



STATISTICS

Quarterly Private Health Insurance Statistics

September 2019 (released 19 November 2019)

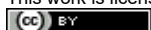
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Forthcoming issues

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

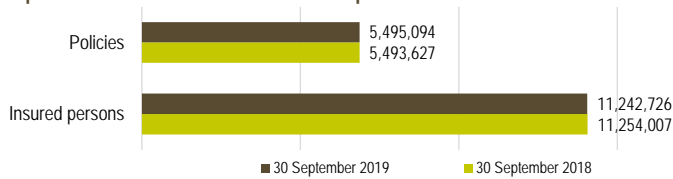
For more information about the statistics in this publication:

DataAnalytics@apra.gov.au

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

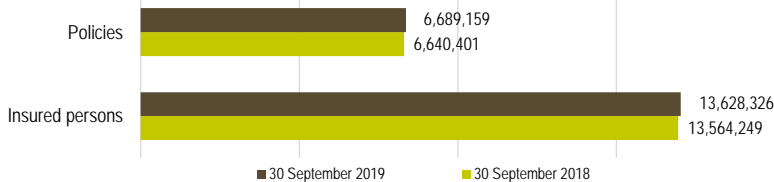
Key metrics

Hospital treatment membership



44.1% of population at 30 September 2019
 ↓ **-0.1%** percentage points from 30 Jun 2019
 ↑ **15,157** insured persons over the quarter

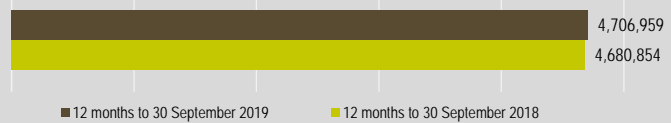
General treatment membership



53.5% of population at 30 September 2019
 ↓ **-0.1%** percentage points from 30 Jun 2019
 ↑ **34,779** insured persons over the quarter

Hospital treatment episodes

↑ **0.6%** over the 12 months to September 2019
 ↑ **2.2%** compared to the June 2019 quarter

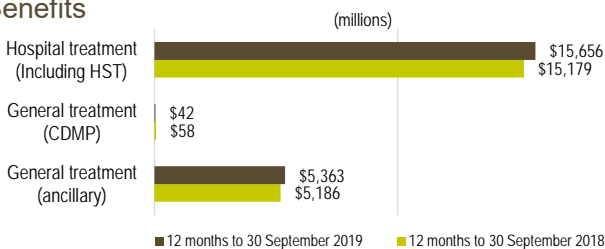


General treatment services (ancillary)

↑ **0.6%** over the 12 months to September 2019
 ↑ **0.0%** compared to the June 2019 quarter



Benefits



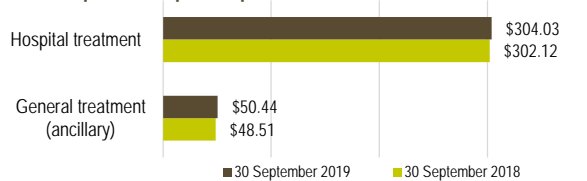
↑ **3.1%** over the 12 months to September 2019
 ↑ **5.7%** compared to the September 2018 quarter

↑ **3.4%** over the 12 months to September 2019
 ↑ **4.9%** compared to the September 2018 quarter

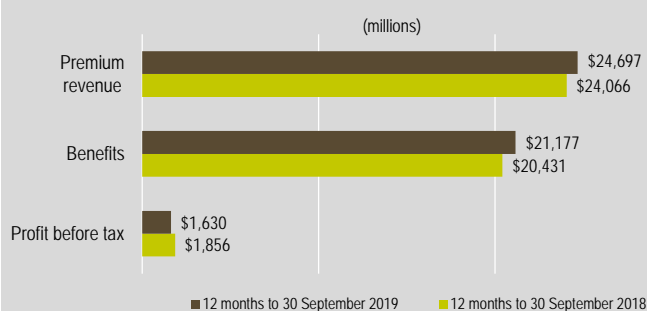
↑ **0.6%** over the 12 months to September 2019

