



STATISTICS

Quarterly private health insurance statistics

March 2021 (released 18 May 2021)

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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

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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

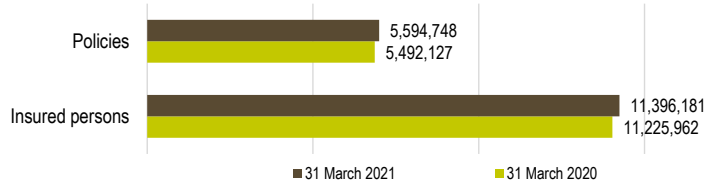
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Key metrics

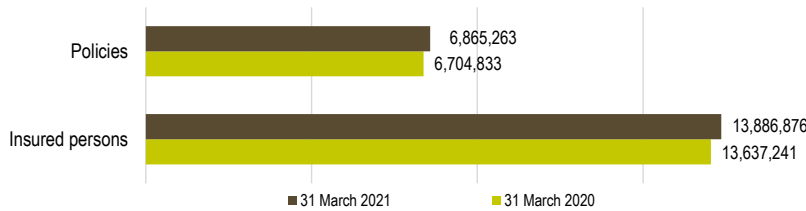
Hospital treatment membership



44.2% of population at 31 March 2021
 ↑ **0.2%** percentage points from 31 Dec 2020
 ↑ **59,879** insured persons over the quarter

53.8% of population at 31 March 2021
 ↑ **0.2%** percentage points from 31 Dec 2020
 ↑ **87,971** insured persons over the quarter

General treatment membership



Hospital treatment episodes

Period	Value
12 months to 31 March 2021	4,310,278
12 months to 31 March 2020	4,716,652

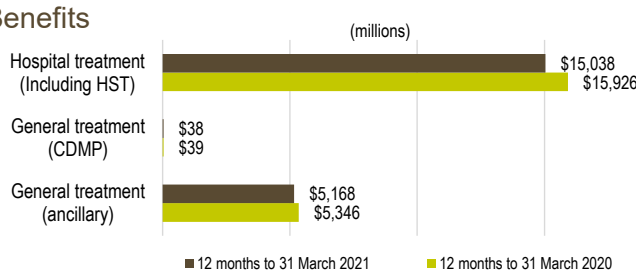
↓ **-8.6%** over the 12 months to March 2021
 ↓ **-0.4%** compared to the December 2020 quarter

General treatment services (ancillary)

Period	Value
12 months to 31 March 2021	89,586,105
12 months to 31 March 2020	93,078,010

↓ **-3.8%** over the 12 months to March 2021
 ↓ **-2.4%** compared to the December 2020 quarter

Benefits



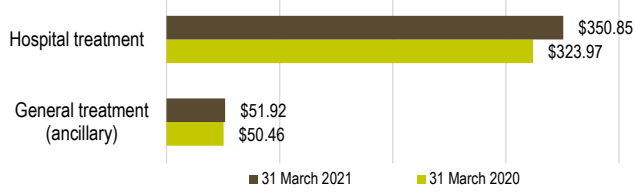
↓ **-5.6%** over the 12 months to March 2021
 ↑ **0.8%** compared to the March 2020 quarter

↓ **-3.3%** over the 12 months to March 2021
 ↑ **8.6%** compared to the March 2020 quarter

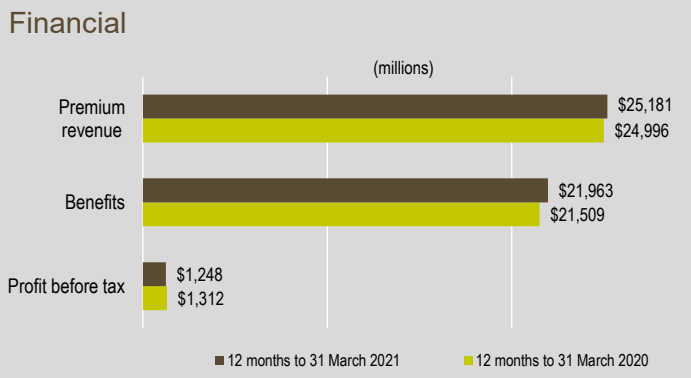
↑ **8.3%** over the 12 months to March 2021

