



STATISTICS

Quarterly private health insurance statistics

December 2022 (released 1 March 2023)

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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

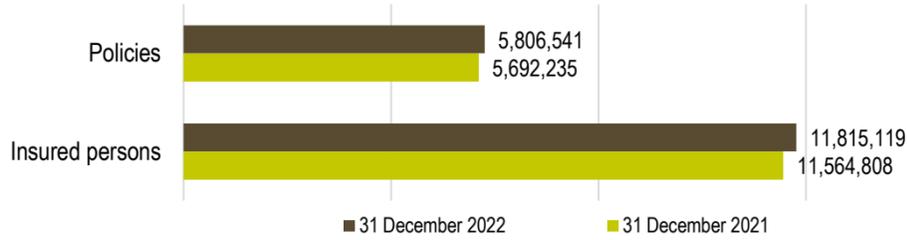
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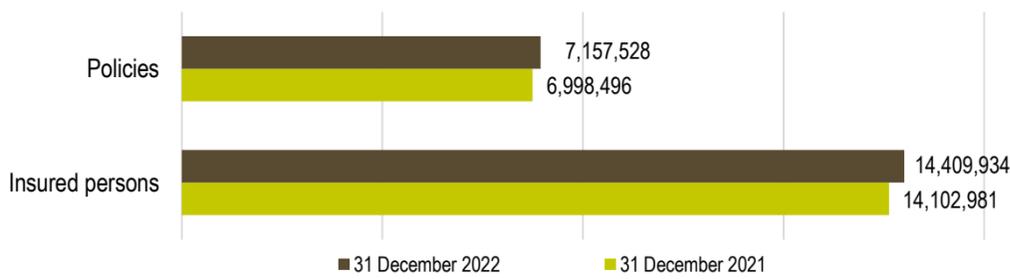
Key metrics

Hospital treatment membership



45.1% of population at 31 December 2022
0.0% percentage points from 30 Sep 2022
↑ 52,002 insured persons over the quarter

General treatment membership

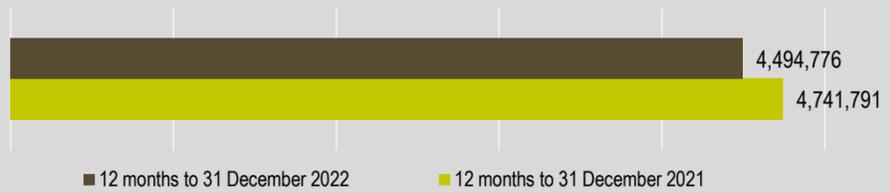


55.1% of population at 31 December 2022
↓ 0.0% percentage points from 30 Sep 2022
↑ 52,355 insured persons over the quarter

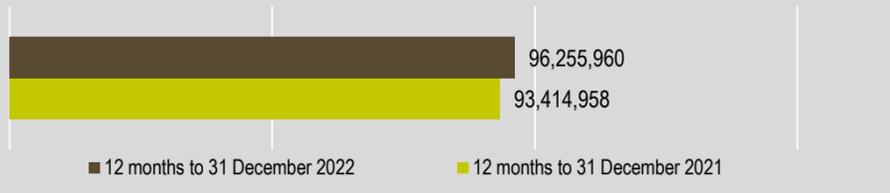
Hospital treatment episodes

↓ -5.2% over the 12 months to December 2022
↑ 6.3% compared to the September 2022 quarter

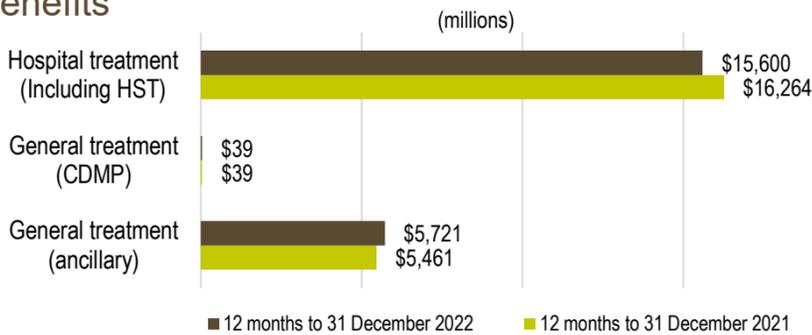
↑ 3.0% over the 12 months to December 2022
↑ 6.5% compared to the September 2022 quarter



General treatment services (ancillary)



Benefits



↓ -4.1% over the 12 months to December 2022
↑ 6.6% compared to the December 2021 quarter

↑ 4.7% over the 12 months to December 2022
↑ 2.0% compared to the December 2021 quarter