↑ **4.0%** over the 12 months to September 2019

Out-of-pocket per episode/service



Financial



↑ **2.6%** over the 12 months to September 2019

↑ **3.6%** over the 12 months to September 2019

↓ **-12.1%** over the 12 months to September 2019

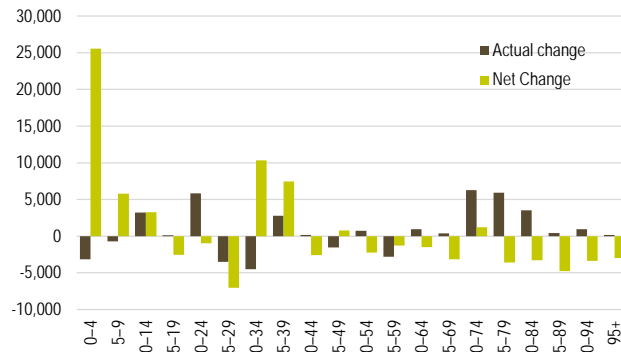
Hospital Treatment

At 30 September 2019, 11,242,726 people, or 44.1% of the population, were covered by hospital treatment cover. This was a drop of 0.1 percentage points in coverage compared to June 2019.

There was an increase in coverage of 15,157 insured people in the September 2019 quarter. Family policies increased by 1,362 and single policies by 4,339 during the quarter.

The largest decrease in coverage during the quarter was 4,485 for people aged between 30 and 34. The largest net decrease (taking into account movement between age groups) was for the age group between 25 and 29, with a drop of 7,044 people.

Net quarterly change in insured persons

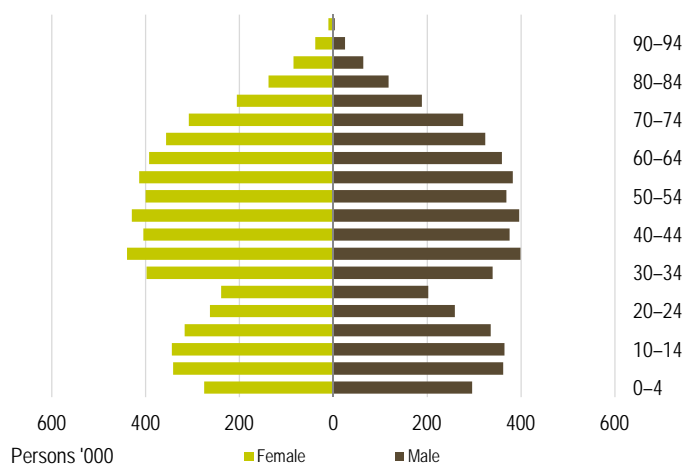


Lifetime health cover

The majority of adults with hospital cover (88.8%) have a certified age of entry of 30, with no penalty loading; a 0.1 percentage point increase compared to June 2019.

At the end of the September 2019 quarter, there were 909,594 people with a certified age of entry of more than 30 and subject to a Lifetime Health Cover loading; a net decrease in people paying a penalty over the preceding 12 months of 50,913. There was a net increase in people with a certified age of entry of 30 (with no penalty) over the year of 46,036. Over the year, 114,792 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 Insured (Male/Female)	Total Non-Insured (Male/Female)	Single policies (%)	Family policies (%)
Aust.	44.1%	55.9%	5,440,120 / 5,802,606	-	48.3%	51.7%
NSW	45.4%	54.6%	1,793,646 / 1,904,975	-	48.3%	51.7%
VIC	40.7%	59.3%	1,297,816 / 1,396,463	-	50.6%	49.4%
QLD	41.0%	59.0%	1,010,571 / 1,086,002	-	46.0%	54.0%
SA	44.4%	55.6%	373,463 / 405,198	-	48.3%	51.7%
WA	54.1%	45.9%	698,765 / 720,872	-	46.8%	53.2%
TAS	42.3%	57.7%	107,750 / 119,191	-	48.4%	51.6%
ACT	53.9%	46.1%	110,890 / 120,992	-	48.6%	51.4%
NT	39.2%	60.8%	47,219 / 48,913	-	47.8%	52.2%

General Treatment

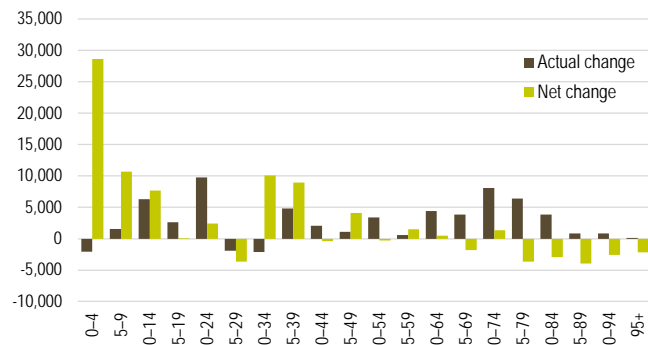
At 30 September 2019, 13,628,326 people or 53.5% of the population had some form of general treatment cover. There was an increase of 34,779 people when compared to the June 2019 quarter.