↑ **2.9%** over the 12 months to March 2021

Out-of-pocket per episode/service



Financial



↑ **0.7%** over the 12 months to March 2021

↑ **2.1%** over the 12 months to March 2021

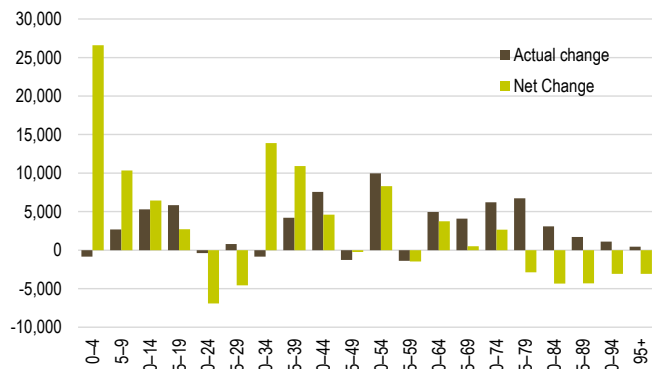
↓ **-4.9%** over the 12 months to March 2021

Hospital Treatment

At 31 March 2021, 11,396,181 people, or 44.2% of the population, were covered by hospital treatment cover. There was a slight increase compared to December 2020. There was an increase in coverage 59,879 insured people in the March 2021 compared to December 2020. Family policies increased by 4,346 and single policies by 21,362 during the quarter.

The largest increase in coverage during the quarter was 9,955 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 26,585 people.

Net quarterly change in insured persons

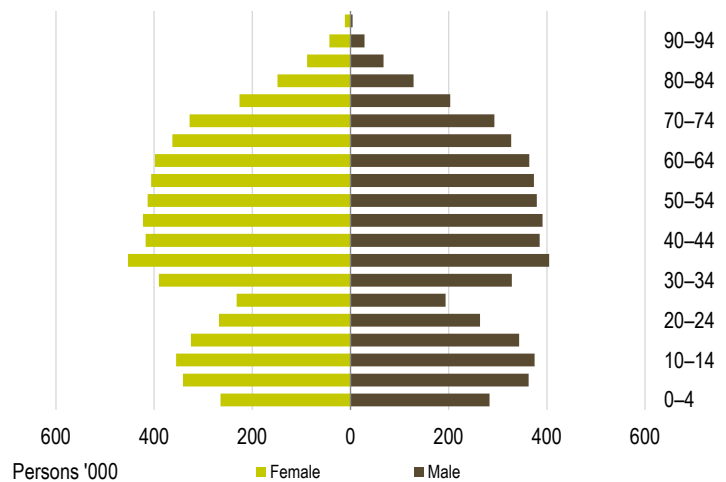


Lifetime health cover

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

At the end of the 31 March 2021 quarter, there were 882,434 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 458. There was a net increase in people with a certified age of entry of 30 (with no penalty) over the year of 131,583. Over the year, 123,832 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
Aust.	44.2%	55.8%
NSW	45.7%	54.3%
VIC	40.6%	59.4%
QLD	40.7%	59.3%
SA	44.4%	55.6%
WA	54.2%	45.8%
TAS	42.2%	57.8%
ACT	54.8%	45.2%
NT	39.2%	60.8%

State/Territory	Male	Female
Aust.	5,500,649	5,895,532
NSW	1,810,388	1,930,757
VIC	1,308,794	1,415,690
QLD	1,019,471	1,103,425
SA	377,509	411,726
WA	714,981	740,005
TAS	108,561	120,810
ACT	113,574	123,751
NT	47,371	49,368

State/Territory	Single policies	Family policies
Aust.	48.5%	51.5%
NSW	48.5%	51.5%
VIC	50.7%	49.3%
QLD	46.6%	53.4%
SA	48.8%	51.2%
WA	46.9%	53.1%
TAS	48.9%	51.1%
ACT	48.8%	51.2%
NT	48.1%	51.9%

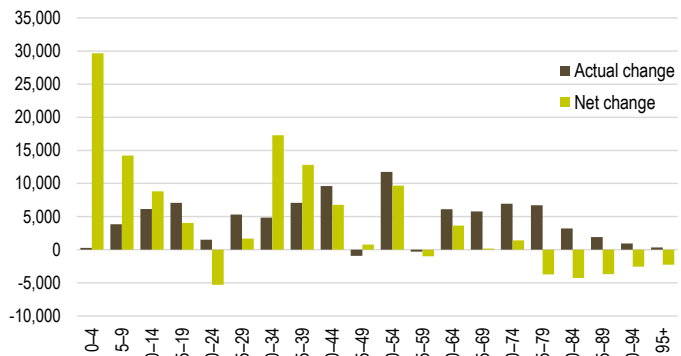
General Treatment

At 31 March 2021, 13,886,876 people or 53.8% of the population had some form of general treatment cover. There was an increase of 87,971 people when compared to the December quarter. There was an increase of General Treatment policies of 56,701 for March 2021 which was mainly driven by Single Policies which increased by 36,897. For the 12 months to 31 March 2021, the number of insured persons with general treatment cover has increased by 249,635.

