



# STATISTICS

## Quarterly private health insurance statistics

December 2021 (released 2 March 2022)

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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

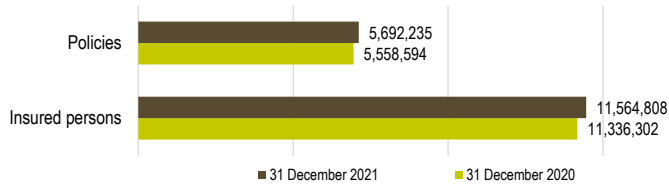
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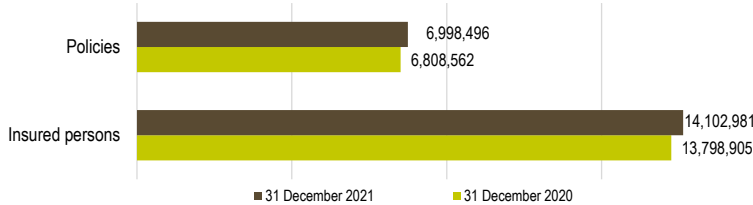
# Key metrics

## Hospital treatment membership



**44.9%** of population at 31 December 2021  
 ↑ **0.2%** percentage points from 30 Sep 2021  
 ↑ **58,459** insured persons over the quarter

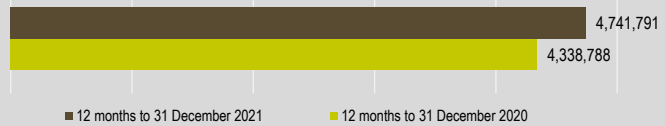
## General treatment membership



**54.7%** of population at 31 December 2021  
 ↑ **0.3%** percentage points from 30 Sep 2021  
 ↑ **79,088** insured persons over the quarter

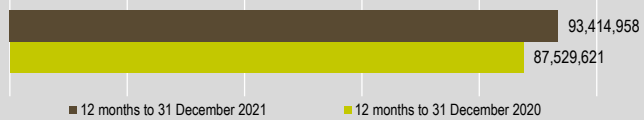
## Hospital treatment episodes

↑ **9.3%** over the 12 months to December 2021  
 ↓ **-6.5%** compared to the September 2021 quarter

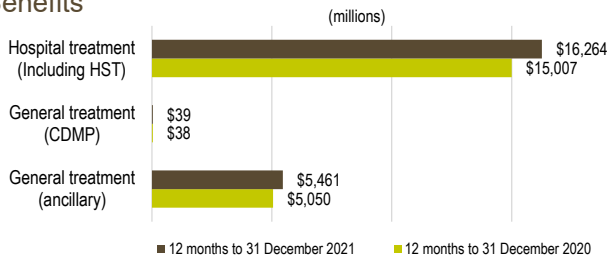


## General treatment services (ancillary)

↑ **6.7%** over the 12 months to December 2021  
 ↑ **30.6%** compared to the September 2021 quarter



## Benefits



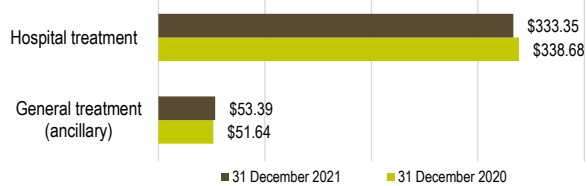
↑ **8.4%** over the 12 months to December 2021  
 ↑ **0.2%** compared to the December 2020 quarter

↑ **8.1%** over the 12 months to December 2021  
 ↑ **1.8%** compared to the December 2020 quarter

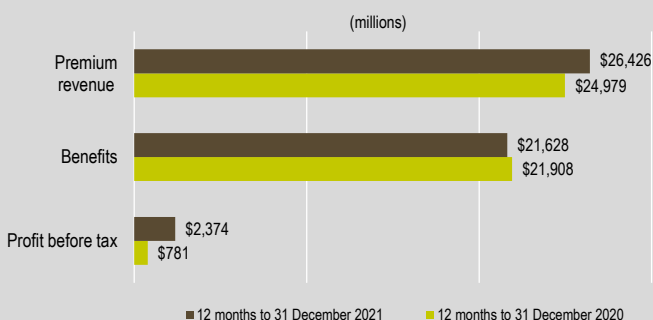
## Out-of-pocket per episode/service

↓ **-1.6%** over the 12 months to December 2021

↑ **3.4%** over the 12 months to December 2021



## Financial



↑ **5.8%** over the 12 months to December 2021

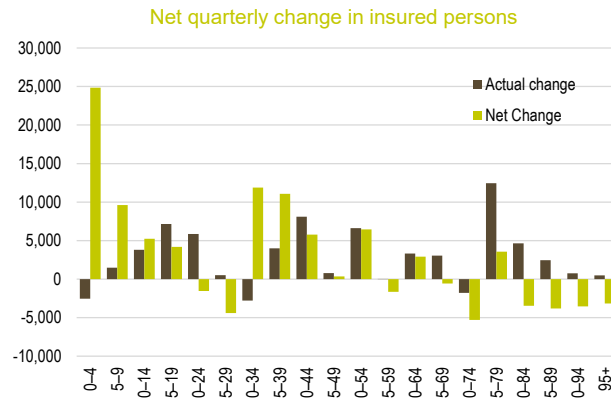
↓ **-1.3%** over the 12 months to December 2021