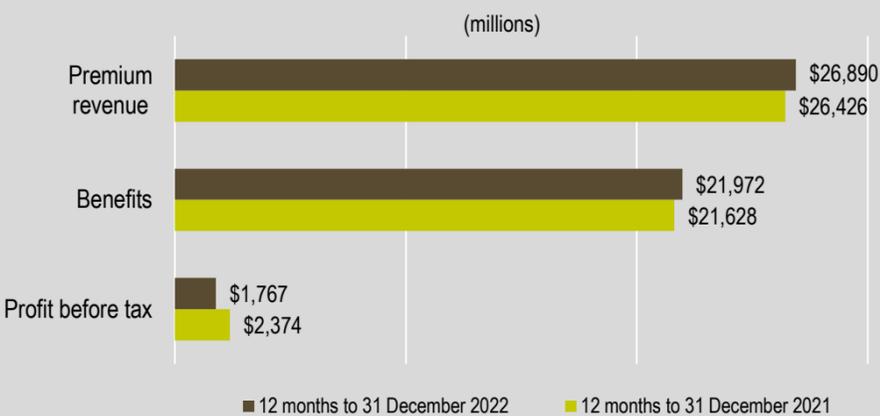
Out-of-pocket per episode/service

↑ 11.8% over the 12 months to December 2022

↑ 7.0% over the 12 months to December 2022



Financial



↑ 1.8% over the 12 months to December 2022

↑ 1.6% over the 12 months to December 2022

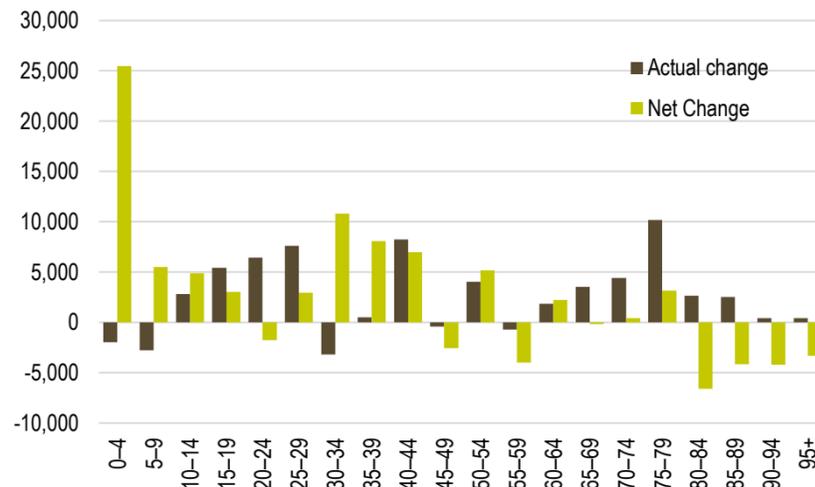
↓ -25.6% over the 12 months to December 2022

Hospital Treatment

At 31 December 2022, 11,815,119 people, or 45.1% of the population, were covered by hospital treatment cover. There was an increase in coverage of 52,002 insured people in the December 2022 quarter compared to September 2022. Family policies increased by 10,747 and single policies by 1,110 during the quarter.

The largest increase in coverage during the quarter was 10,158 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 25,485 people.

Net quarterly change in insured persons

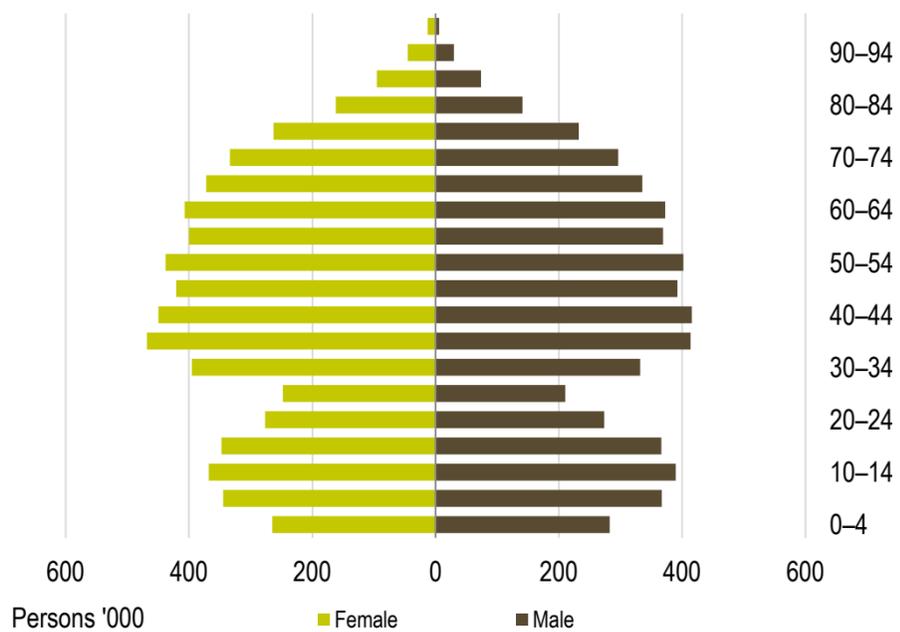


Lifetime health cover

The majority of adults with hospital cover (89.0%) have a certified age of entry of 30, with no penalty loading.

At the end of the 31 December 2022 quarter, there were 940,346 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 35,918. There was a net increase in people with a certified age of entry of 30 (with no penalty) over the year of 122,422. Over the year, 128,152 people had their loading removed after paying a loading for ten years.

Number of persons insured by age



Hospital treatment tables					
State/Territory	Insured persons (%)	Non insured persons (%)	Total Persons	Male	Female
Aust.	45.1%	54.9%	11,815,119	5,701,992	6,113,127
NSW	46.9%	53.1%	3,984,746	1,859,740	1,984,746
VIC	42.5%	57.5%	3,462,706	1,360,404	1,472,706
QLD	41.0%	59.0%	2,816,503	1,059,345	1,146,503
SA	44.6%	55.4%	896,230	390,388	426,230
WA	54.6%	45.4%	1,437,728	753,711	778,728
TAS	41.2%	58.8%	302,714	111,493	124,714
ACT	53.8%	46.2%	237,897	118,519	128,897
NT	39.4%	60.6%	127,603	48,392	50,603

State/Territory	Single policies (%)	Family policies (%)
Aust.	48.7%	51.3%
NSW	48.6%	51.4%
VIC	50.8%	49.2%
QLD	47.0%	53.0%
SA	49.4%	50.6%
WA	46.9%	53.1%
TAS	49.5%	50.5%
ACT	49.2%	50.8%
NT	48.9%	51.1%

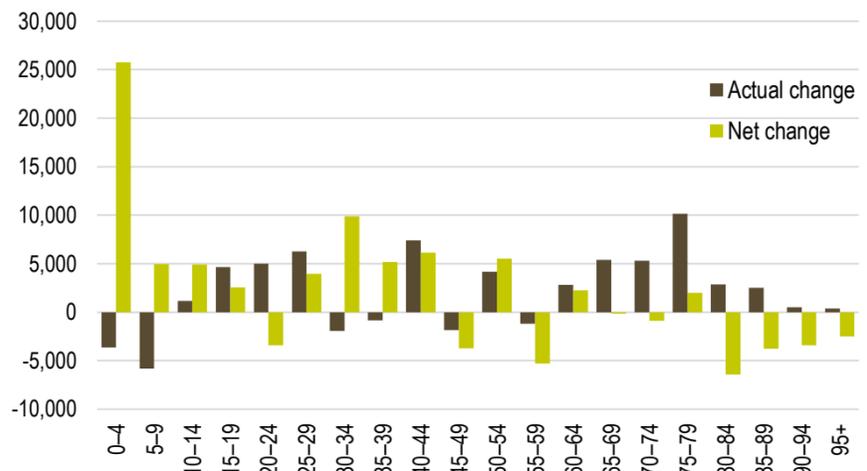
General Treatment

At 31 December 2022, 14,409,934 people or 55.1% of the population had some form of general treatment cover. There was an increase of 52,355 people when compared to the September quarter. There was an increase of General Treatment policies of 13,851 for December 2022 which was mainly driven by Family Policies which increased by 10,142. For the 12 months to 31 December 2022, the number of insured persons with general treatment cover has increased by 306,953.