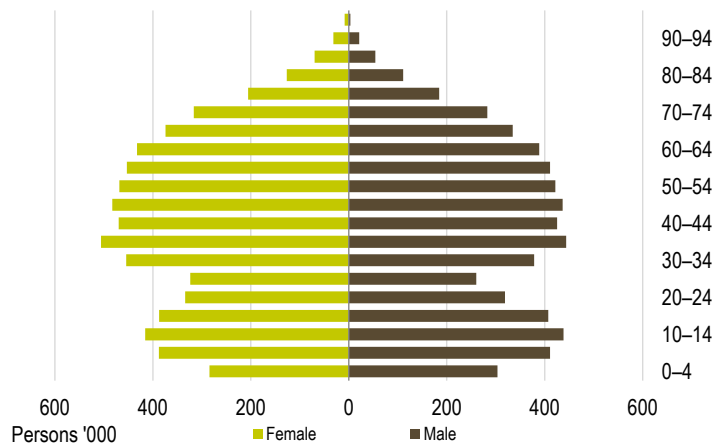
The general treatment (ancillary) by age charts and data in this report show data for those people that have general treatment policies covering ancillary services, regardless of other treatment included in the product. This excludes those general treatment policies that do not cover ancillary treatment.

There was an increase of 88,090 people with general treatment (ancillary) coverage in the March 2021. The largest net increase in coverage, after accounting for movements across age groups, was 29,656 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 (%)	Total Insured (Male/Female)	Total Not Insured (Male/Female)	Single policies (%)	Family policies (%)
Aust.	53.8%	46.2%	6,036,745 / 6,532,546	5,245,876 / 5,741,876	49.6%	50.4%
NSW	56.3%	43.7%	2,025,515 / 2,166,846	1,545,876 / 1,687,146	49.0%	51.0%
VIC	47.8%	52.2%	1,304,957 / 1,419,676	1,385,876 / 1,501,146	51.7%	48.3%
QLD	47.4%	52.6%	1,075,880 / 1,187,337	1,145,876 / 1,257,146	48.4%	51.6%
SA	59.2%	40.8%	467,493 / 515,699	315,876 / 364,146	49.9%	50.1%
WA	69.6%	30.4%	873,830 / 924,174	285,876 / 337,146	48.8%	51.2%
TAS	50.0%	50.0%	117,578 / 132,534	117,578 / 132,534	50.6%	49.4%
ACT	67.2%	32.8%	122,356 / 134,426	36,876 / 48,946	49.9%	50.1%
NT	43.8%	56.2%	49,136 / 51,854	40,876 / 43,594	49.6%	50.4%

Benefits Paid

Hospital treatment

Benefits per episode/service

	March 2021	Change from December 2020
Hospital Treatment		
Acute	\$2,439	-2.1%
Medical	\$63	-2.5%
Prostheses	\$669	-1.3%
Cardiac	\$3,791	-0.5%
Hip	\$1,688	-0.2%
Knee	\$1,740	1.0%
Total benefits and growth rate		
Hospital	\$3,837,950,266	-3.8%
General	\$1,490,117,499	0.7%

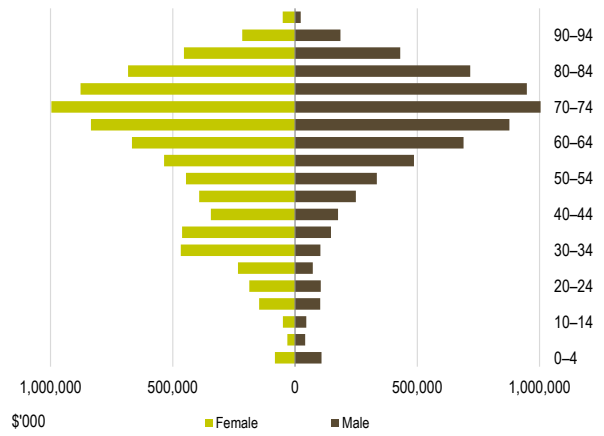
During the March 2021 quarter, insurers paid \$3,838 million in hospital treatment benefits, a decrease of 3.8% compared to the December 2020 quarter. Hospital treatment benefits were comprised of:

- ◇ \$2,715 million for hospital services such as accommodation and nursing
- ◇ \$599 million for medical services
- ◇ \$524 million for prostheses items.