The increase was mainly driven by single policies (up 13,021). For the 12 months to 30 September 2019, the number of insured persons with general treatment cover has increased by 64,077.

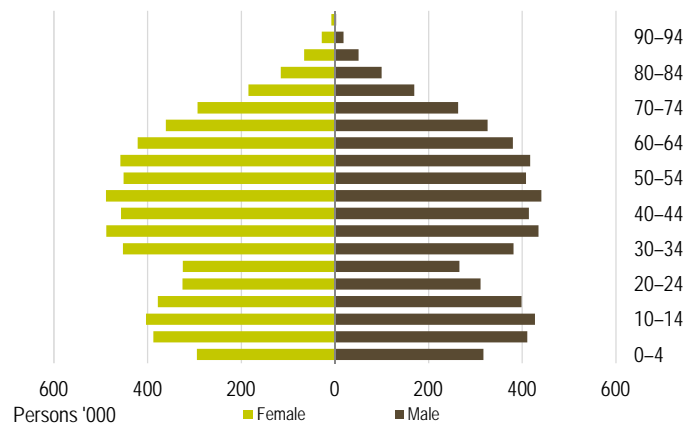
The general treatment (ancillary) by age charts and data in this report show data for those people that have general treatment policies covering ancillary services, regardless of other treatment included in the product. This excludes those general treatment policies that do not cover ancillary treatment.

There was a increase of 54,544 people with general treatment (ancillary) coverage in the September 2019 quarter. The largest net increase in coverage, after accounting for movements across age groups, was 28,640 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.	53.5%	46.5%	5,937,369 / 6,387,841	49.1% / 50.9%	49.1%	50.9%
NSW	55.7%	44.3%	1,996,144 / 2,124,653	48.6% / 51.4%	48.6%	51.4%
VIC	47.7%	52.3%	1,285,399 / 1,390,316	51.2% / 48.8%	51.2%	48.8%
QLD	47.4%	52.6%	1,059,971 / 1,159,641	47.6% / 52.4%	47.6%	52.4%
SA	58.9%	41.1%	460,380 / 505,449	49.2% / 50.8%	49.2%	50.8%
WA	69.1%	30.9%	852,135 / 896,479	48.5% / 51.5%	48.5%	51.5%
TAS	49.8%	50.2%	116,243 / 130,200	49.8% / 50.2%	49.8%	50.2%
ACT	65.7%	34.3%	118,292 / 129,979	49.5% / 50.5%	49.5%	50.5%
NT	43.6%	56.4%	48,805 / 51,124	49.1% / 50.9%	49.1%	50.9%

Benefits Paid

Hospital treatment

Benefits per episode/service

	September 2019	Change from June 2019
Hospital Treatment		
Acute	\$2,369	0.7%
Medical	\$61	-0.8%
Prostheses	\$664	-0.1%
Cardiac	\$4,016	0.1%
Hip	\$1,727	1.0%
Knee	\$1,808	0.2%
Total benefits and growth rate		
Hospital	\$ 4,052,428,255	2.9%
General	\$1,306,674,518	-0.4%

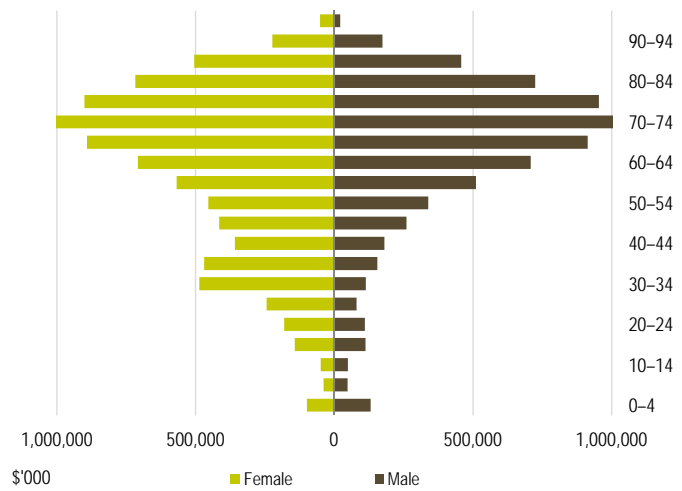
During the September 2019 quarter, insurers paid \$4,052 million in hospital treatment benefits, an increase of 2.9% compared to the June 2019 quarter. Hospital treatment benefits were comprised of:

- ◇ \$2,870 million for hospital services such as accommodation and nursing
- ◇ \$634 million for medical services
- ◇ \$548 million for prostheses items.

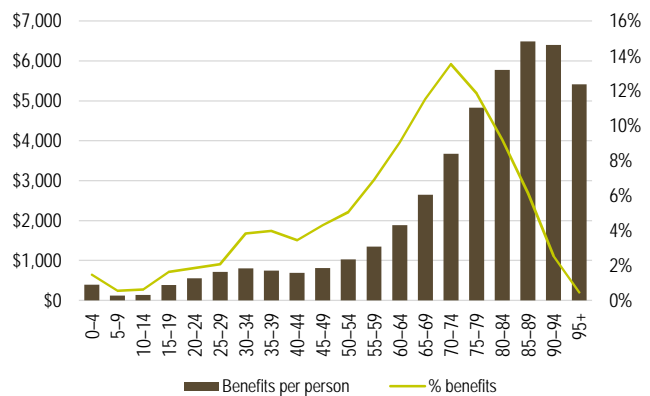
The age group for which most hospital benefits are paid is between 60 and 84 (top chart). Total benefits by age group is affected by the average benefits paid per person (displayed in the second chart) and the number of people in each age group. Older age groups have a higher claiming rate. The rise in benefits in the 20–39 age cohorts is due to increases in female benefits associated with child bearing.

Average hospital benefits per person increased from \$1,349 for the year ending September 2018 to \$1,393 for the year ending September 2019. The largest amount of benefits per person was spent on hospital accommodation and nursing, followed by medical and prostheses benefits.

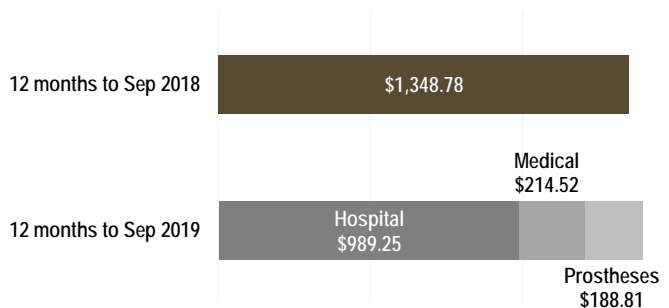
Hospital treatment benefits paid by age 12 months to 30 September 2019



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



Hospital treatment benefits per person



General treatment

Benefits per service

	September 2019	Change from June 2019
Dental	\$64	-0.8%
Chiropractic	\$32	-2.0%
Physiotherapy	\$37	-0.9%
Optical	\$74	-3.3%

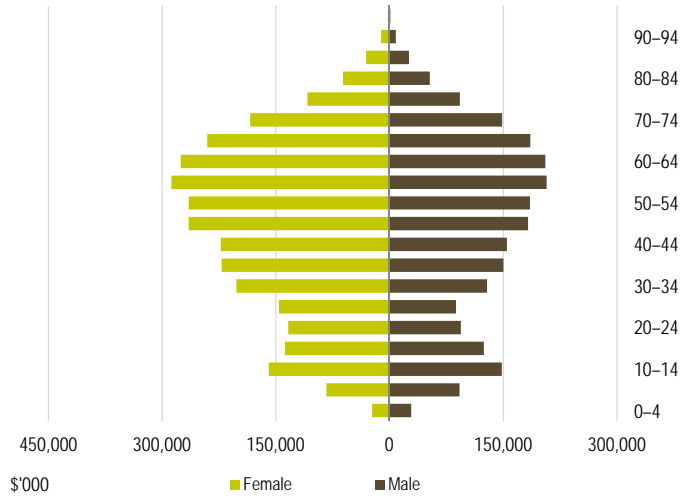
During the September 2019 quarter, insurers paid \$1,297 million in general treatment (ancillary) benefits. This was a decrease of 0.3% compared to the June 2019 quarter. Ancillary benefits for the September 2019 quarter included the major categories of: 705 million

- ◇ Optical \$193 million
- ◇ Physiotherapy \$110 million
- ◇ Chiropractic \$74 million.