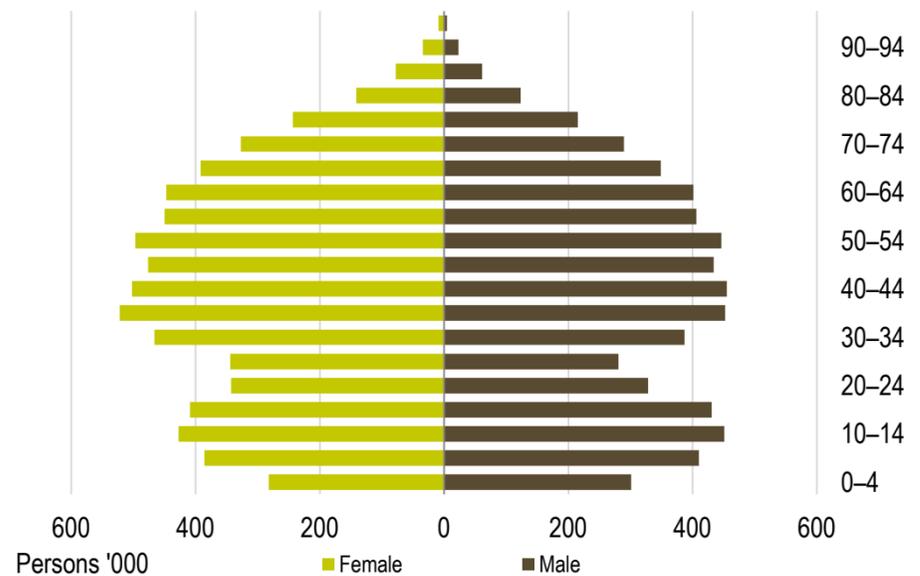
The general treatment (ancillary) by age charts and data in this report show data for those people that have general treatment policies covering ancillary services, regardless of other treatment included in the product. This excludes those general treatment policies that do not cover ancillary treatment.

There was an increase of 43,487 people with general treatment (ancillary) coverage in the December 2022 quarter. The largest net increase in coverage, after accounting for movements across age groups, was 25,741 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.	55.1%	44.9%	6,249,224	6,778,388	50.1%	49.9%
NSW	57.8%	42.2%	2,077,353	2,228,503	49.4%	50.6%
VIC	50.3%	49.7%	1,362,308	1,487,466	52.0%	48.0%
QLD	48.0%	52.0%	1,117,974	1,235,941	49.1%	50.9%
SA	59.4%	40.6%	480,991	531,639	50.7%	49.3%
WA	69.6%	30.4%	912,567	964,501	49.2%	50.8%
TAS	49.0%	51.0%	120,642	137,047	51.4%	48.6%
ACT	66.2%	33.8%	127,319	139,897	50.4%	49.6%
NT	44.2%	55.8%	50,070	53,394	50.3%	49.7%

Benefits Paid

Hospital treatment

Benefits per episode/service

	December 2022	Change from September 2022
Hospital Treatment		
Acute	\$2,512	0.9%
Medical	\$64	0.3%
Prostheses	\$657	1.1%
Cardiac	\$3,630	0.3%
Hip	\$1,640	-0.6%
Knee	\$1,680	-0.6%
Total benefits and growth rate		
Hospital	\$4,259,167,608	6.1%
General	\$1,536,712,123	9.5%

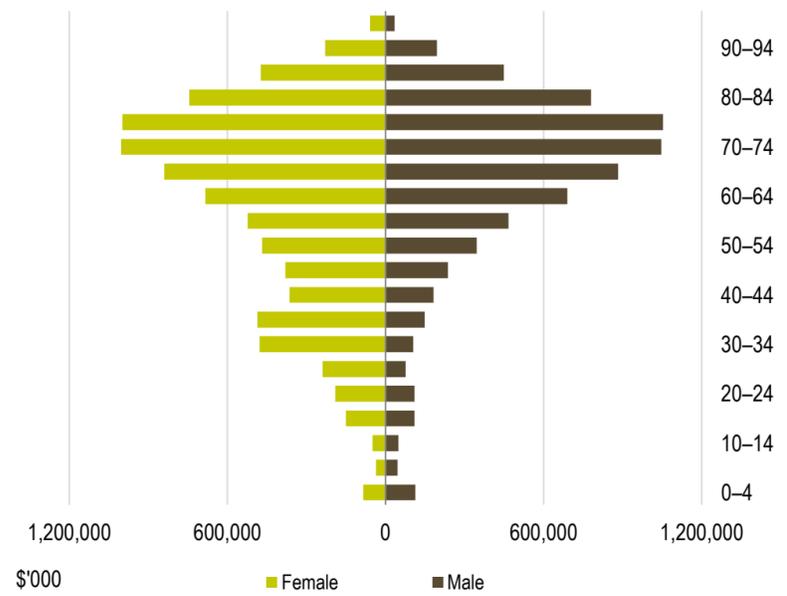
During the December 2022 quarter, insurers paid \$4,259 million in hospital treatment benefits, which was 6.09% higher compared to the September 2022 quarter. Hospital treatment benefits were comprised of:

- ◇ \$3,050 million for hospital services such as accommodation and nursing
- ◇ \$625 million for medical services
- ◇ \$584 million for prostheses items.