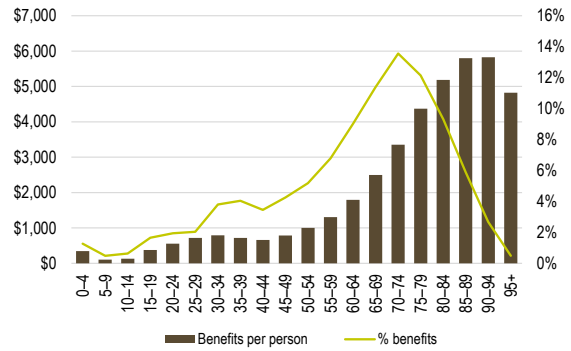
The age group for which most hospital benefits are paid is between 60 and 84 (top chart). Total benefits by age group is affected by the average benefits paid per person (displayed in the second chart) and the number of people in each age group.

Average hospital benefits per person decreased from \$1,418.70 for the year ending March 2020 to \$1,319.54 for the year ending March 2021. The largest amount of benefits per person was spent on hospital accommodation and nursing, followed by medical and prostheses benefits.

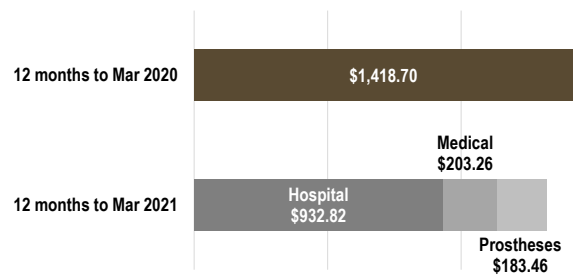
Hospital treatment benefits paid by age 12 months to 31 March 2021



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 2021	Change from December 2020
Dental	\$67	3.8%
Chiropractic	\$34	10.2%
Physiotherapy	\$40	6.8%
Optical	\$77	5.8%

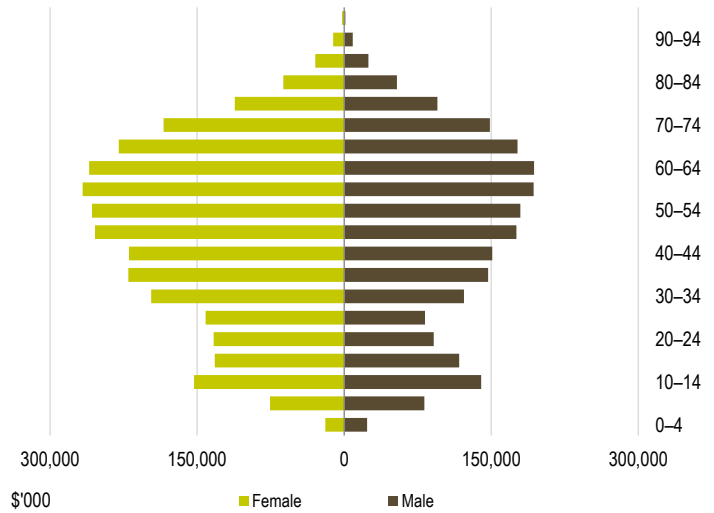
During the March 2021 quarter, insurers paid \$1,481 million in general treatment (ancillary) benefits. This was an increase of 0.7% compared to the December 2020 quarter. Ancillary benefits for the March 2021 quarter included the major categories of:

- ◇ Dental \$785 million
- ◇ Optical \$264 million
- ◇ Physiotherapy \$121 million
- ◇ Chiropractic \$85 million.

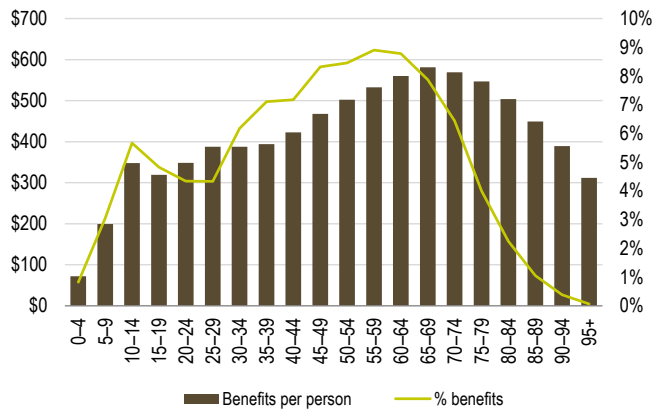
There is a marked difference between the distribution of benefits over age groups between hospital benefits and ancillary benefits. The major difference is the higher claiming rate in older age groups for hospital benefits while benefits per person for ancillary benefits are more evenly spread over the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

General treatment (ancillary) benefits per person during the year to March 2020 were \$434.18 decreasing to \$411.15 for the year to March 2021. The largest component of ancillary benefits is dental, for which \$218.04 was paid per insured.

