



STATISTICS

Quarterly private health insurance statistics

June 2021 (released 17 August 2021)

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.....	2
Membership and coverage.....	3
Benefits paid.....	5
Service utilisation.....	8
Out-of-pocket payments.....	9
Financial information.....	10
Notes on statistics.....	12
Related publications.....	13

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/

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

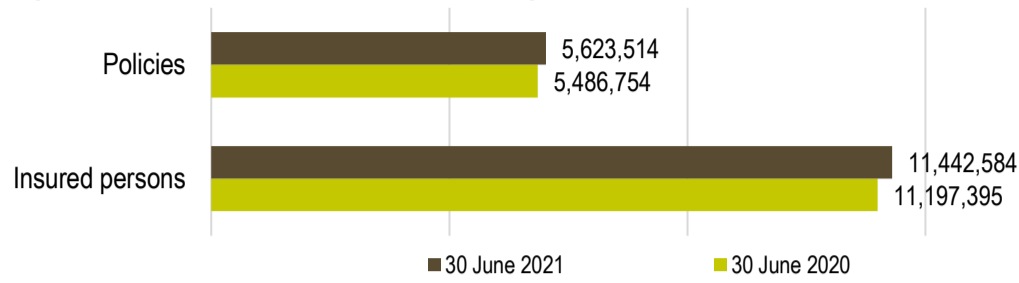
For more information about the statistics in this publication:

DataAnalytics@apra.gov.au

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

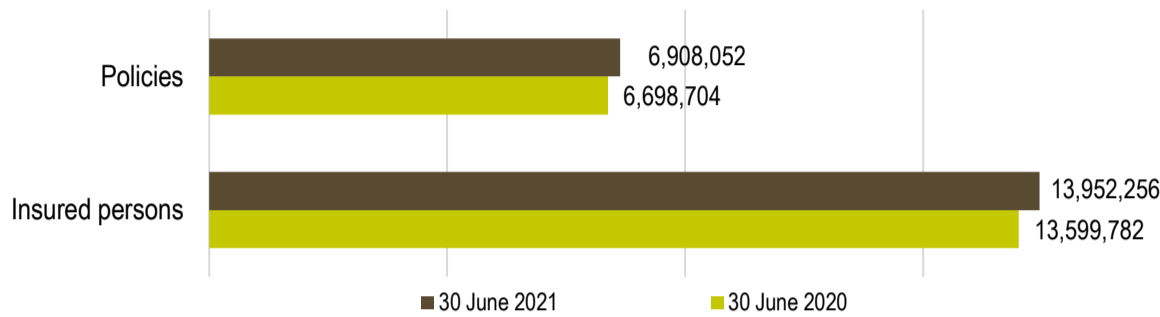
Key metrics

Hospital treatment membership



44.5% of population at 30 June 2021
 ↑ **0.1%** percentage points from 31 Mar 2021
 ↑ **46,403** insured persons over the quarter

General treatment membership



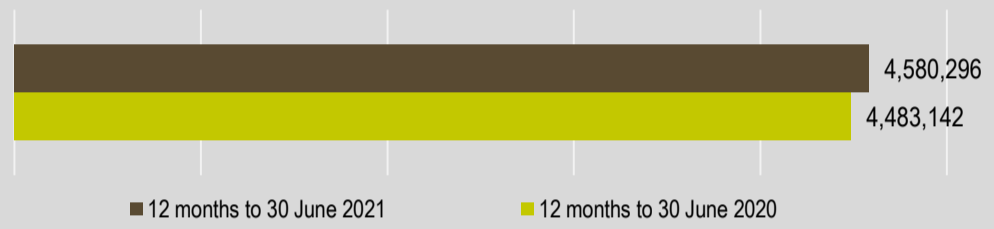
54.3% of population at 30 June 2021
 ↑ **0.3%** percentage points from 31 Mar 2021
 ↑ **65,380** insured persons over the quarter

Population for the two latest quarters is based on a straight-line projection of ABS data, and is revised as new data are available.

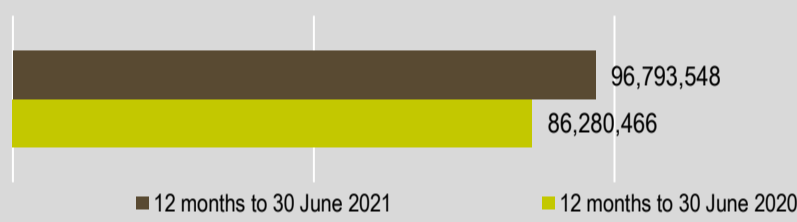
Hospital treatment episodes

↑ **2.2%** over the 12 months to June 2021
 ↑ **9.7%** compared to the March 2021 quarter

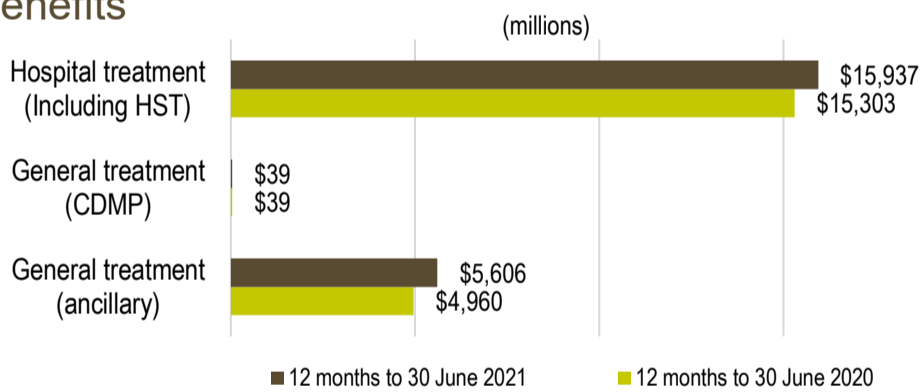
↑ **12.2%** over the 12 months to June 2021
 ↓ **-5.3%** compared to the March 2021 quarter



General treatment services (ancillary)



Benefits



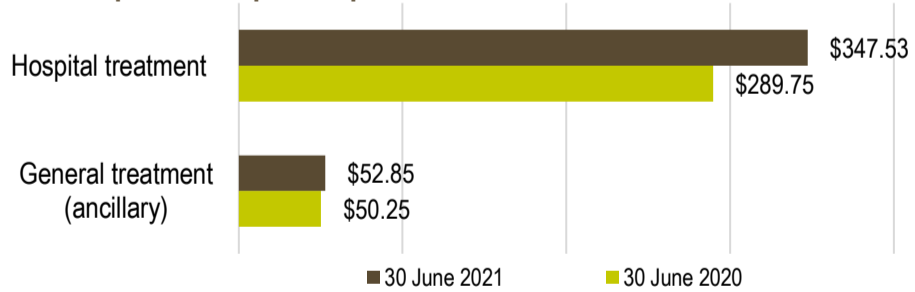
↑ **4.1%** over the 12 months to June 2021
 ↑ **27.1%** compared to the June 2020 quarter

↑ **13.0%** over the 12 months to June 2021
 ↑ **47.9%** compared to the June 2020 quarter