↑ **204.0%** over the 12 months to December 2021

## Hospital Treatment

At 31 December 2021, 11,564,808 people, or 44.9% of the population, were covered by hospital treatment cover. There was a slight increase compared to September 2021. There was an increase in coverage 58,459 insured people in the December 2021 compared to September 2021. Family policies increased by 6,917 and single policies by 16,717 during the quarter.

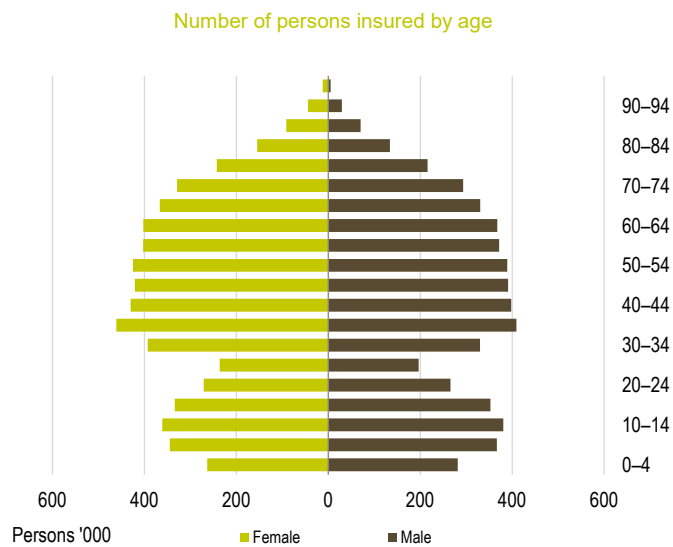
The largest increase in coverage during the quarter was 12,451 for people aged between 75 and 79. The largest net increase (taking into account movement between age groups) was for the 0-4 with an increase of 24,834 people.



## Lifetime health cover

The majority of adults with hospital cover (89.2%) have a certified age of entry of 30, with no penalty loading.

At the end of the 31 December 2021 quarter, there were 904,428 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 29,121. There was a net increase in people with a certified age of entry of 30 (with no penalty) over the year of 152,543. Over the year, 126,172 people had their loading removed after paying a loading for ten years.



State/Territory	Insured persons (%)	Non insured persons (%)	Total Insured (Male/Female)	Single policies (%)	Family policies (%)
Aust.	44.9%	55.1%	5,580,098 / 5,984,710	48.7%	51.3%
NSW	46.1%	53.9%	1,831,738 / 1,955,510	48.6%	51.4%
VIC	41.7%	58.3%	1,328,599 / 1,438,251	50.8%	49.2%
QLD	41.0%	59.0%	1,032,285 / 1,118,217	46.9%	53.1%
SA	45.1%	54.9%	382,572 / 417,336	49.1%	50.9%
WA	55.3%	44.7%	731,601 / 756,892	47.0%	53.0%
TAS	42.9%	57.1%	109,787 / 122,484	49.2%	50.8%
ACT	55.8%	44.2%	115,838 / 126,155	49.0%	51.0%
NT	39.6%	60.4%	47,677 / 49,864	48.5%	51.5%

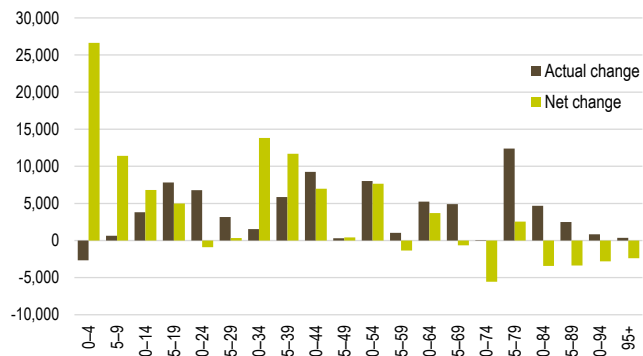
## General Treatment

At 31 December 2021, 14,102,981 people or 54.7% of the population had some form of general treatment cover. There was an increase of 79,088 people when compared to the September quarter. There was an increase of General Treatment policies of 44,294 for December 2021 which was mainly driven by Single Policies which increased by 26,999. For the 12 months to 30 December 2021, the number of insured persons with general treatment cover has increased by 304,076.