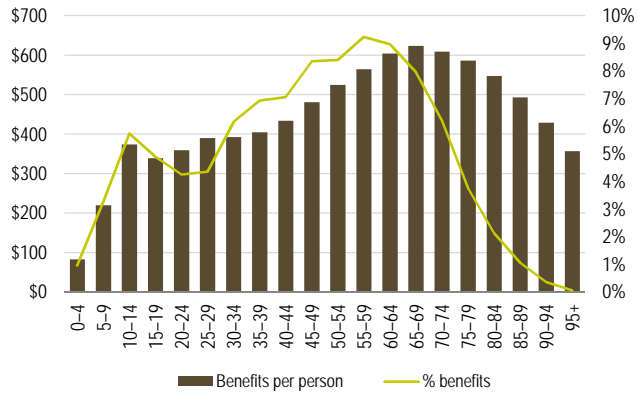
There is a marked difference between the distribution of benefits over age groups between hospital benefits and ancillary benefits. The major difference is the higher claiming rate in older age groups for hospital benefits while benefits per person for ancillary benefits are more evenly spread over the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

General treatment (ancillary) benefits per person during the year to September 2019 were \$435, increasing from \$422 for the year to September 2018. The largest component of ancillary benefits is dental, for which \$231 was paid per insured.

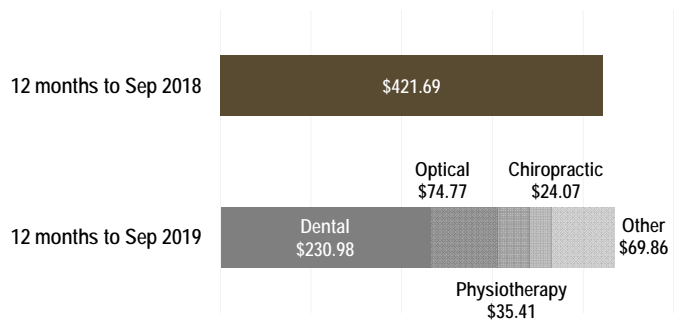
General treatment benefits paid by age 12 months to 30 September 2019 (ancillary)



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



General treatment benefits per person (ancillary)



Medical benefits

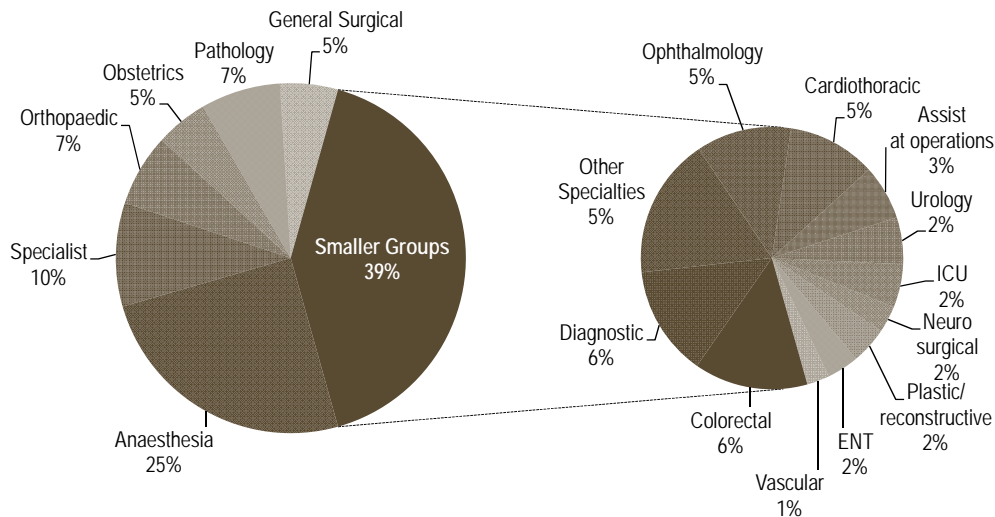
Total benefits for medical services increased 5.1% during the September quarter 2019, driven largely by a 6.0% increase in the number of services.

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 24.9% of all medical benefits and totalling \$158 million.