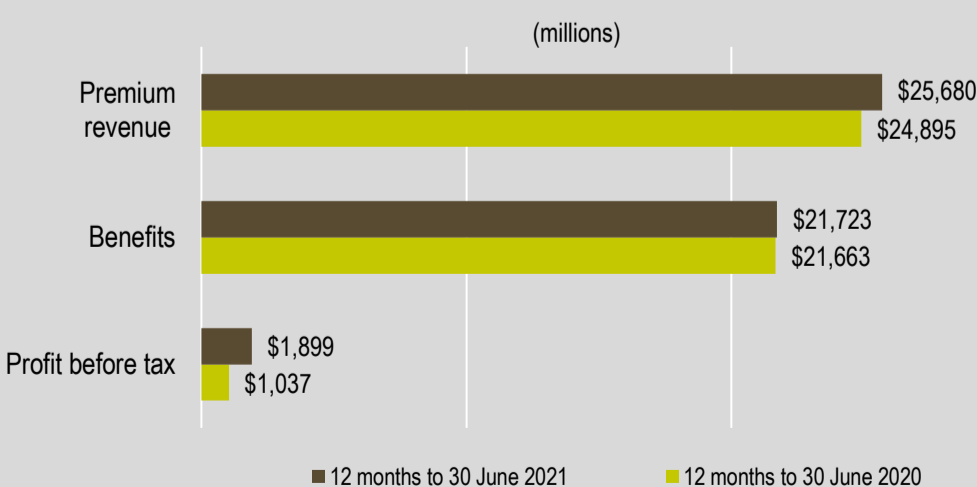
Out-of-pocket per episode/service

↑ **19.9%** over the 12 months to June 2021

↑ **5.2%** over the 12 months to June 2021



Financial



↑ **3.2%** over the 12 months to June 2021

↑ **0.3%** over the 12 months to June 2021

↑ **83.2%** over the 12 months to June 2021

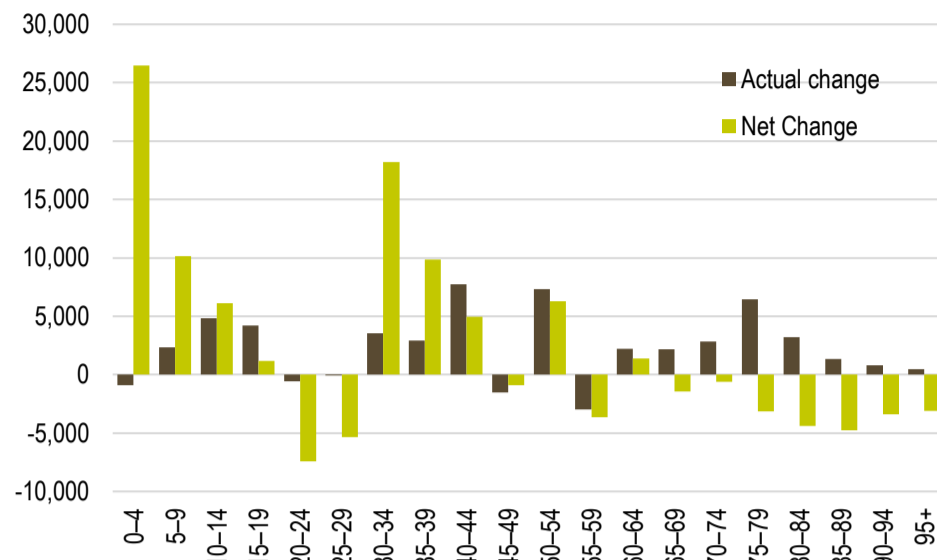
Hospital Treatment

At 30 June 2021, 11,442,584 people, or 44.5% of the population, were covered by hospital treatment cover. There was a slight increase compared to March 2021.

There was an increase in coverage 46,403 insured people in the June 2021 compared to March 2021. Family policies increased by 3,525 and single policies by 17,966 during the quarter.

The largest increase in coverage during the quarter was 7,730 for people aged between 40 and 44. The largest net increase (taking into account movement between age groups) was for the 0-4 with an increase of 26,459 people.

Net quarterly change in insured persons

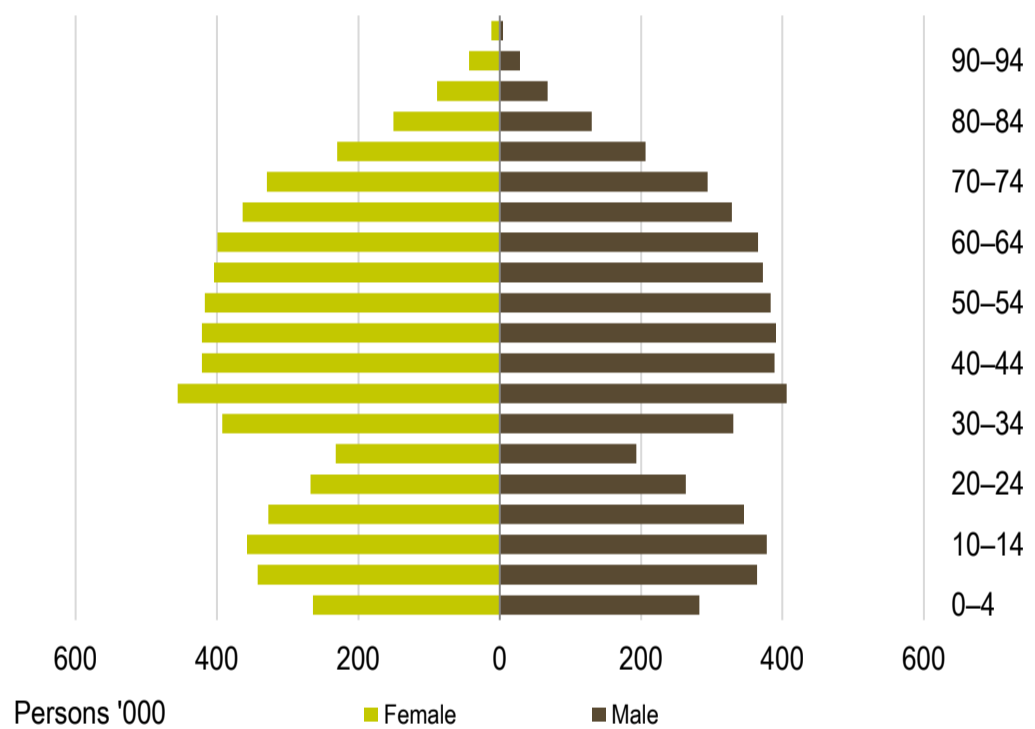


Lifetime health cover

The majority of adults with hospital cover (89.4%) have a certified age of entry of 30, with no penalty loading.

At the end of the 30 June 2021 quarter, there were 878,742 people with a certified age of entry of more than 30 and subject to a Lifetime Health Cover loading; a net increasing in people paying a penalty over the preceding 12 months of 15,117. There was a net increase in people with a certified age of entry of 30 (with no penalty) over the year of 165,609. Over the year, 126,476 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 (%)	Male	Female	Single policies (%)	Family policies (%)
Aust.	44.5%	55.5%	5,522,429	5,920,155	48.6%	51.4%
NSW	45.9%	54.1%	1,815,180	1,937,096	48.5%	51.5%
VIC	41.2%	58.8%	1,314,734	1,422,206	50.8%	49.2%
QLD	40.8%	59.2%	1,022,938	1,106,947	46.7%	53.3%
SA	44.8%	55.2%	379,268	413,550	48.9%	51.1%
WA	54.7%	45.3%	719,777	745,241	46.9%	53.1%
TAS	42.5%	57.5%	108,980	121,372	49.0%	51.0%
ACT	55.2%	44.8%	114,250	124,409	48.8%	51.2%
NT	39.1%	60.9%	47,302	49,334	48.2%	51.8%

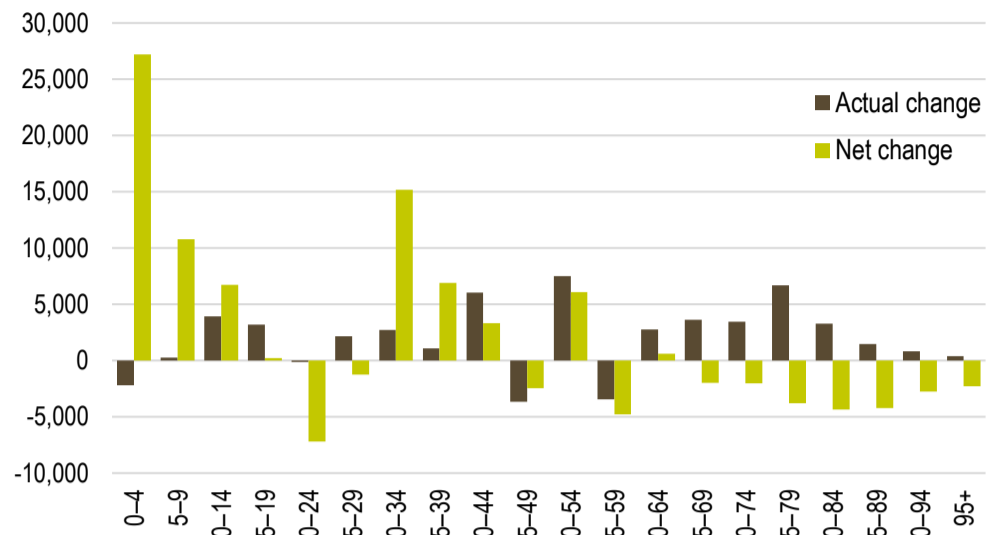
General Treatment

At 30 June 2021, 13,952,256 people or 54.3% of the population had some form of general treatment cover. There was an increase of 65,380 people when compared to the March quarter. There was an increase of General Treatment policies of 42,789 for June 2021 which was mainly driven by Single Policies which increased by 28,400. For the 12 months to 30 June 2021, the number of insured persons with general treatment cover has increased by 352,474.