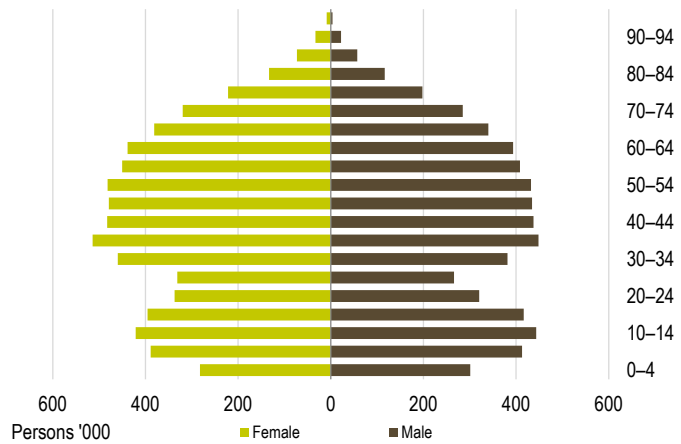
The general treatment (ancillary) by age charts and data in this report show data for those people that have general treatment policies covering ancillary services, regardless of other treatment included in the product. This excludes those general treatment policies that do not cover ancillary treatment.

There was an increase of 76,564 people with general treatment (ancillary) coverage in the December 2021. The largest net increase in coverage, after accounting for movements across age groups, was 26,647 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.	54.7%	45.3%	6,119,285 / 6,633,179	-	49.9%	50.1%
NSW	56.9%	43.1%	2,045,409 / 2,193,110	-	49.3%	50.7%
VIC	49.2%	50.8%	1,326,553 / 1,446,210	-	51.9%	48.1%
QLD	47.9%	52.1%	1,090,340 / 1,205,013	-	48.8%	51.2%
SA	60.1%	39.9%	472,697 / 522,087	-	50.3%	49.7%
WA	70.8%	29.2%	891,504 / 942,737	-	49.0%	51.0%
TAS	50.9%	49.1%	118,729 / 134,482	-	51.0%	49.0%
ACT	68.7%	31.3%	124,604 / 136,940	-	50.1%	49.9%
NT	44.4%	55.6%	49,448 / 52,599	-	49.7%	50.3%

# Benefits Paid

## Hospital treatment

### Benefits per episode/service

	December 2021	Change from September 2021
Hospital Treatment		
Acute	\$2,430	1.2%
Medical	\$65	0.1%
Prostheses	\$684	3.5%
Cardiac	\$3,779	-1.4%
Hip	\$1,708	0.7%
Knee	\$1,738	0.0%
Total benefits and growth rate		
Hospital	\$3,995,900,214	-5.2%
General	\$1,505,703,716	32.0%

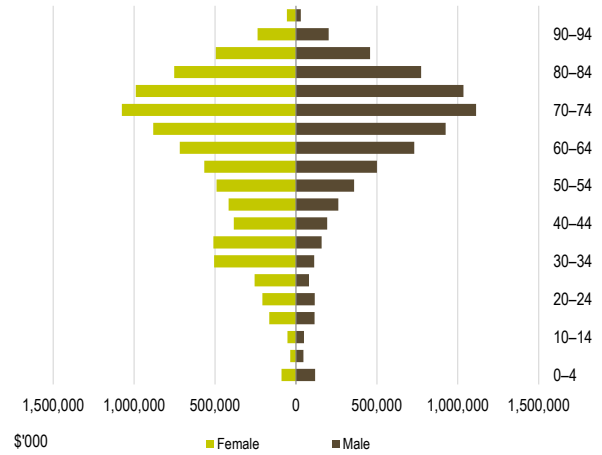
During the December 2021 quarter, insurers paid \$3,996 million in hospital treatment benefits, which was 5.2% lower compared to the September 2021 quarter. Hospital treatment benefits were comprised of:

- ◇ \$2,825 million for hospital services such as accommodation and nursing
- ◇ \$606 million for medical services
- ◇ \$564 million for prostheses items.

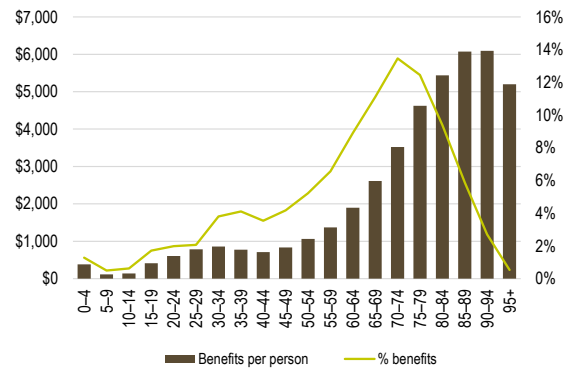
The age group for which most hospital benefits are paid is between 60 and 84 (top chart). Total benefits by age group is affected by the average benefits paid per person (displayed in the second chart) and the number of people in each age group.