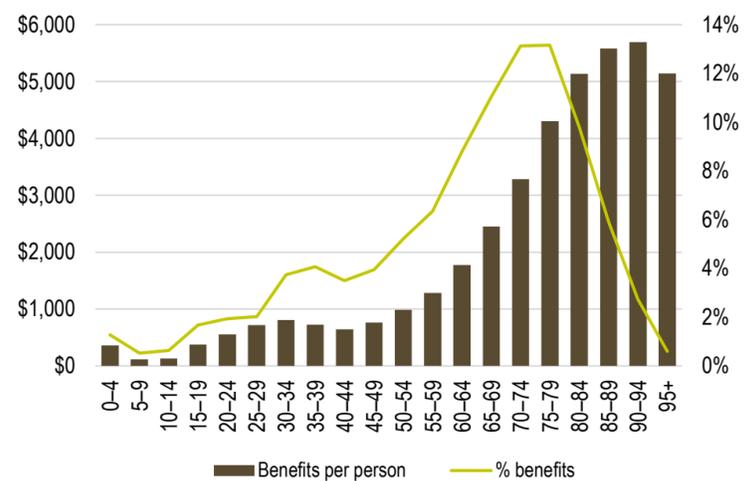
The age group for which most hospital benefits are paid is between 60 and 84 (top chart). Total benefits by age group is affected by the average benefits paid per person (displayed in the second chart) and the number of people in each age group.

Average hospital benefits per person decreased from \$1,406.33 for the year ending December 2021 to \$1,320.32 for the year ending December 2022. The largest amount of benefits per person was spent on hospital accommodation and nursing, followed by medical and prostheses benefits.

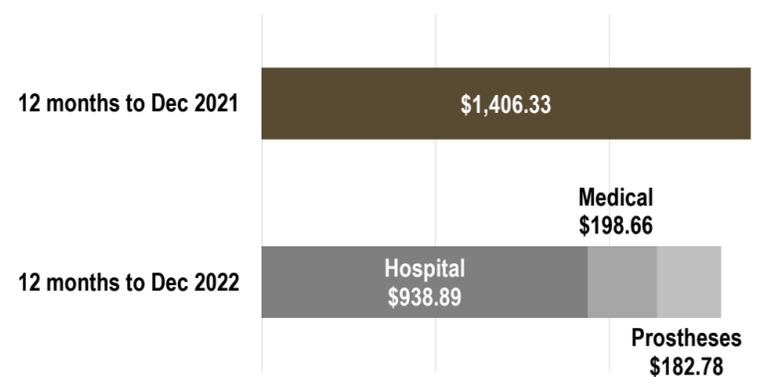
Hospital treatment benefits paid by age 12 months to 31 December 2022



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 2022	Change from September 2022
Dental	\$65	1.0%
Chiropractic	\$32	-2.0%
Physiotherapy	\$39	-0.3%
Optical	\$80	0.5%

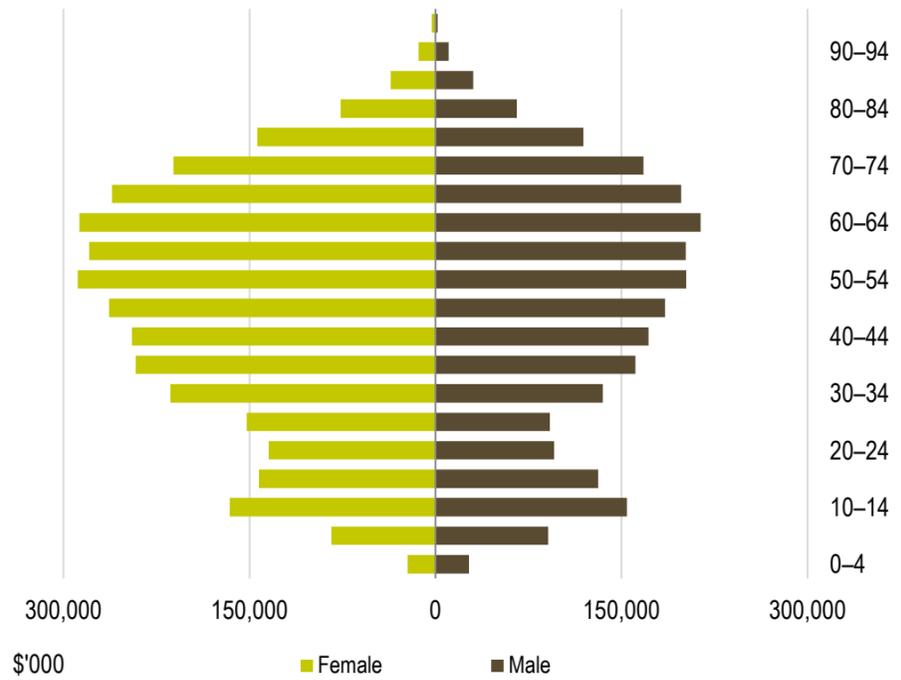
During the December 2022 quarter, insurers paid \$1,526 million in general treatment (ancillary) benefits. This was an increase of 9.6% compared to the September 2022 quarter. Ancillary benefits for the December 2022 quarter included the major categories of:

- ◇ Dental \$822.8 million
- ◇ Optical \$302.2 million
- ◇ Physiotherapy \$102.2 million
- ◇ Chiropractic \$67.5 million

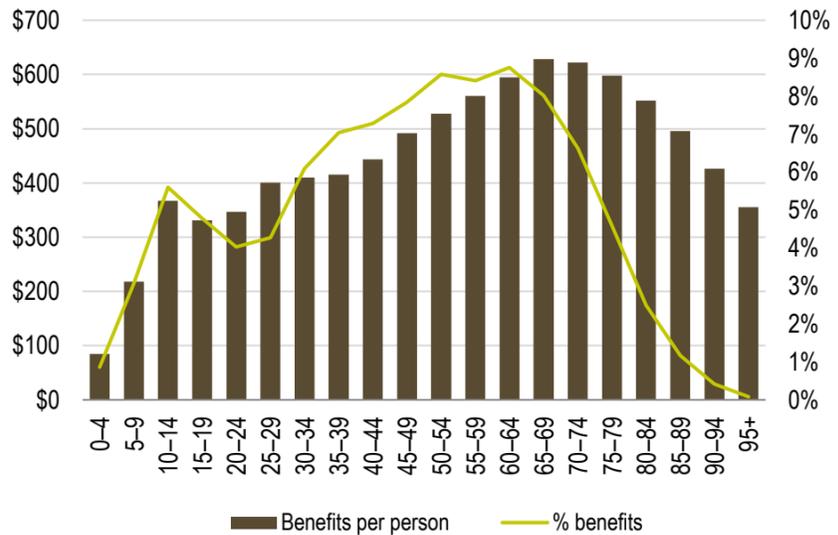
There is a marked difference between the distribution of benefits over age groups between hospital benefits and ancillary benefits. The major difference is the higher claiming rate in older age groups for hospital benefits while benefits per person for ancillary benefits are more evenly spread over the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

General treatment (ancillary) benefits per person during the year to December 2021 were \$428.3 increasing to \$439.1 for the year to December 2022. The largest component of ancillary benefits is dental, for which \$239.3 was paid per insured.