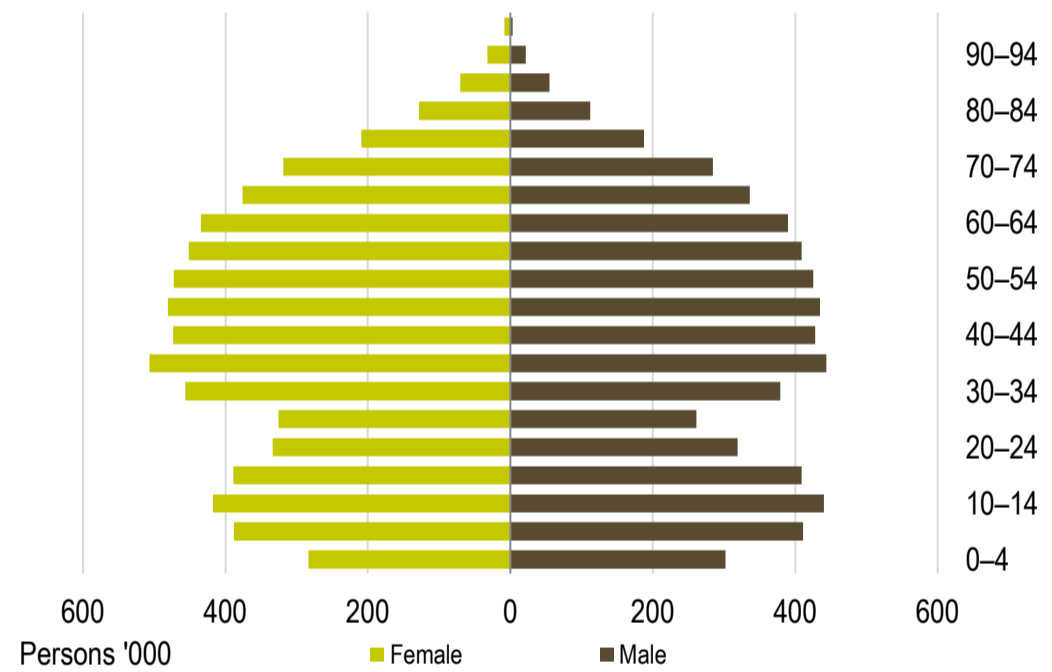
The general treatment (ancillary) by age charts and data in this report show data for those people that have general treatment policies covering ancillary services, regardless of other treatment included in the product. This excludes those general treatment policies that do not cover ancillary treatment.

There was an increase of 39,979 people with general treatment (ancillary) coverage in the June 2021. The largest net increase in coverage, after accounting for movements across age groups, was 27,206 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.	54.3%	45.7%	6,053,583	6,555,687	49.7%	50.3%
NSW	56.6%	43.4%	2,028,057	2,172,067	49.2%	50.8%
VIC	48.6%	51.4%	1,308,846	1,425,238	51.7%	48.3%
QLD	47.7%	52.3%	1,078,474	1,190,691	48.6%	51.4%
SA	59.7%	40.3%	469,292	517,727	50.1%	49.9%
WA	70.2%	29.8%	879,294	930,121	48.9%	51.1%
TAS	50.4%	49.6%	117,822	133,122	50.7%	49.3%
ACT	67.9%	32.1%	122,796	134,832	49.9%	50.1%
NT	43.8%	56.2%	49,002	51,889	49.5%	50.5%

Benefits Paid

Hospital treatment

Benefits per episode/service

	June 2021	Change from March 2021
Hospital Treatment		
Acute	\$2,443	0.2%
Medical	\$63	-0.3%
Prostheses	\$676	1.0%
Cardiac	\$3,805	0.4%
Hip	\$1,666	-1.3%
Knee	\$1,744	0.2%
Total benefits and growth rate		
Hospital	\$4,213,764,090	9.8%
General	\$1,364,096,502	-8.5%

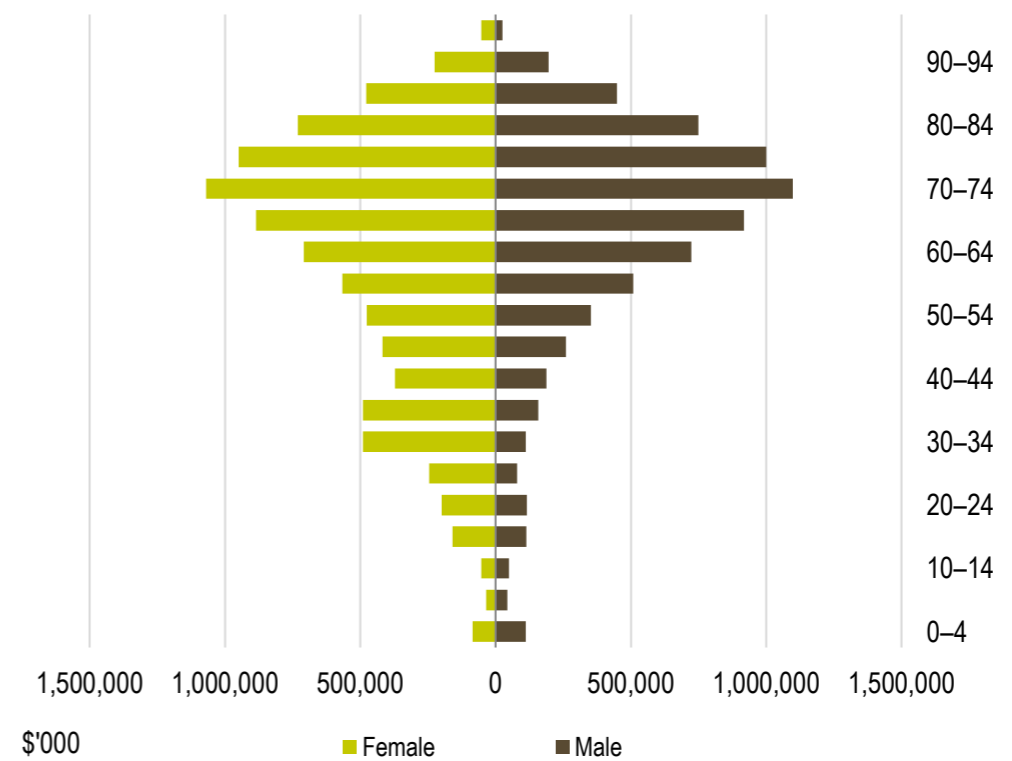
During the June 2021 quarter, insurers paid \$4,214 million in hospital treatment benefits, an increase of 9.8% compared to the March 2021 quarter. Hospital treatment benefits were comprised of:

- ◇ \$2,986 million for hospital services such as accommodation and nursing
- ◇ \$640 million for medical services
- ◇ \$588 million for prostheses items.