Average hospital benefits per person increased from \$1,323.76 for the year ending December 2020 to \$1,406.33 for the year ending December 2021. The largest amount of benefits per person was spent on hospital accommodation and nursing, followed by medical and prostheses benefits.

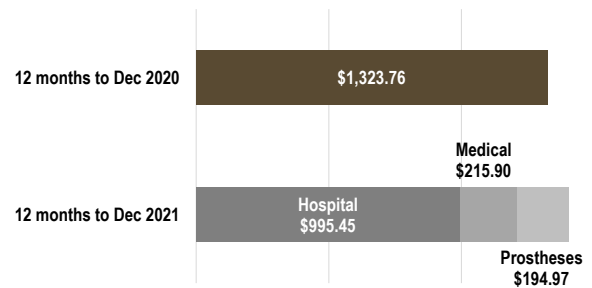
### Hospital treatment benefits paid by age 12 months to 31 December 2021



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



### Hospital treatment benefits per person



**General treatment**

**Benefits per service**

	December 2021	Change from September 2021
Dental	\$64	-4.7%
Chiropractic	\$32	-2.2%
Physiotherapy	\$38	-1.4%
Optical	\$77	1.9%

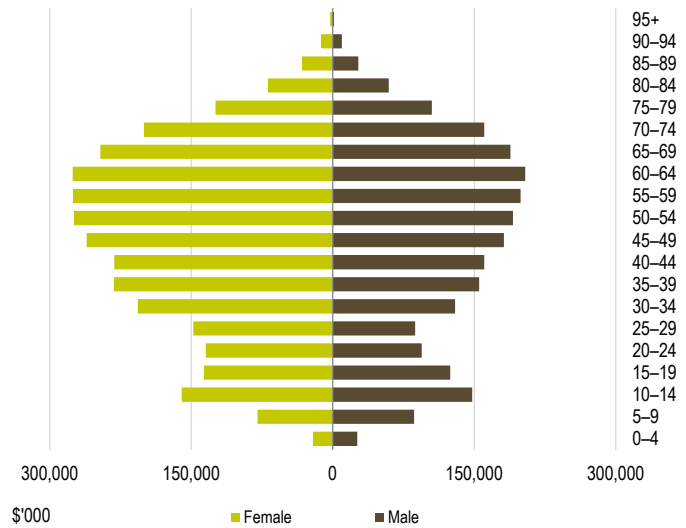
During the December 2021 quarter, insurers paid \$1,496 million in general treatment (ancillary) benefits. This was an increase of 32.3% compared to the September 2021 quarter. Ancillary benefits for the December 2021 quarter included the major categories of:

- ◇ Dental \$793.7 million
- ◇ Optical \$309.6 million
- ◇ Physiotherapy \$101.4 million
- ◇ Chiropractic \$66.7 million.

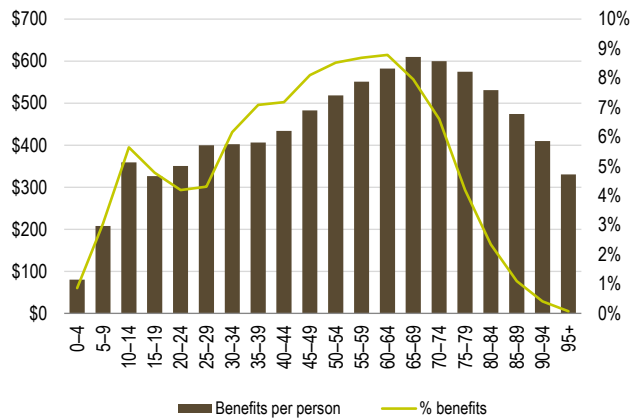
There is a marked difference between the distribution of benefits over age groups between hospital benefits and ancillary benefits. The major difference is the higher claiming rate in older age groups for hospital benefits while benefits per person for ancillary benefits are more evenly spread over the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

General treatment (ancillary) benefits per person during the year to December 2020 were \$404.6 increasing to \$428.3 for the year to December 2021. The largest component of ancillary benefits is dental, for which \$229.7 was paid per insured.