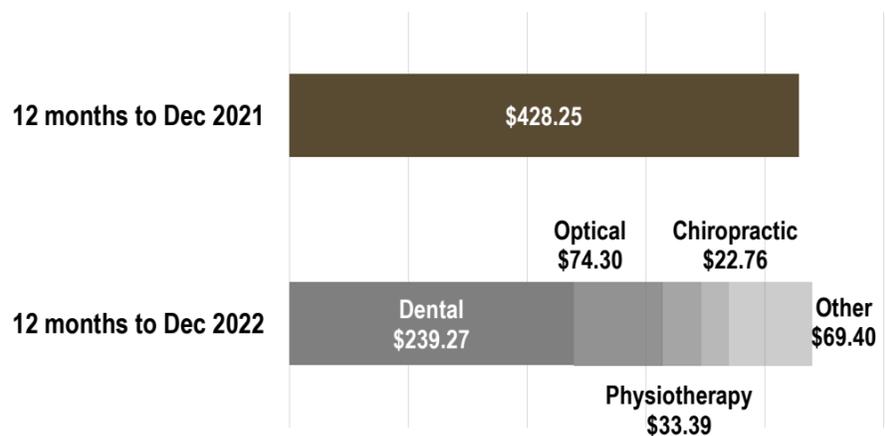
General treatment benefits paid by age 12 months to 31 December 2022 (ancillary)



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



General treatment benefits per person (ancillary)



Medical benefits

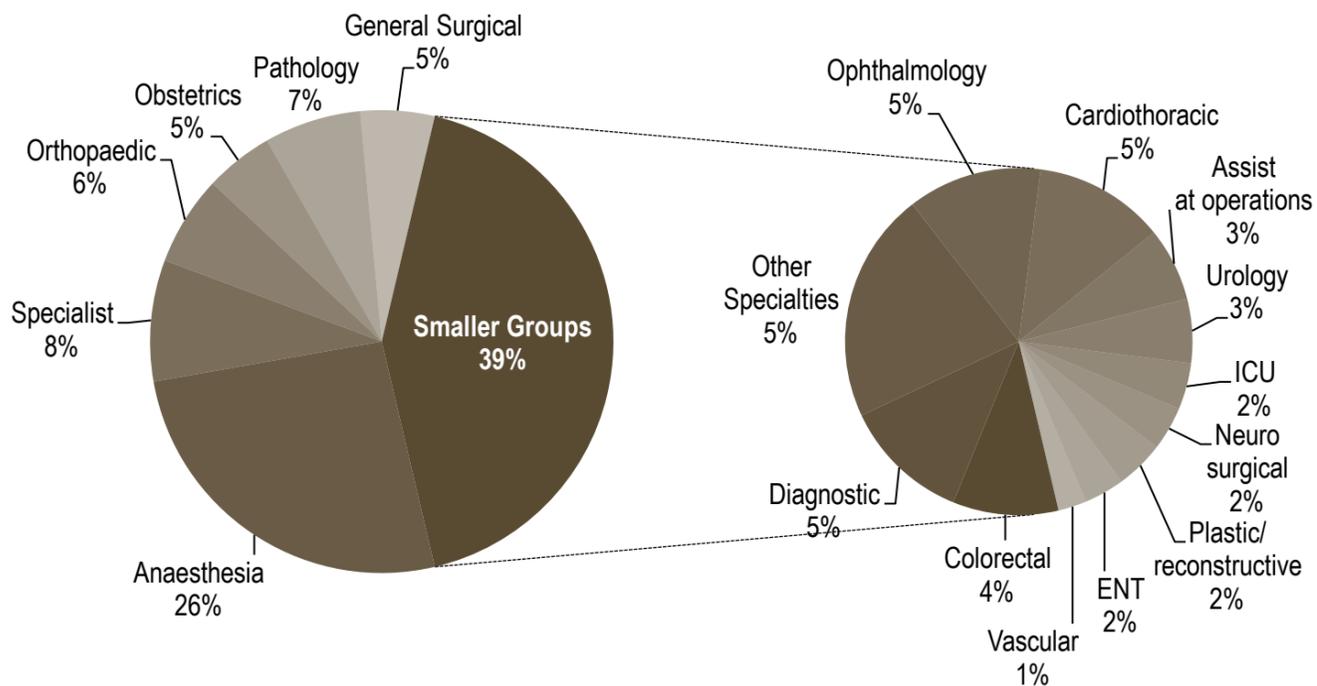
Total benefits for medical services increased 0.1% during the December quarter 2022.

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 25.9% of all medical benefits and totalling \$161.1 million.

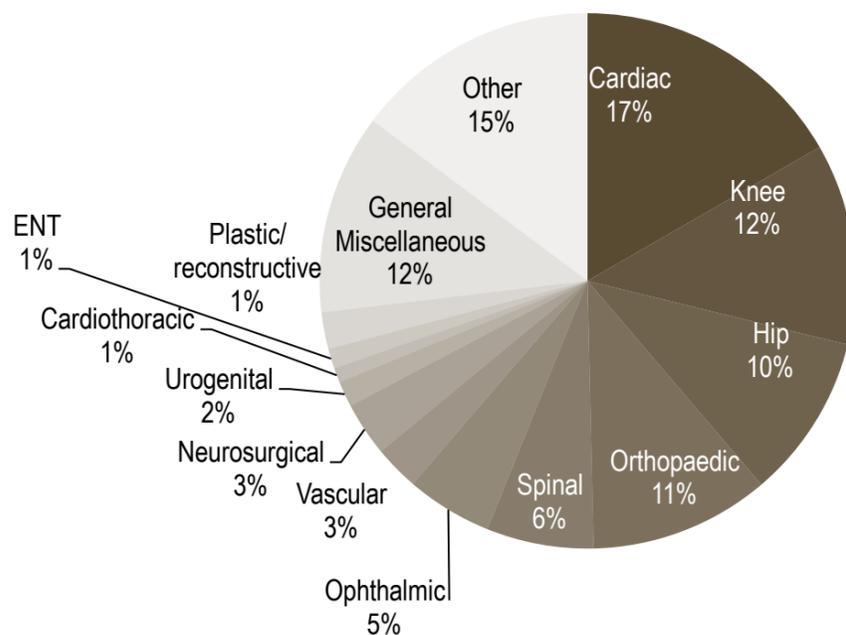
Prostheses benefits

Total benefits paid for prostheses increased by 6.4% in December 2022 compared to September 2022. 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 \$97.4 million.