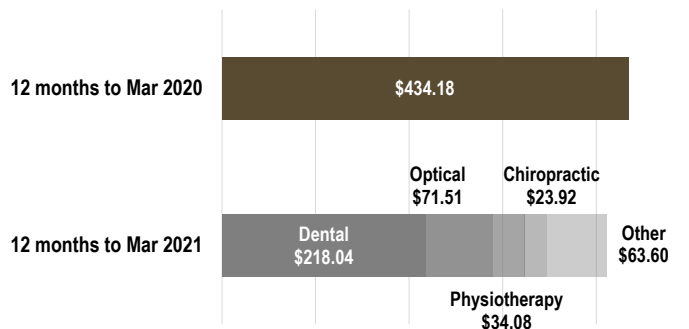
General treatment benefits paid by age 12 months to 31 March 2021 (ancillary)



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



General treatment benefits per person (ancillary)



Medical benefits

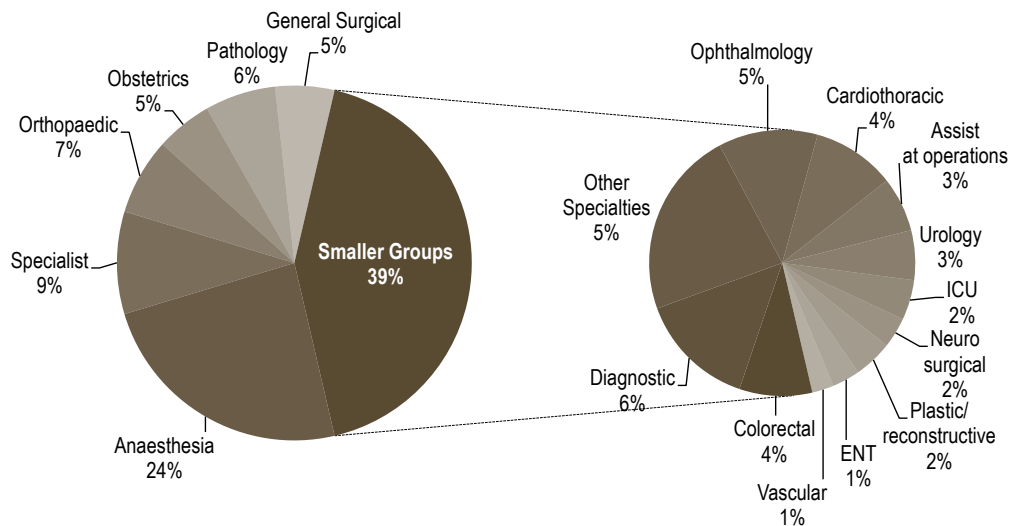
Total benefits for medical services decreased 5.1% during the March quarter 2021.

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 \$143.8 million.

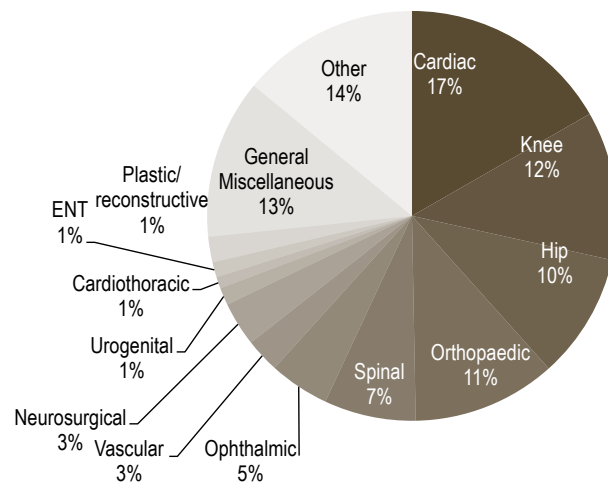
Prostheses benefits

Total benefits paid for prostheses decreased by 8.4% in March 2021 compared to December 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 16.7% of all prosthetic benefits and totalling \$87.5 million.

Medical benefits by Speciality group



Benefits paid for prostheses



Service utilisation

Episodes/Services by type

	March 2021	Change from December 2020
Hospital Episodes	1,113,446	-0.4%
Hospital Days	2,822,745	0.3%
Medical Services	9,524,110	-2.7%
Prostheses Items	782,991	-7.3%
Specialist Orthopaedic	142,643	-5.8%
Ophthalmic	89,025	-11.3%
Spinal	53,395	-7.4%
General Treatment	24,903,975	-2.4%
Dental	11,685,645	-3.0%
Chiropractic	2,461,142	12.1%
Physiotherapy	3,005,212	8.4%
Optical	3,404,506	-18.6%

Hospital utilisation is distributed over four categories of hospital—public, private, day only facilities and hospital-substitute. During the March 2021 quarter, hospital episodes were distributed as follows:

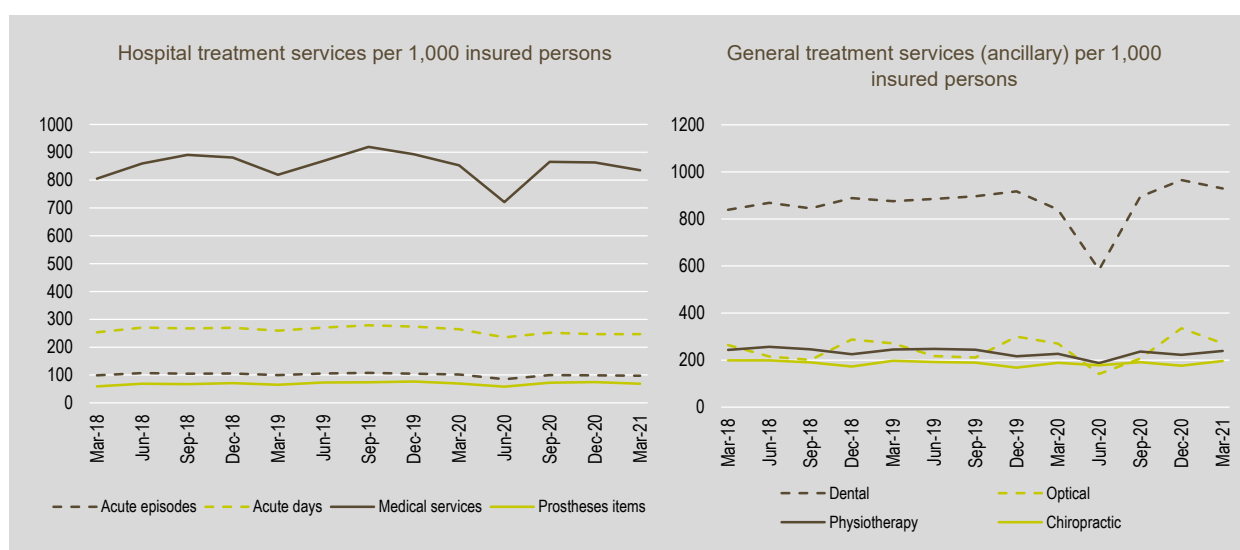
- ◇ public hospitals 167,651 episodes
- ◇ private hospitals 742,978 episodes
- ◇ day hospital facilities 152,443 episodes
- ◇ hospital substitute 50,374 episodes.

For the March 2021 quarter, hospital utilisation (measured in episodes) decreased by 0.4% which was mainly driven by day hospital facilities.

During the March 2021 quarter, insurers paid benefits for 2.82 million days in hospital, arising from 1.11 million hospital episodes of care.

	Quarter change	Year change
◇ public hospitals	↑ 3.2%	↓ -13.3%
◇ private hospitals	↓ -1.6%	↓ -8.1%
◇ day hospital facilities	↓ -2.5%	↓ -4.9%
◇ hospital-substitute	↑ 13.0%	↓ -9.5%

Day-only episodes in the four categories of hospital totalled 758,109, with a -0.6% change compared to December 2020.



Out-of-pocket payments

Average out-of-pocket per episode/service

	March 2021	Change from Dec 20	Change from Mar 20
Hospital treatment	\$350.85	3.6%	8.3%
Hospital-substitute treatment	\$5.56	-27.8%	-43.3%
General treatment ancillary	\$51.92	0.5%	2.9%
Medical gap where gap was paid	\$206.36	11.3%	6.7%

The average out-of-pocket (gap) payment for a hospital episode was \$351 in the March 2021 quarter. This included out-of-pocket payments for medical services, in addition to any excess or co-payment amounts relating to hospital accommodation.

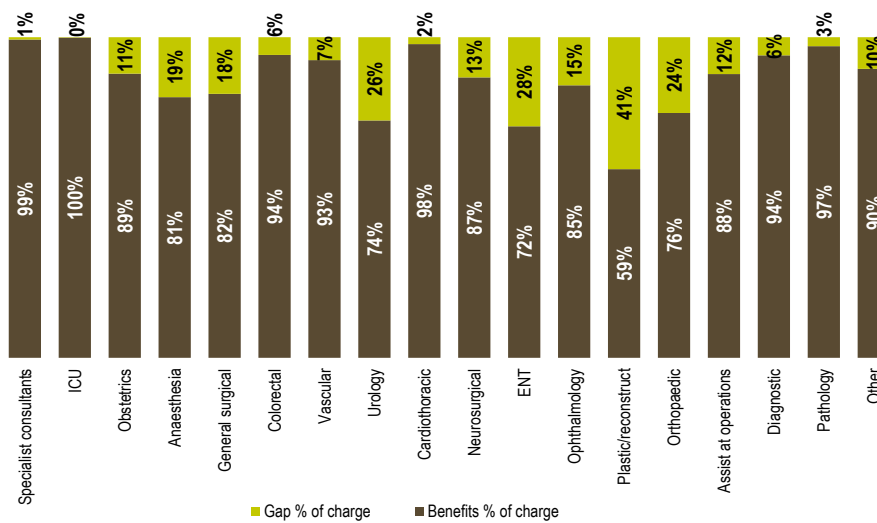
The out-of-pocket payments for hospital episodes increased by 8.3% compared to the same quarter for the previous year.