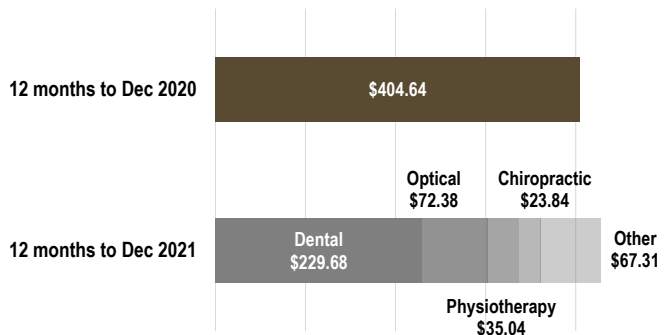
**General treatment benefits paid by age 12 months to 31 December 2021 (ancillary)**



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



**General treatment benefits per person (ancillary)**





**Medical benefits**

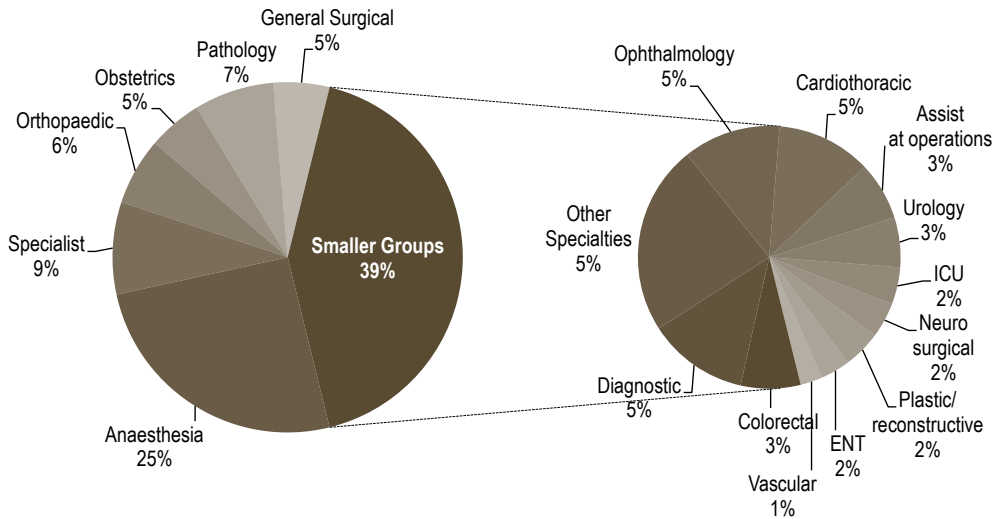
Total benefits for medical services decreased 6.9% during the December quarter 2021.

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 25.4% of all medical benefits and totalling \$154.2 million.

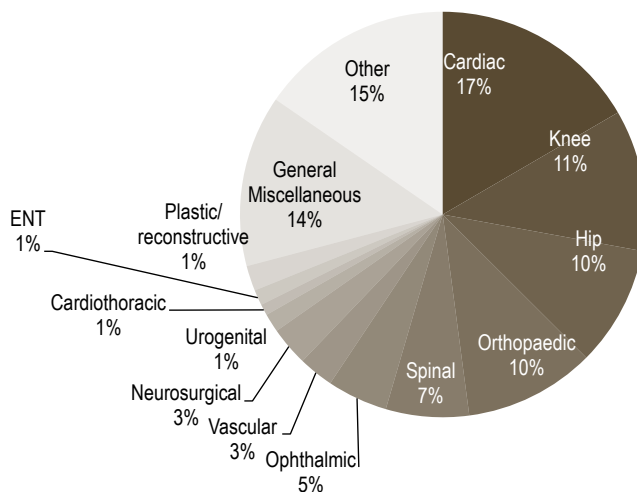
**Prostheses benefits**

Total benefits paid for prostheses decreased by 2.5% in December 2021 compared to September 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 \$93.7 million.

**Medical benefits by Speciality group**



**Benefits paid for prostheses**



## Service utilisation

### Episodes/Services by type

	December 2021	Change from September 2021
Hospital Episodes	1,162,836	-6.5%
Hospital Days	2,852,225	-8.0%
Medical Services	9,349,427	-7.1%
Prostheses Items	825,574	-5.8%
Specialist Orthopaedic	138,854	-10.5%
Ophthalmic	95,031	-9.1%
Spinal	52,734	-6.7%
General Treatment	25,448,237	30.6%
Dental	12,486,933	35.0%
Chiropractic	2,111,601	-7.4%
Physiotherapy	2,668,824	-3.9%
Optical	3,995,474	107.0%