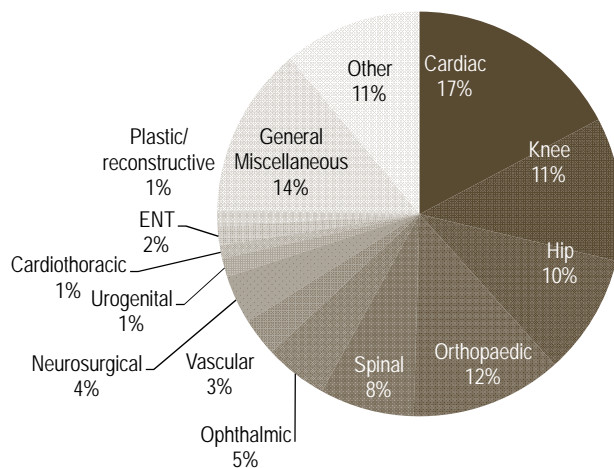
Prostheses benefits

Total benefits paid for prostheses increased by 0.6% in the September quarter 2019 compared to the June quarter 2019. 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 17.4% of all prosthetic benefits and totalling \$95 million.

Medical benefits by Speciality group



Benefits paid for prostheses



Service utilisation

Episodes/Services by type

	September 2019	Change from June 2019
Hospital Episodes	1,211,234	2.2%
Hospital Days	3,152,216	3.4%
Medical Services	10,336,887	6.0%
Prostheses Items	825,503	0.7%
Specialist Orthopaedic	154,125	0.0%
Ophthalmic	95,062	1.1%
Spinal	54,909	3.6%
General Treatment	23,164,520	0.0%
Dental	11,052,994	1.8%
Chiropractic	2,334,449	-1.0%
Physiotherapy	3,005,846	-1.2%
Optical	2,602,318	-2.2%

During the September 2019 quarter, insurers paid benefits for 3.15 million days in hospital, arising from 1.21 million hospital episodes of care.

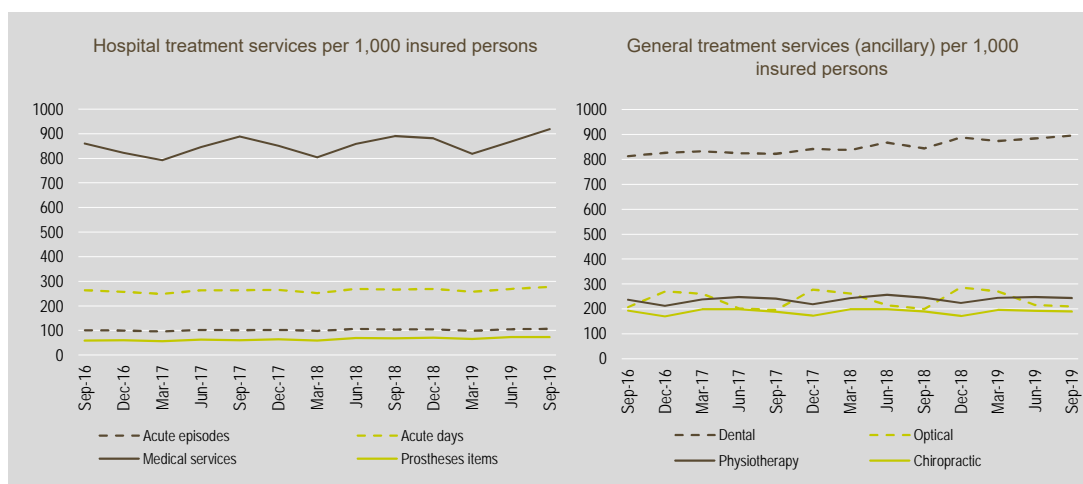
Hospital utilisation is distributed over four categories of hospital—public, private, day only facilities and hospital-substitute. During the September 2019 quarter, hospital episodes were distributed as follows:

- ◇ public hospitals 200,920 episodes
- ◇ private hospitals 799,270 episodes
- ◇ day hospital facilities 160,626 episodes
- ◇ hospital substitute 50,418 episodes.

For the September 2019 quarter, hospital utilisation (measured in episodes) increased by 2.2%, driven by increases in all hospital settings except in hospital substitute treatments. In the year ending September 2019, episodes in public and day hospital settings increased while in private hospital and hospitals-substitute episodes decreased.