Out-of-pocket payments for medical services were \$206 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

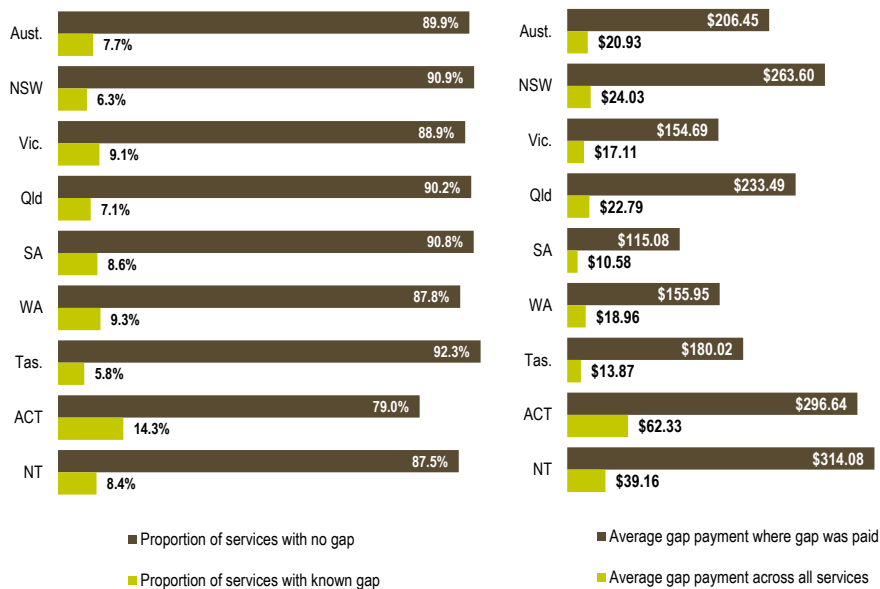
plastic/reconstructive with an average gap of \$478. Gap incurred for the various medical services is displayed in the first chart.

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 March 2021	12 months to March 2020
Revenue		
HIB premium revenue	25,180,926	24,996,167
Net investment income	645,492	94,730
Net HRB revenue	17,317	116,743
Net other operational revenue	73,612	185,314
Total revenue	25,917,346	25,392,954
Benefits		
Fund benefits	21,963,493	21,509,275
State ambulance levies	241,998	237,997
Total fund benefits	22,205,491	21,747,272
Expenses		
HIB expenses	1,970,348	1,844,251
HIB claims handling	416,570	414,615
Non-operating expenses	76,891	74,451
Total expenses	2,463,809	2,333,317
Profit of the industry		
Profit/(loss) before tax	1,248,046	1,312,366
Taxation expense	296,538	339,284
Profit/(loss) after tax	951,508	973,082
Margins		
Gross margin	11.82%	13.00%
HIB expenses	9.48%	9.04%
Net margin	2.34%	3.96%

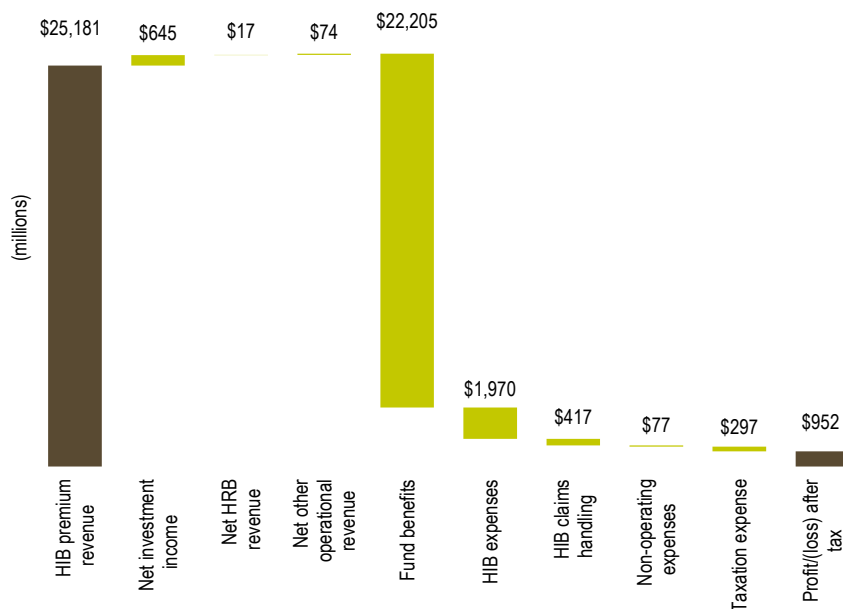
Health Insurance Business (HIB) premium revenue was up 0.7% for the year to March 2021, while total fund benefits increased by 2.1%. Gross margin decreased from 13.0% to 11.8%.