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

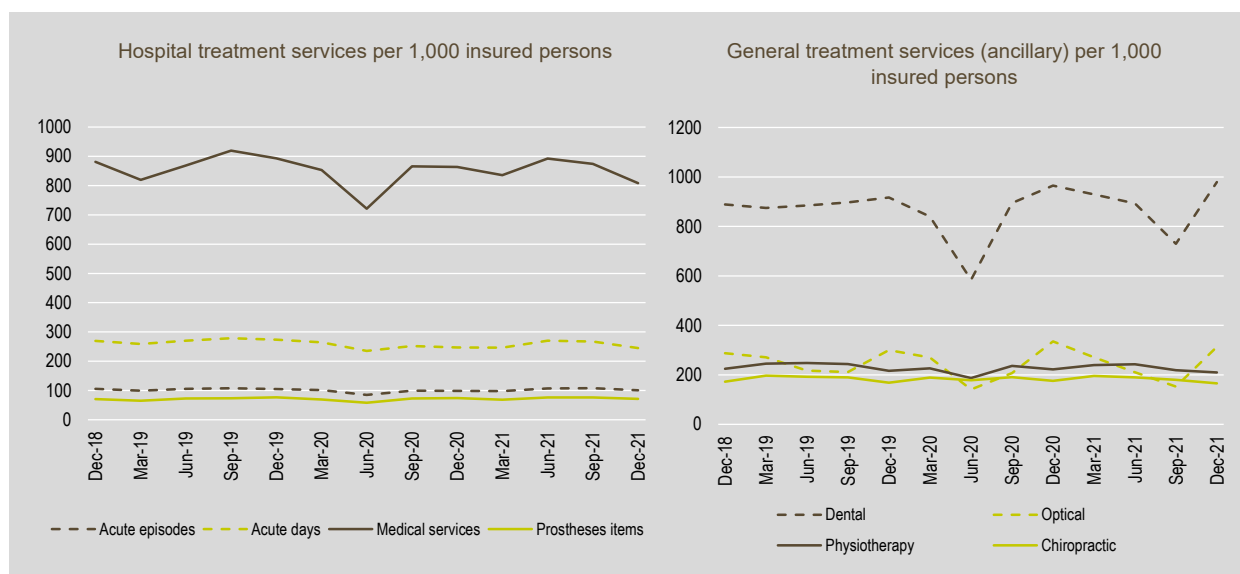
- ◇ public hospitals 163,201 episodes
- ◇ private hospitals 778,605 episodes
- ◇ day hospital facilities 167,428 episodes
- ◇ hospital substitute 53,602 episodes.

For the December 2021 quarter, hospital utilisation (measured in episodes) decreased by 6.5% which was mainly driven by private hospitals.

During the December 2021 quarter, insurers paid benefits for 2.85 million days in hospital, arising from 1.16 million hospital episodes of care.

	Quarter change	Year change
◇ public hospitals	↓ -10.4%	↓ -0.8%
◇ private hospitals	↓ -5.6%	↑ 9.9%
◇ day hospital facilities	↓ -2.0%	↑ 13.5%
◇ hospital-substitute	↓ -18.4%	↑ 25.2%

Day-only episodes in the four categories of hospital totalled 813,760, with a 5.4% change compared to September 2021.



# Out-of-pocket payments

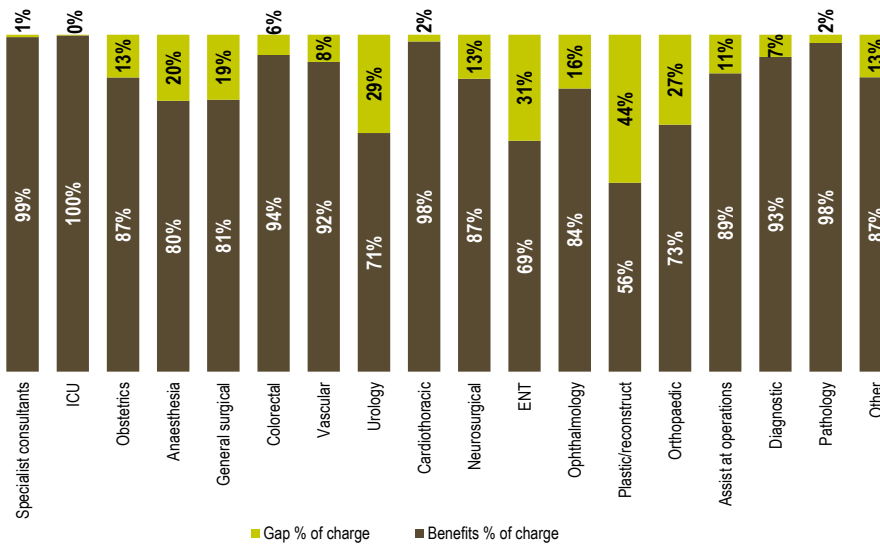
## Average out-of-pocket per episode/service

	December 2021	Change from Sep 21	Change from Dec 20
Hospital treatment	\$333.35	-1.7%	-1.6%
Hospital-substitute treatment	\$5.32	9.4%	-30.9%
General treatment ancillary	\$53.39	-4.7%	3.4%
Medical gap where gap was paid	\$219.87	6.5%	18.6%