	Quarter change	Year change
◇ public hospitals	↑ 1.8%	↓ -2.7%
◇ private hospitals	↑ 2.6%	↑ 1.6%
◇ day hospital facilities	↑ 2.8%	↓ -1.4%
◇ hospital-substitute	↓ -4.6%	↑ 3.6%

Day-only episodes in the four categories of hospital totalled 811,780, an increase of 2.4% compared to the June 2019 quarter.



Out-of-pocket payments

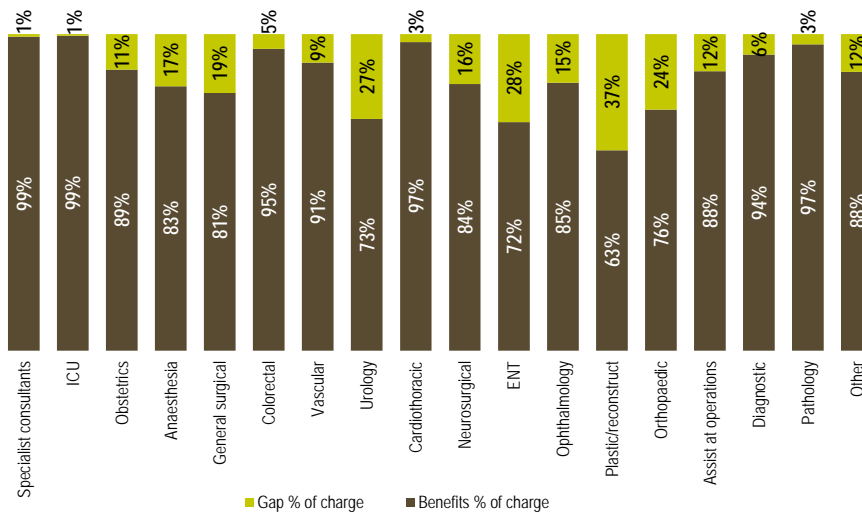
Average out-of-pocket per episode/service

	September 2019	Change from Jun 19	Change from Sep 18
Hospital treatment	\$304.03	-3.3%	0.6%
Hospital-substitute treatment	\$11.22	8.2%	30.9%
General treatment ancillary	\$50.44	2.5%	4.0%
Medical gap where gap was paid	\$182.88	20.8%	16.8%

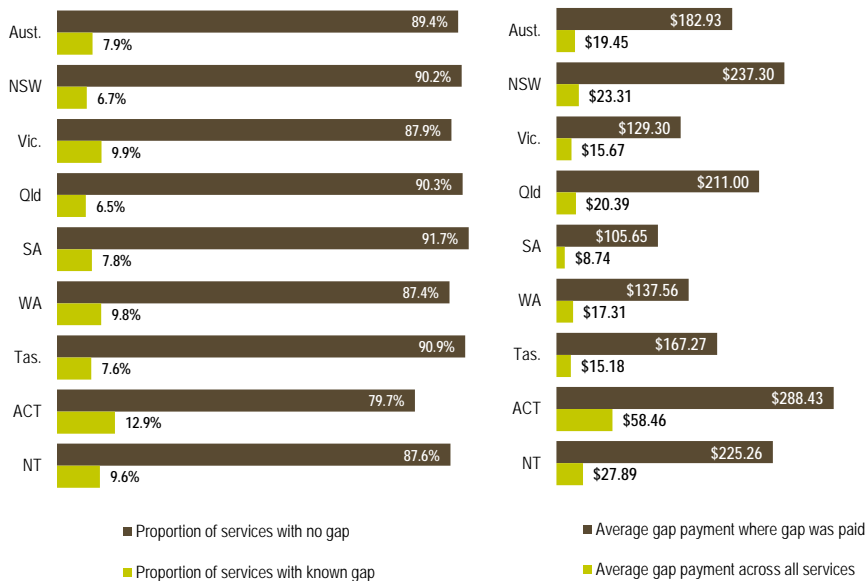
The out-of-pocket payments for hospital episodes increased by 0.6% compared to the same quarter for the previous year. Out-of-pocket payments for medical services were \$183 where an out-of-pocket payment was payable. The amount of gap for medical services varies depending on the specialty group. The specialty group with the largest out-of-pocket payment was plastic/reconstructive with an average gap of \$383. 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 \$304 in the September 2019 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 September 2019	12 months to September 2018
Revenue		
HIB premium revenue	24,697,030	24,065,822
Net investment income	447,412	442,378
Net HRB revenue	128,878	142,076
Net other operational revenue	84,582	65,919
Total revenue	25,357,902	24,716,194
Benefits		
Fund benefits	21,176,642	20,431,171
State ambulance levies	234,696	229,086
Total fund benefits	21,411,338	20,660,257
Expenses		
HIB expenses	1,848,189	1,768,887
HIB claims handling	410,753	389,267
Non-operating expenses	57,189	41,962
Total expenses	2,316,131	2,200,116
Profit of the industry		
Profit/(loss) before tax	1,630,433	1,855,822
Taxation expense	391,241	445,408
Profit/(loss) after tax	1,239,192	1,410,414
Margins		
Gross margin	13.30%	14.15%
HIB expenses	9.15%	8.97%
Net margin	4.16%	5.18%