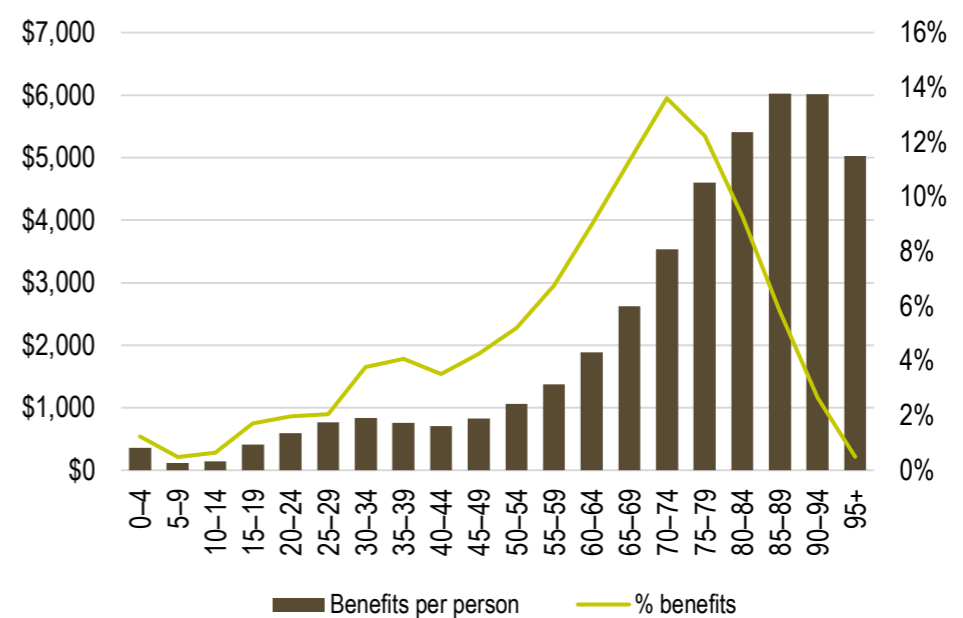
The age group for which most hospital benefits are paid is between 60 and 84 (top chart). Total benefits by age group is affected by the average benefits paid per person (displayed in the second chart) and the number of people in each age group.

Average hospital benefits per person increased from \$1,366.68 for the year ending June 2020 to \$1,392.81 for the year ending June 2021. The largest amount of benefits per person was spent on hospital accommodation and nursing, followed by medical and prostheses benefits.

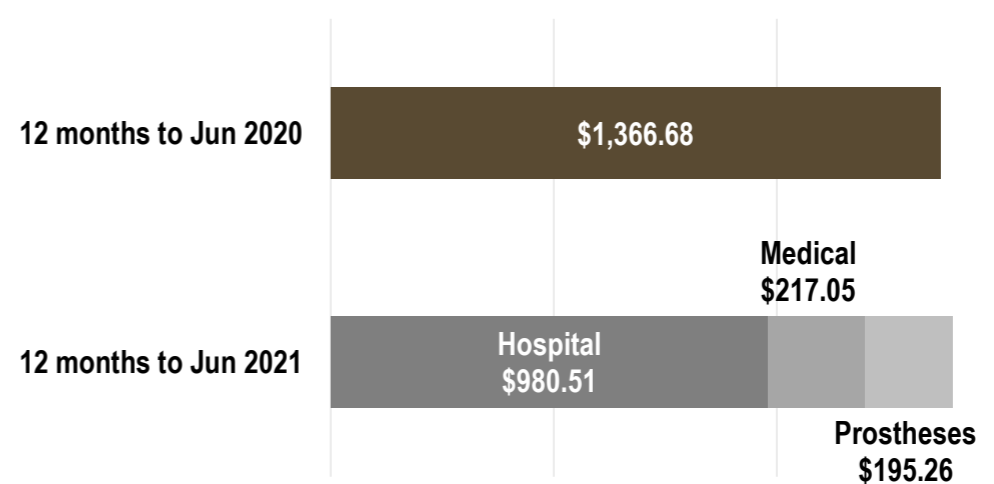
Hospital treatment benefits paid by age 12 months to 30 June 2021



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



Hospital treatment benefits per person



General treatment

Benefits per service

	June 2021	Change from March 2021
Dental	\$65	-3.0%
Chiropractic	\$33	-3.8%
Physiotherapy	\$38	-4.4%
Optical	\$77	-1.2%

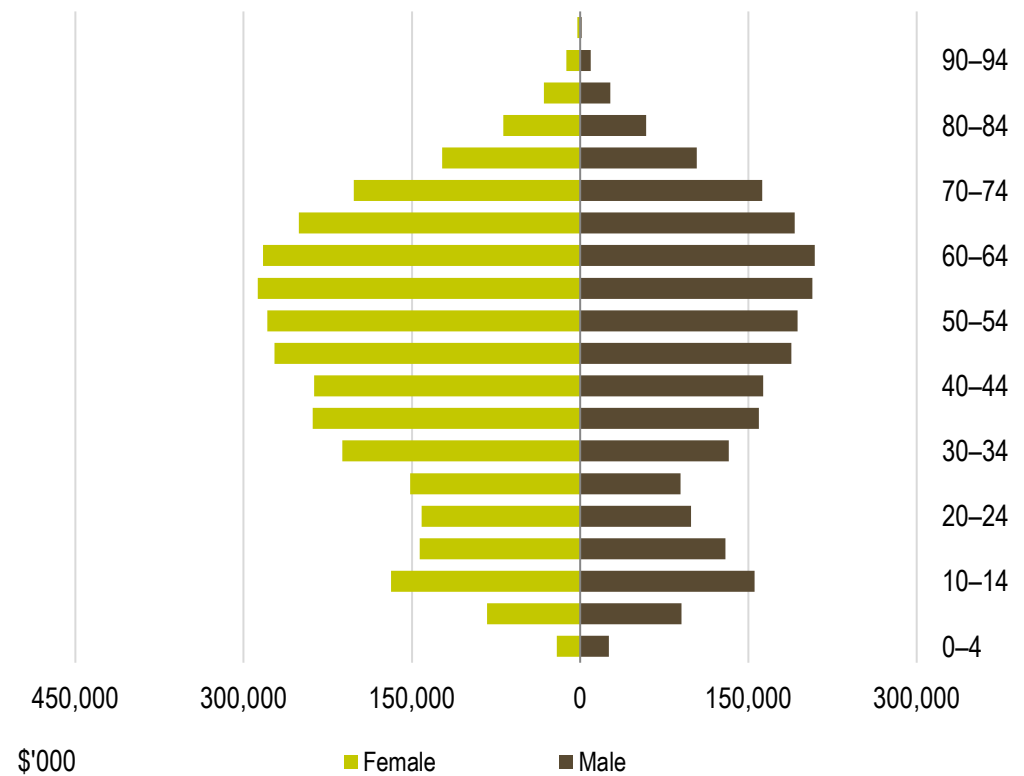
During the June 2021 quarter, insurers paid \$1,353 million in general treatment (ancillary) benefits. This was a decrease of 8.6% compared to the March 2021 quarter. Ancillary benefits for the June 2021 quarter included the major categories of:

- ◇ Dental \$734 million
- ◇ Optical \$203 million
- ◇ Physiotherapy \$118 million
- ◇ Chiropractic \$79 million.

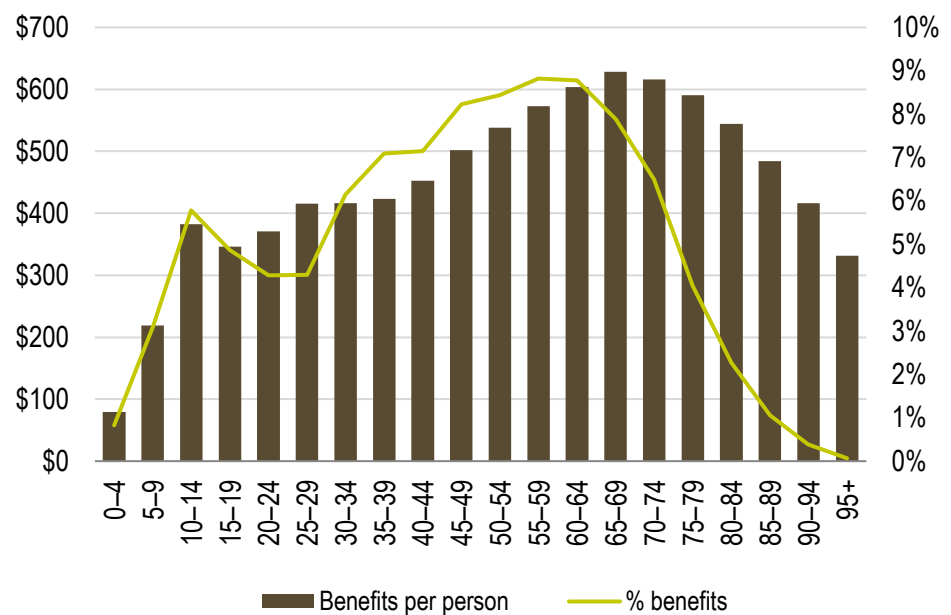
There is a marked difference between the distribution of benefits over age groups between hospital benefits and ancillary benefits. The major difference is the higher claiming rate in older age groups for hospital benefits while benefits per person for ancillary benefits are more evenly spread over the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

General treatment (ancillary) benefits per person during the year to June 2020 were \$404.3 increasing to \$444.60 for the year to June 2021. The largest component of ancillary benefits is dental, for which \$239.25 was paid per insured.