Medical benefits by Speciality group



Benefits paid for prostheses



Service utilisation

Episodes/Services by type

	December 2022	Change from September 2022
Hospital Episodes	1,214,160	6.3%
Hospital Days	3,041,595	3.6%
Medical Services	9,760,171	0.3%
Prostheses Items	889,583	5.2%
Specialist Orthopaedic	158,479	2.8%
Ophthalmic	108,425	3.5%
Spinal	57,307	3.5%
General Treatment	25,358,709	6.5%
Dental	12,597,096	4.8%
Chiropractic	2,088,026	-8.0%
Physiotherapy	2,645,813	-7.4%
Optical	3,761,615	48.2%

Hospital utilisation is distributed over four categories of hospital—public, private, day only facilities and hospital-substitute. During the December 2022 quarter, hospital episodes were distributed as follows:

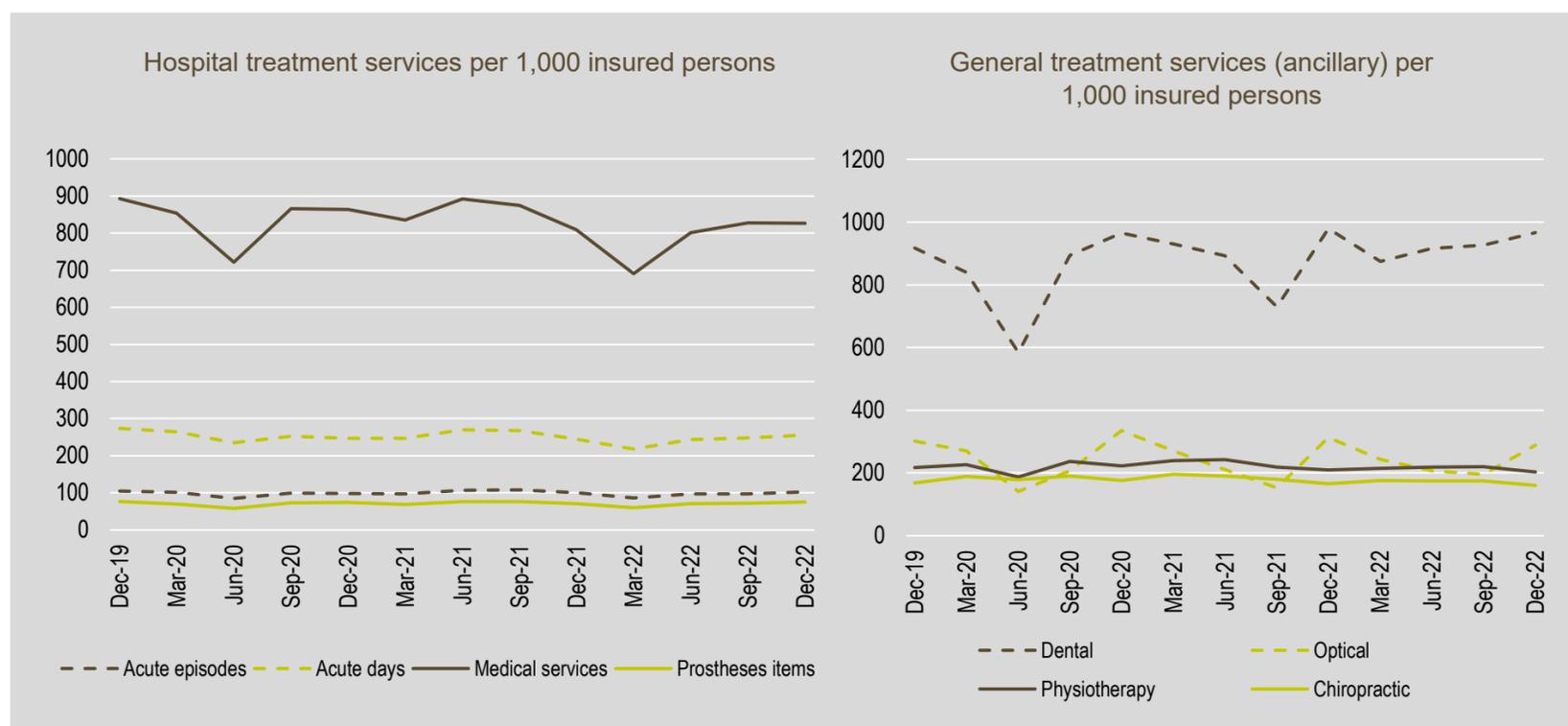
- ◇ public hospitals 168,196 episodes
- ◇ private hospitals 818,409 episodes
- ◇ day hospital facilities 168,990 episodes
- ◇ hospital substitute 58,565 episodes.

For the December 2022 quarter, hospital utilisation (measured in episodes) increased by 6.3% which was mainly driven by private hospitals.

During the December 2022 quarter, insurers paid benefits for 3.04 million days in hospital, arising from 1.21 million hospital episodes of care.

	Quarter change	Year change
◇ public hospitals	↑ 4.9%	↓ -8.5%
◇ private hospitals	↑ 8.0%	↓ -5.3%
◇ day hospital facilities	↑ 4.0%	↓ -3.3%
◇ hospital-substitute	↓ -4.2%	↑ 1.4%

Day-only episodes in the four categories of hospital totalled 851,274, with a 6.7% change compared to September 2022.