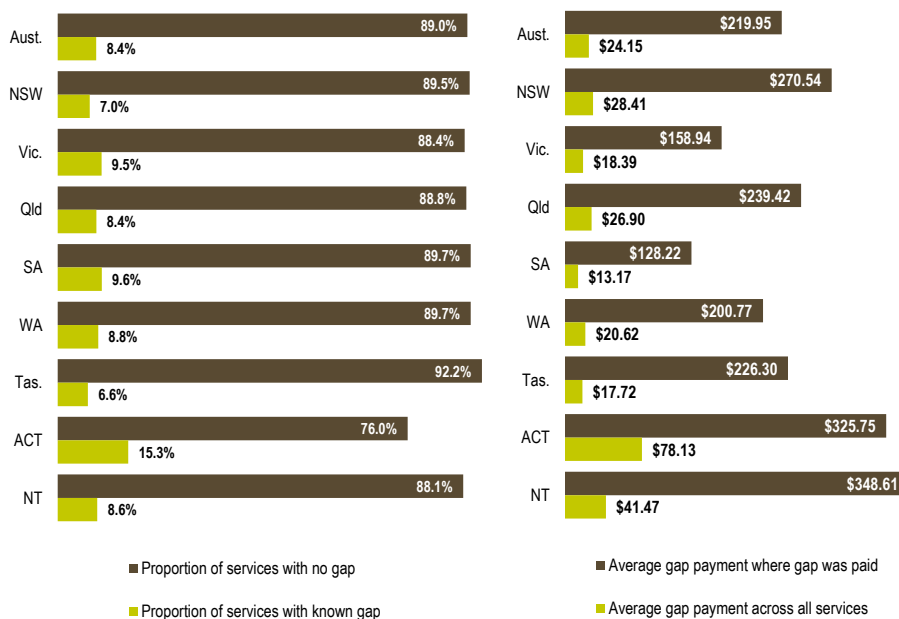
The out-of-pocket payments for hospital episodes decreased by 1.6% compared to the same quarter for the previous year. Out-of-pocket payments for medical services were \$220 where an out-of-pocket payment was payable. The amount of gap for medical services varies depending on the specialty group. The specialty group with the largest out-of-pocket payment was plastic/reconstructive with an average gap of \$538. 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 \$333 in the December 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 December 2021	12 months to December 2020
<b>Revenue</b>		
HIB premium revenue	26,425,916	24,978,723
Net investment income	448,640	270,163
Net HRB revenue	-134,646	45,769
Net other operational revenue	100,717	73,762
<b>Total revenue</b>	<b>26,840,627</b>	<b>25,368,417</b>
<b>Benefits</b>		
Fund benefits	21,628,430	21,908,384
State ambulance levies	251,218	241,018
<b>Total fund benefits</b>	<b>21,879,648</b>	<b>22,149,402</b>
<b>Expenses</b>		
HIB expenses	2,086,590	1,943,696
HIB claims handling	428,009	416,307
Non-operating expenses	72,012	78,078
<b>Total expenses</b>	<b>2,586,612</b>	<b>2,438,081</b>
<b>Profit of the industry</b>		
Profit/(loss) before tax	2,374,367	780,934
Taxation expense	534,506	222,142
<b>Profit/(loss) after tax</b>	<b>1,839,861</b>	<b>558,793</b>
<b>Margins</b>		
Gross margin	17.20%	11.33%
HIB expenses	9.52%	9.45%
Net margin	7.69%	1.88%

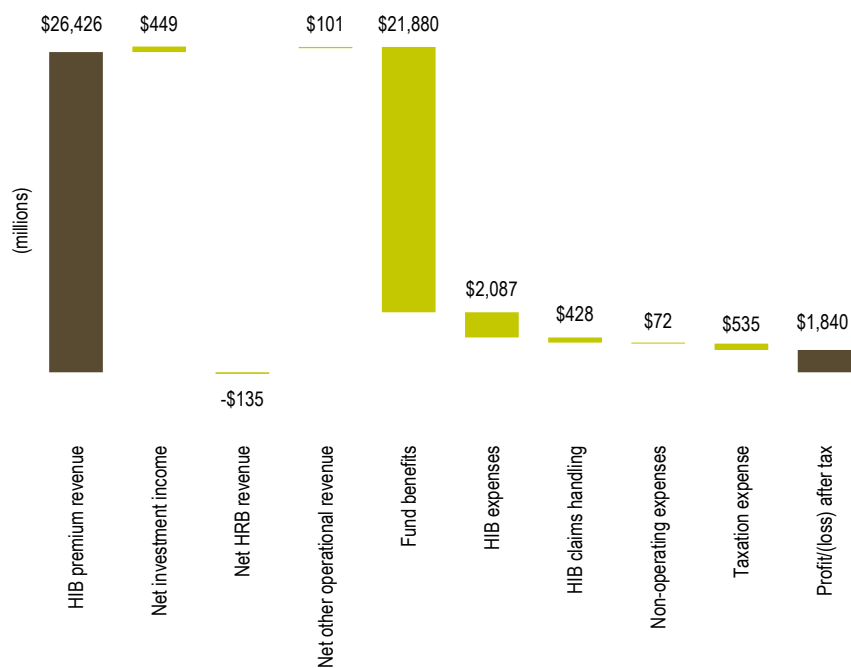
Health Insurance Business (HIB) premium revenue was up 5.8% for the year to December 2021, while total fund benefits decreased by 1.2%. Gross margin increased from 11.3% to 17.2%.