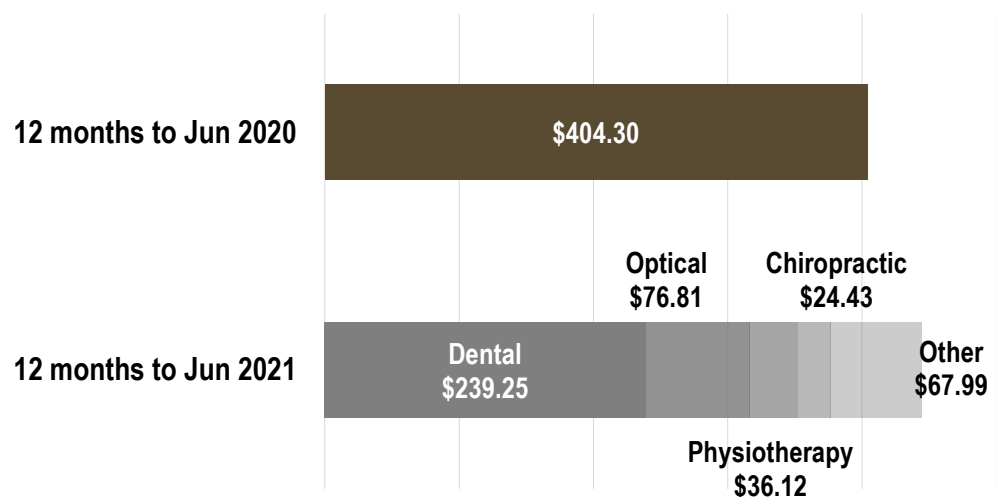
General treatment benefits paid by age 12 months to 30 June 2021 (ancillary)



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



General treatment benefits per person (ancillary)



Medical benefits

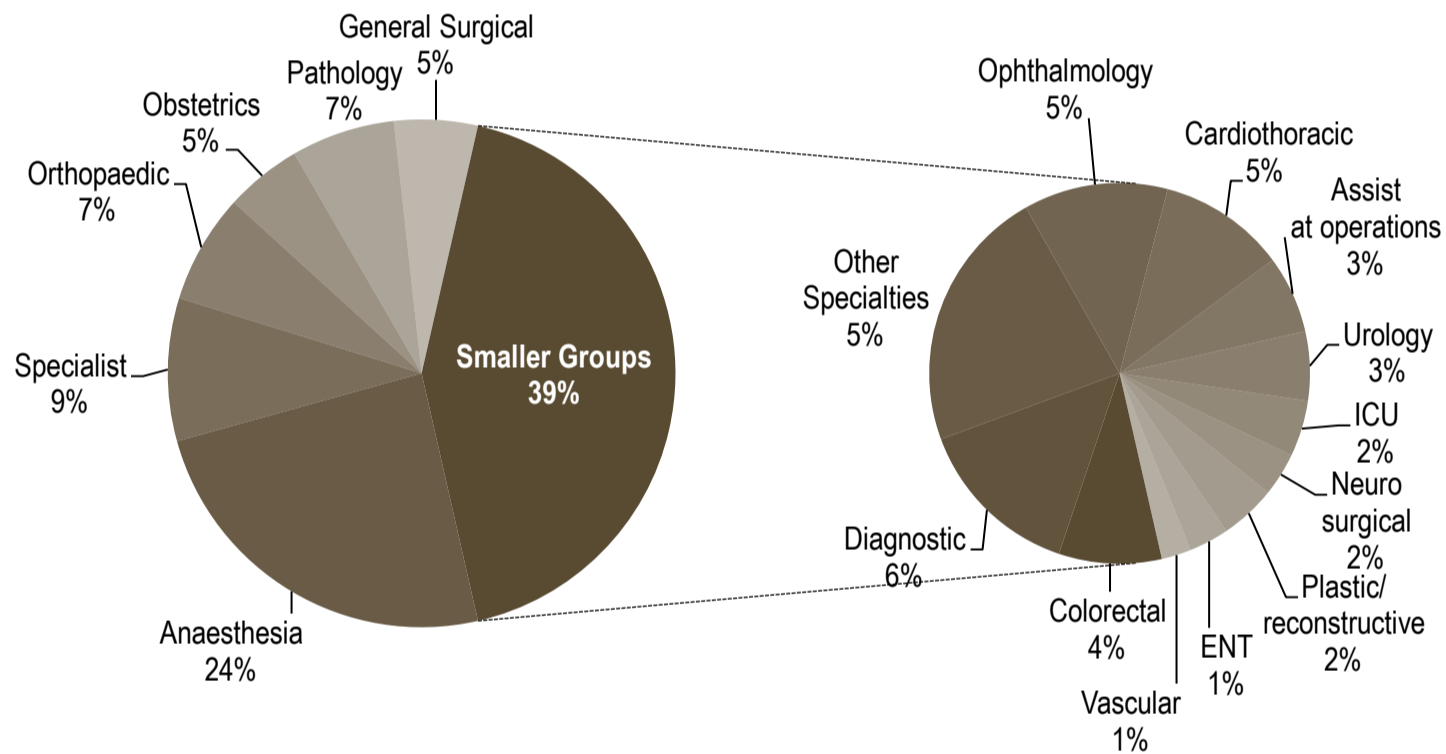
Total benefits for medical services increased 6.9% during the June quarter 2021.

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 24.3% of all medical benefits and totalling \$155.3 million.

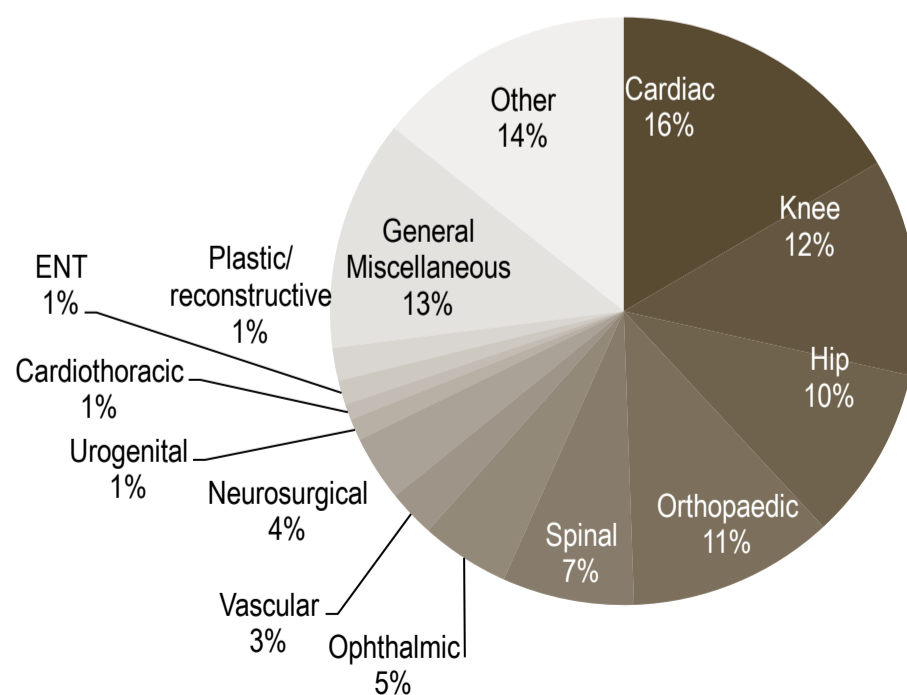
Prostheses benefits

Total benefits paid for prostheses increased by 12.3% in June 2021 compared to March 2021. 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 \$97.5 million.