Out-of-pocket payments

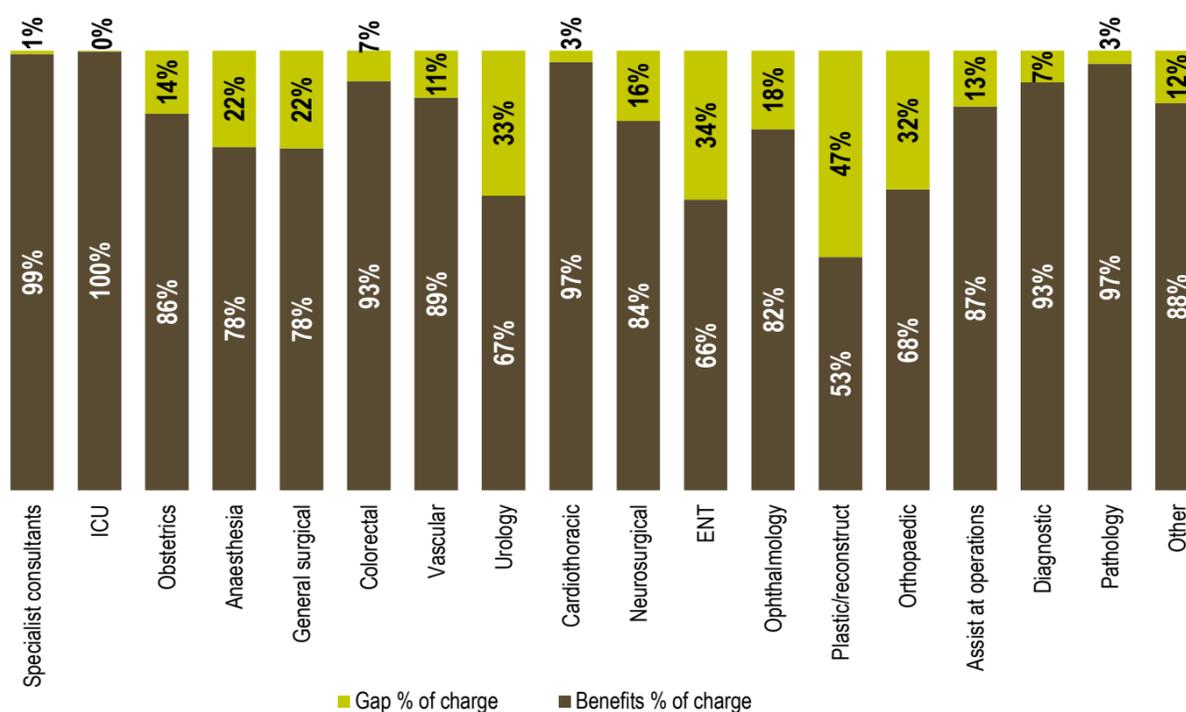
Average out-of-pocket per episode/service

	December 2022	Change from Sep 22	Change from Dec 21
Hospital treatment	\$372.57	-4.4%	11.8%
Hospital-substitute treatment	\$3.15	-75.9%	-40.8%
General treatment ancillary	\$57.15	0.4%	7.0%
Medical gap where gap was paid	\$234.97	3.9%	6.6%

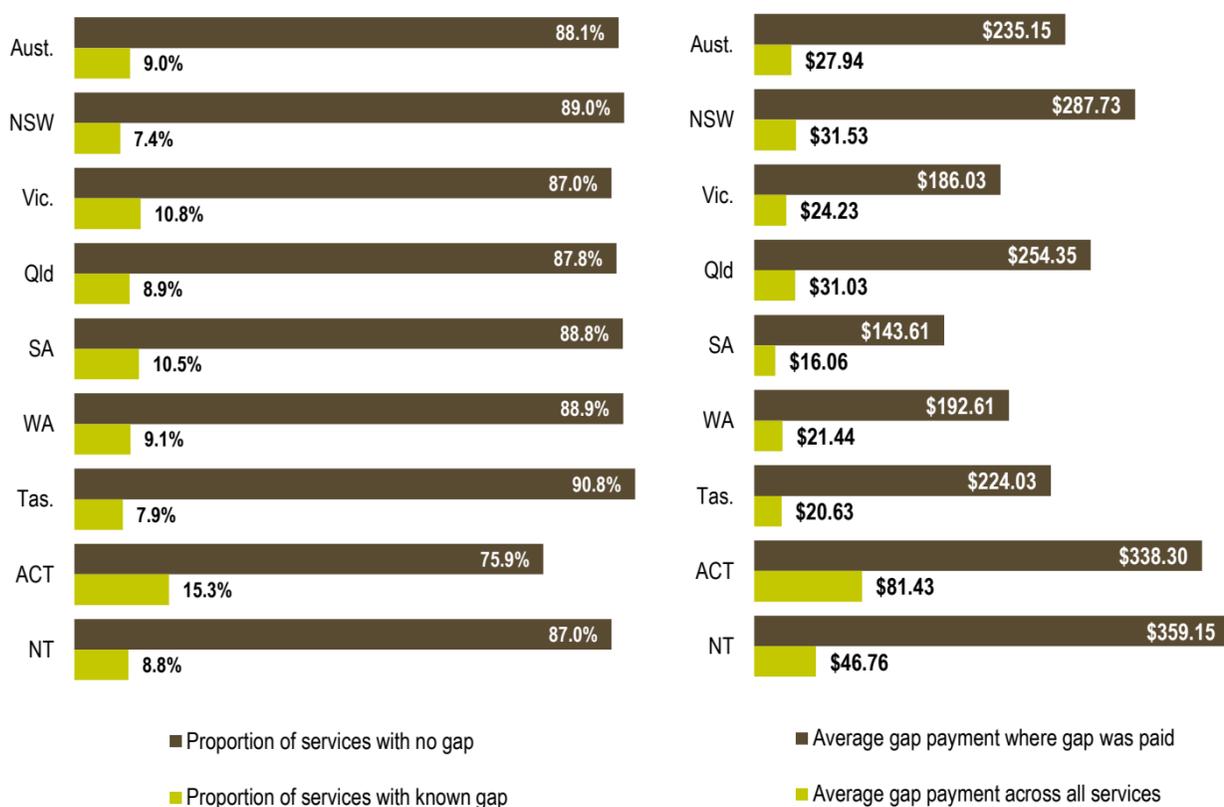
The out-of-pocket payments for hospital episodes increased by 11.8% compared to the same quarter for the previous year. Out-of-pocket payments for medical services were \$235 where an out-of-pocket payment was payable. The amount of gap for medical services varies depending on the specialty group. The specialty group with the largest out-of-pocket payment was plastic/reconstructive with an average gap of \$607. 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 \$373 in the December 2022 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 2022	12 months to December 2021
Revenue		
HIB premium revenue	26,889,758	26,425,916
Net investment income	-207,128	448,640
Net HRB revenue	63,215	-134,646
Net other operational revenue	98,287	100,717
Total revenue	26,844,132	26,840,627
Benefits		
Fund benefits	21,971,784	21,628,430
State ambulance levies	266,610	251,218
Total fund benefits	22,238,394	21,879,648
Expenses		
HIB expenses	2,336,961	2,086,590
HIB claims handling	408,975	428,009
Non-operating expenses	92,966	72,012
Total expenses	2,838,901	2,586,612
Profit of the industry		
Profit/(loss) before tax	1,766,837	2,374,367
Taxation expense	544,335	534,506
Profit/(loss) after tax	1,222,502	1,839,861
Margins		
Gross margin	17.30%	17.20%
HIB expenses	10.21%	9.52%
Net margin	7.09%	7.69%

