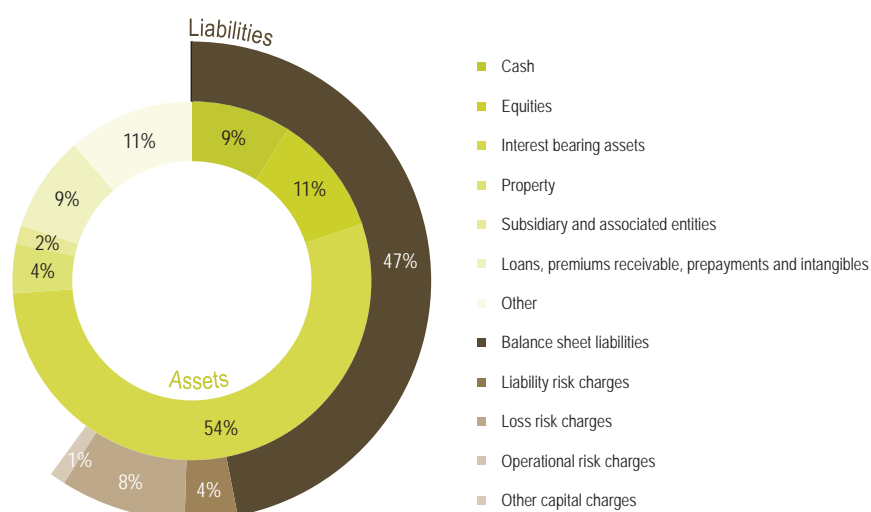
Capital Adequacy Requirement

All figures \$'000	December 2020	September 2020	December 2019
Total Liabilities	7,839,846	8,066,310	5,822,472
Liability risk charges	593,627	565,135	446,990
Loss risk charges	1,417,521	1,475,521	1,107,765
Operational risk charges	176,650	174,146	172,908
Other capital charges	77,156	77,425	85,378
Less subordinated debt	4,654	4,595	4,414
Total Capital Adequacy Requirement*	10,100,147	10,353,942	7,631,098

* 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 December 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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