Medical benefits by Speciality group



Benefits paid for prostheses



Service utilisation

Episodes/Services by type

	June 2021	Change from March 2021
Hospital Episodes	1,221,818	9.7%
Hospital Days	3,109,125	10.1%
Medical Services	10,210,390	7.2%
Prostheses Items	870,395	11.2%
Specialist Orthopaedic	162,538	13.9%
Ophthalmic	102,503	15.1%
Spinal	59,993	12.4%
General Treatment	23,574,057	-5.3%
Dental	11,254,681	-3.7%
Chiropractic	2,391,476	-2.8%
Physiotherapy	3,056,525	1.7%
Optical	2,652,868	-22.1%

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

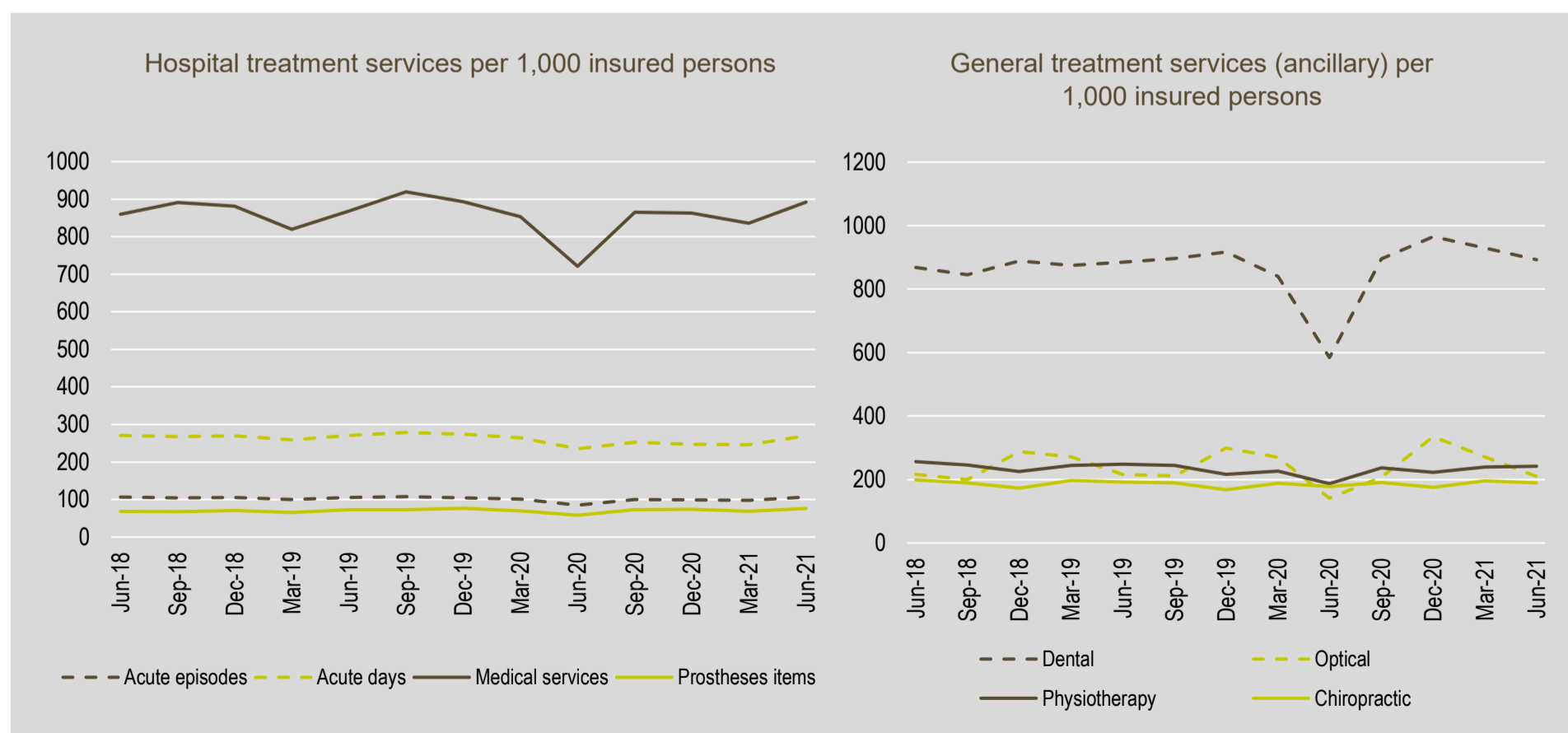
- ◇ public hospitals 186,775 episodes
- ◇ private hospitals 814,268 episodes
- ◇ day hospital facilities 164,624 episodes
- ◇ hospital substitute 56,151 episodes.

For the June 2021 quarter, hospital utilisation (measured in episodes) increased by 9.7% which was mainly driven by private hospitals.

During the June 2021 quarter, insurers paid benefits for \$3.10 million days in hospital, arising from \$1.22 million hospital episodes of care.

	Quarter change	Year change
◇ public hospitals	↑ 11.4%	↓ -9.7%
◇ private hospitals	↑ 9.6%	↑ 4.0%
◇ day hospital facilities	↑ 8.0%	↑ 7.5%
◇ hospital-substitute	↑ 11.5%	↑ 5.1%

Day-only episodes in the four categories of hospital totalled 831,336, with a 9.7% change compared to March 2021.



Out-of-pocket payments

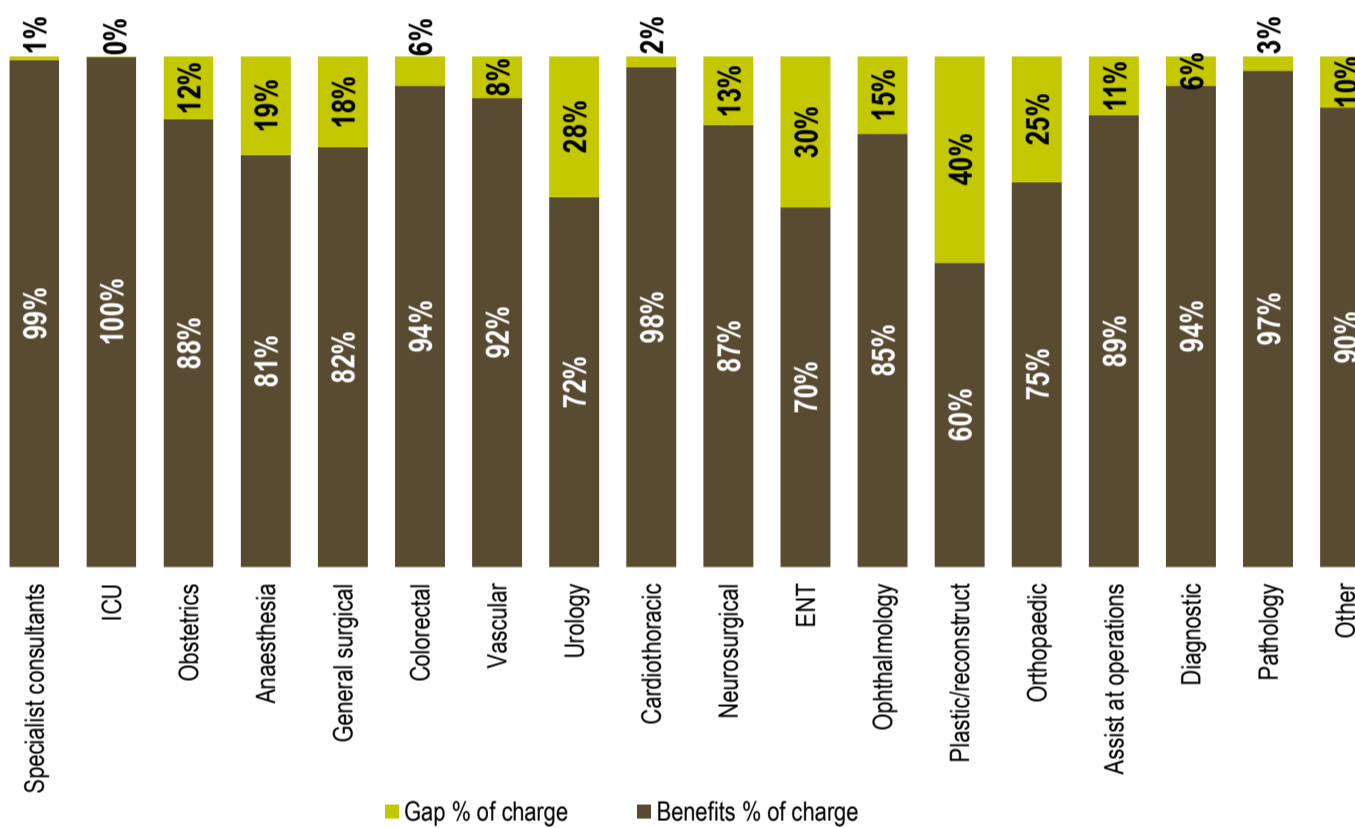
Average out-of-pocket per episode/service