Health Insurance Business (HIB) premium revenue was up 1.8% for the year to December 2022, while total fund benefits increased by 1.6%. Gross margin increased from 17.2% to 17.3%.

Net investment income decreased from \$449 million in the year ending December 2021 to -\$207 million in the year ending December 2022.

HIB expenses as a percentage of revenue increased from 9.5% to 10.2% and net margin decreased from 7.7% to 7.1%.

Net profit after tax decreased from \$1,840 million for the year ending December 2021 to \$1,223 million for the year ending December 2022.

Health Benefits Fund Profit After Tax Breakdown for 12 months to December 2022



Prudential Position

All figures \$'000	December 2022	September 2022	December 2021
Assets			
Cash	1,658,257	1,669,493	1,955,831
Investments			
Equities	2,235,610	2,247,111	2,435,662
Interest bearing assets	10,455,169	10,971,806	9,026,400
Property	838,617	852,199	797,292
Subsidiary and associated entities	276,771	230,655	287,904
Loans	192,277	220,192	199,663
Receivables	55,397	45,495	46,160
Intangibles DAC and FITBS	1,283,726	1,339,190	1,161,047
Pre-paid expenses	119,097	100,067	88,145
Other*	2,001,173	2,075,778	1,939,858
Total assets	19,116,093	19,751,987	17,937,962
Liabilities			
Unearned premium liabilities	2,940,664	3,239,240	2,787,269
Unpresented & outstanding claims	2,401,783	2,489,912	2,266,736
Other fund liabilities	1,775,750	2,214,581	1,552,846
of which: Other insurance liabilities	1,641,521	2,083,016	1,421,731
Interest bearing liabilities	5,000	6,169	5,004
Payables, provisions & other liabilities	1,420,962	1,846,008	1,367,283
Total liabilities	8,544,159	9,795,909	7,979,138
Total assets minus total liabilities	10,571,933	9,956,078	9,958,825

The industry held total assets of \$19.1 billion as at 31 December 2022.

Total assets have increased by \$1,178 million in the last 12 months.

Total liabilities reported by the industry have increased by \$565 million over the year.

Total net assets increased from \$10.0 billion in December 2021 to \$10.6 billion in December 2022.

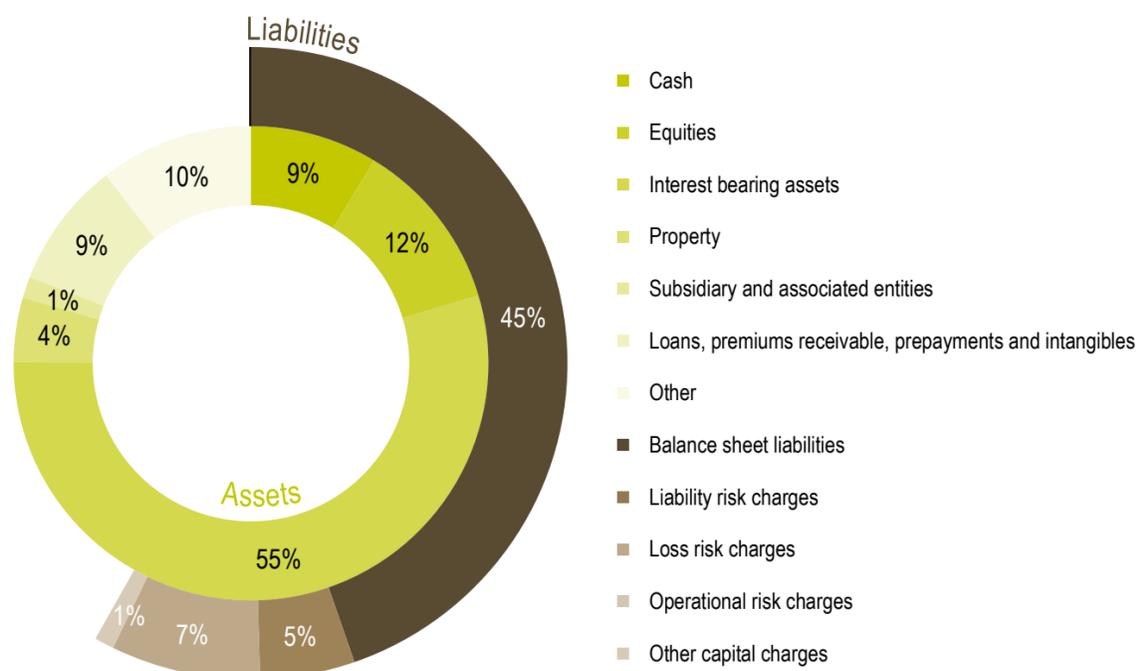
Capital Adequacy Requirement

All figures \$'000	December 2022	September 2022	December 2021
Total Liabilities	8,544,159	9,795,909	7,979,138
Liability risk charges	925,305	1,134,933	1,356,569
Loss risk charges	1,460,659	1,539,089	1,537,852
Operational risk charges	190,720	189,433	183,452
Other capital charges	31,537	31,457	17,592
Less subordinated debt	0	0	4,893
Total Capital Adequacy Requirement#	11,152,380	12,690,821	11,069,710

* 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 2022



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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