Net investment income increased from \$270 million in the year ending December 2020 to \$449 million in the year ending December 2021.

HIB expenses as a percentage of revenue increased from 9.4% to 9.5% and net margin increased from 1.9% to 7.7%.

Net profit after tax increased from \$559 million for the year ending December 2020 to \$1,840 million for the year ending December 2021.

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



## Prudential Position

All figures \$'000	December 2021	September 2021	December 2020
<b>Assets</b>			
Cash	1,955,831	1,696,728	1,504,851
Investments			
Equities	2,435,662	2,352,120	1,815,630
Interest bearing assets	9,026,400	9,332,299	9,017,024
Property	797,292	779,386	732,845
Subsidiary and associated entities	287,904	239,607	288,230
Loans	199,663	177,980	33,250
Receivables	46,160	45,003	52,287
Intangibles DAC and FITBS	1,161,019	1,158,252	1,269,242
Pre-paid expenses	88,145	77,740	86,492
Other*	1,939,858	1,914,205	1,902,190
<b>Total assets</b>	<b>17,937,935</b>	<b>17,773,319</b>	<b>16,702,040</b>
<b>Liabilities</b>			
Unearned premium liabilities	2,787,269	3,036,843	2,660,824
Unpresented & outstanding claims	2,266,736	2,444,787	2,114,143
Other fund liabilities	1,552,846	1,351,882	1,926,609
of which: Other insurance liabilities	1,421,731	1,210,786	1,786,304
Interest bearing liabilities	5,004	6,746	4,897
Payables, provisions & other liabilities	1,367,803	1,244,286	1,133,607
<b>Total liabilities</b>	<b>7,979,658</b>	<b>8,084,545</b>	<b>7,840,080</b>
<b>Total assets minus total liabilities</b>	<b>9,958,277</b>	<b>9,688,773</b>	<b>8,861,960</b>

The industry held total assets of \$17.9 billion as at 31 December 2021.

Total assets have increased by \$1,236 million in the last 12 months.

Total liabilities reported by the industry have increased by \$140 million over the year.

Total net assets increased from \$8.9 billion in December 2020 to \$10.0 billion in December 2021.

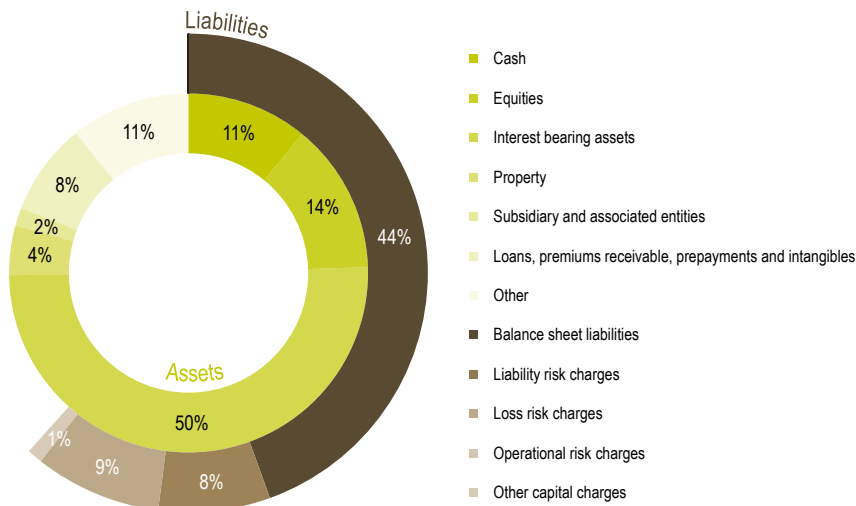
## Capital Adequacy Requirement

All figures \$'000	December 2021	September 2021	December 2020
Total Liabilities	7,979,658	8,084,545	7,840,080
Liability risk charges	1,356,049	1,277,370	593,627
Loss risk charges	1,537,852	1,529,505	1,417,521
Operational risk charges	183,452	183,017	176,650
Other capital charges	17,592	17,365	77,156
Less subordinated debt	4,893	4,831	4,654
<b>Total Capital Adequacy Requirement*</b>	<b>11,069,710</b>	<b>11,086,971</b>	<b>10,100,381</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 December 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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