	June 2021	Change from Mar 21	Change from Jun 20
Hospital treatment	\$347.53	-0.9%	19.9%
Hospital-substitute treatment	\$4.78	-14.0%	-50.8%
General treatment ancillary	\$52.85	1.8%	5.2%
Medical gap where gap was paid	\$210.72	2.1%	12.1%

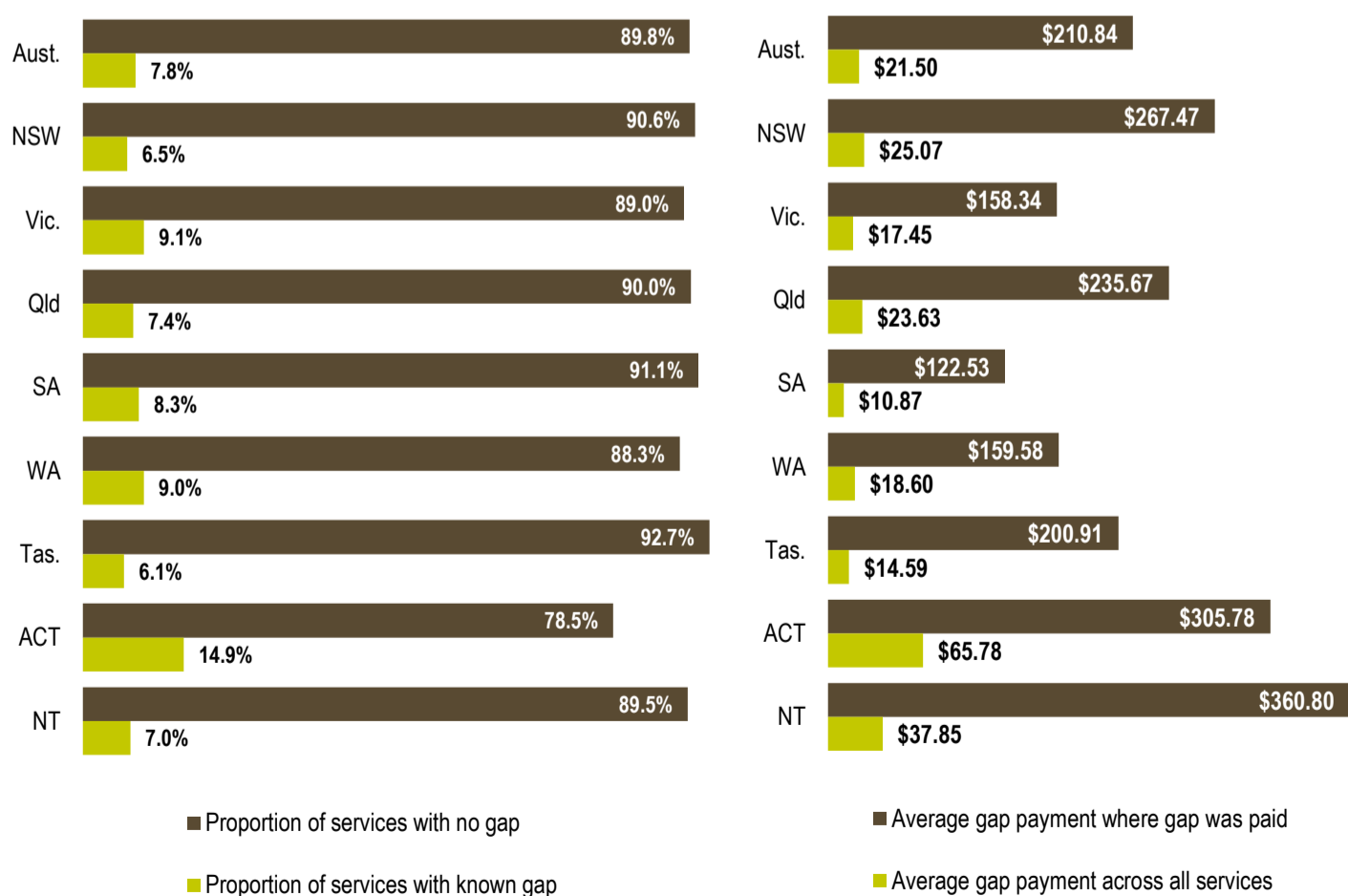
The out-of-pocket payments for hospital episodes increased by 19.9% compared to the same quarter for the previous year. Out-of-pocket payments for medical services were \$211 where an out-of-pocket payment was payable. The amount of gap for medical services varies depending on the specialty group. The specialty group with the largest out-of-pocket payment was plastic/reconstructive with an average gap of \$457. Gap incurred for the various medical services is displayed in the first chart. Medical gap also varies by state and territory and these differences are shown in the bottom chart.

The average out-of-pocket (gap) payment for a hospital episode was \$348 in the June 2021 quarter. This included out-of-pocket payments for medical services, in addition to any excess or co-payment amounts relating to hospital accommodation.

Medical benefits and out-of-pocket by specialty group



Proportion of services and average out-of-pocket payments



Financial information

Financial Performance

All Figures \$'000	12 months to June 2021	12 months to June 2020
Revenue		
HIB premium revenue	25,680,469	24,895,332
Net investment income	603,880	146,161
Net HRB revenue	-8,849	97,806
Net other operational revenue	87,396	182,181
Total revenue	26,362,896	25,321,480
Benefits		
Fund benefits	21,722,602	21,663,291
State ambulance levies	244,479	238,406
Total fund benefits	21,967,081	21,901,698
Expenses		
HIB expenses	1,994,154	1,891,618
HIB claims handling	425,983	409,700
Non-operating expenses	76,569	81,832
Total expenses	2,496,706	2,383,150
Profit of the industry		
Profit/(loss) before tax	1,899,109	1,036,632
Taxation expense	438,742	282,626
Profit/(loss) after tax	1,460,367	754,006
Margins		
Gross margin	14.46%	12.02%
HIB expenses	9.42%	9.24%
Net margin	5.04%	2.78%