Net investment income increased from \$95 million in the year ending March 2020 to \$645 million in the year ending March 2021.

HIB expenses as a percentage of revenue increased from 9.0% to 9.5% and net margin decreased from 4.0% to 2.3%.

Net profit after tax decreased from \$973 million for the year ending March 2020 to \$952 million for the year ending March 2021.

Health Benefits Fund Profit After Tax Breakdown for 12 months to March 2021



Prudential Position

All figures \$'000	March 2021	December 2020	March 2020
Assets			
Cash	1,941,434	1,504,851	1,675,697
Investments			
Equities	1,907,932	1,815,630	1,447,593
Interest bearing assets	9,275,215	9,017,024	8,041,924
Property	739,221	732,845	746,884
Subsidiary and associated entities	288,630	288,230	296,563
Loans	35,939	33,250	34,481
Receivables	61,165	52,287	65,717
Intangibles DAC and FITBS	1,285,808	1,269,242	1,093,598
Pre-paid expenses	83,794	86,492	72,149
Other*	2,185,979	1,902,190	1,885,444
Total assets	17,805,118	16,702,040	15,360,051
Liabilities			
Unearned premium liabilities	3,486,067	2,660,824	3,382,257
Unpresented & outstanding claims	2,273,972	2,114,143	2,233,134
Other fund liabilities	1,906,076	1,926,609	164,560
of which: Other insurance liabilities	1,754,183	1,786,304	*
Interest bearing liabilities	5,659	4,897	2,390
Payables, provisions & other liabilities	1,186,115	1,133,607	1,054,256
Total liabilities	8,857,889	7,840,080	6,836,597
Total assets minus total liabilities	8,947,229	8,861,960	8,523,454

The industry held total assets of \$17.8 billion as at 31 March 2021.

Total assets have increased by \$2,445 million in the last 12 months.

Total liabilities reported by the industry have increased by \$2,021 million over the year.

Total net assets increased from \$8.5 billion in March 2020 to \$8.9 billion in March 2021.

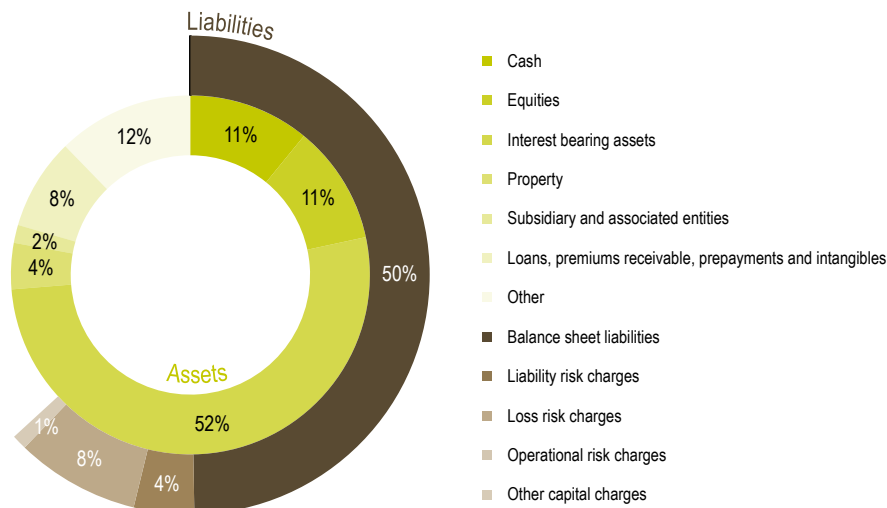
Capital Adequacy Requirement

All figures \$'000	March 2021	December 2020	March 2020
Total Liabilities	8,857,889	7,840,080	6,836,597
Liability risk charges	726,273	593,627	334,651
Loss risk charges	1,489,714	1,417,521	1,339,805
Operational risk charges	179,150	176,650	166,336
Other capital charges	78,383	77,156	88,609
Less subordinated debt	4,712	4,654	4,479
Total Capital Adequacy Requirement[#]	11,326,697	10,100,381	8,761,519

* 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 2021



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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