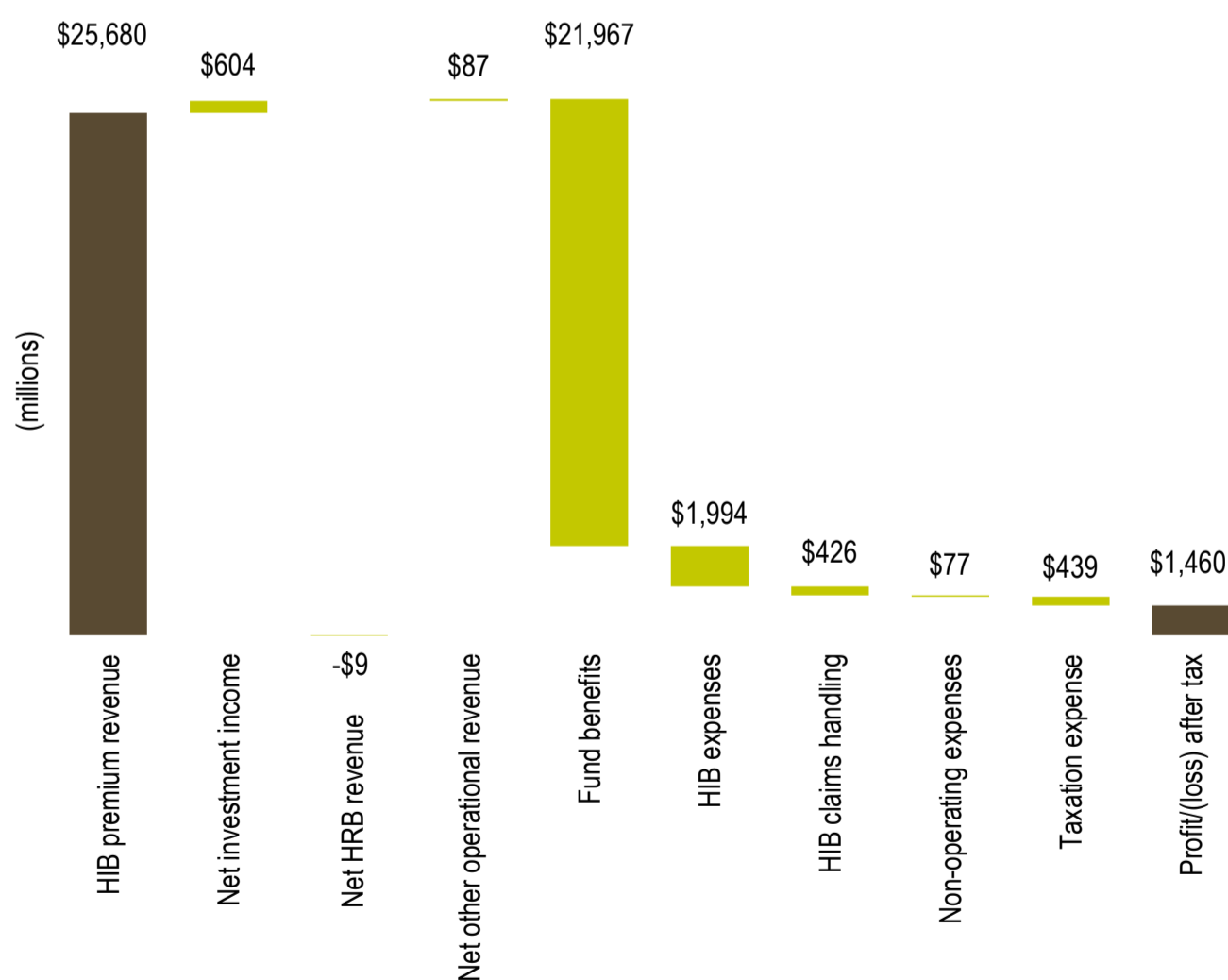
Health Insurance Business (HIB) premium revenue was up 3.2% for the year to June 2021, while total fund benefits increased by 0.3%. Gross margin increased from 12.0% to 14.5%.

Net investment income increased from \$146 million in the year ending June 2020 to \$604 million in the year ending June 2021.

HIB expenses as a percentage of revenue increased from 9.2% to 9.4% and net margin increased from 2.8% to 5.0%.

Net profit after tax increased from \$754 million for the year ending June 2020 to \$1,460 million for the year ending June 2021.

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



Prudential Position

All figures \$'000	June 2021	March 2021	June 2020
Assets			
Cash	1,917,730	1,941,434	1,987,225
Investments			
Equities	2,262,563	1,907,932	1,684,782
Interest bearing assets	9,362,705	9,275,215	8,817,034
Property	773,761	739,221	737,090
Subsidiary and associated entities	282,252	288,630	291,045
Loans	33,880	35,939	32,062
Receivables	46,735	61,165	49,172
Intangibles DAC and FITBS	1,194,660	1,285,808	1,192,166
Pre-paid expenses	76,817	83,794	72,189
Other*	1,896,311	2,185,979	1,727,108
Total assets	17,847,415	17,805,118	16,589,873
Liabilities			
Unearned premium liabilities	3,168,511	3,486,067	3,114,806
Unpresented & outstanding claims	2,319,143	2,273,972	2,086,444
Other fund liabilities	1,489,859	1,906,076	1,537,450
of which: Other insurance liabilities	1,358,058	1,754,183	1,404,178
Interest bearing liabilities	5,101	5,659	2,260
Payables, provisions & other liabilities	1,263,574	1,186,115	1,164,849
Total liabilities	8,246,186	8,857,889	7,905,809
Total assets minus total liabilities	9,601,229	8,947,229	8,684,064

The industry held total assets of \$17.8 billion as at 30 June 2021.

Total assets have increased by \$1,258 million in the last 12 months.

Total liabilities reported by the industry have increased by \$340 million over the year.

Total net assets increased from \$8.7 billion in June 2020 to \$9.6 billion in June 2021.

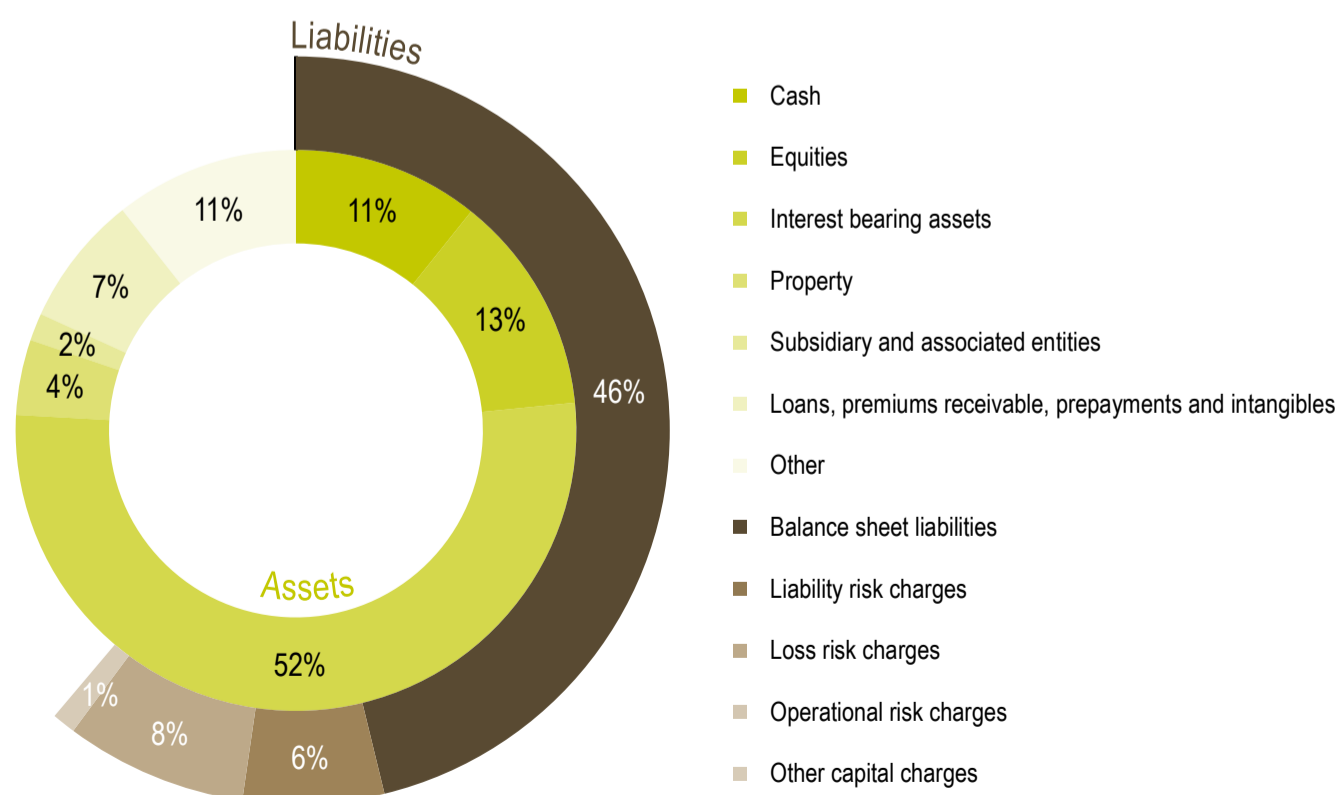
Capital Adequacy Requirement

All figures \$'000	June 2021	March 2021	June 2020
Total Liabilities	8,246,186	8,857,889	7,905,809
Liability risk charges	1,089,762	726,251	619,204
Loss risk charges	1,403,685	1,489,577	1,641,845
Operational risk charges	181,471	179,151	171,752
Other capital charges	51,387	78,383	84,200
Less subordinated debt	4,771	4,712	4,537
Total Capital Adequacy Requirement*	10,967,720	11,326,539	10,418,273

* 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 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>



APRA