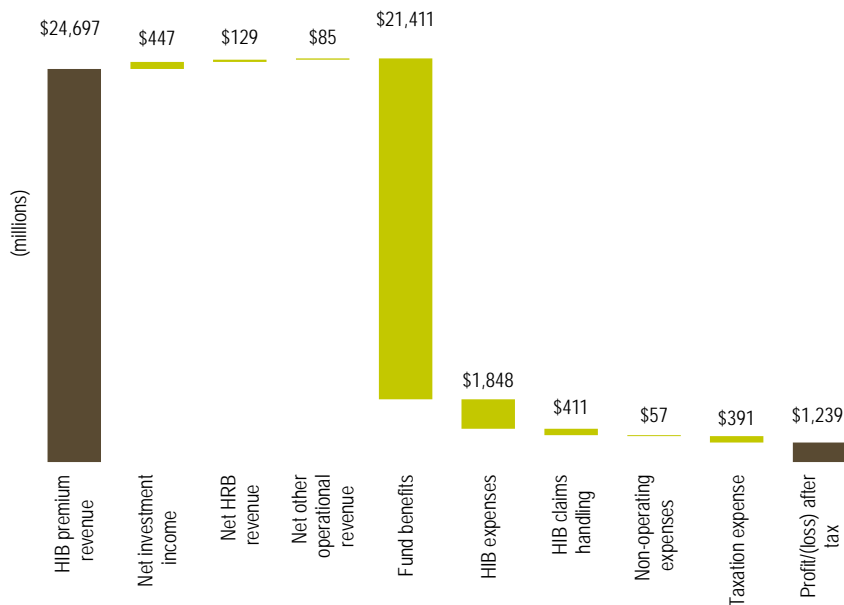
Health Insurance Business (HIB) premium revenue was up 2.6% for the year to September 2019, while total fund benefits increased by 3.6%. As a result, gross margin decreased from 14.2% to 13.3%.

Net investment income increased from \$442 million in the year ending September 2018 to \$447 million in the year ending September 2019.

HIB expenses as a percentage of revenue remained relatively stable at 9.1% and net margin decreased from 5.2% to 4.2%.

Net profit after tax decreased to \$1.24 billion for the year ended September 2019 from 1.41 billion for the year ended 30 September 2018.

Health Benefits Fund Profit After Tax Breakdown for 12 months to September 2019



Prudential Position

All figures \$'000	September 2019	June 2019	September 2018
Assets			
Cash	1,032,329	983,429	958,877
Investments			
Equities	1,793,545	1,812,466	1,597,997
Interest bearing assets	8,390,261	8,738,973	8,217,945
Property	750,333	737,816	711,985
Subsidiary and associated entities	284,740	291,542	268,419
Loans	52,306	37,865	34,360
Receivables	55,189	50,481	58,593
Intangibles DAC and FITBS	950,123	925,793	868,084
Pre-paid expenses	62,522	66,642	61,969
Other*	1,610,911	1,595,335	1,310,223
Total assets	14,982,259	15,240,343	14,088,452
Liabilities			
Unearned premium liabilities	2,895,921	3,126,279	2,763,202
Unpresented & outstanding claims	2,252,860	2,160,685	2,067,167
Other fund liabilities	174,147	176,993	174,892
Interest bearing liabilities	4,499	3,867	2,800
Payables, provisions & other liabilities	1,141,958	1,013,398	798,946
Total liabilities	6,469,385	6,481,222	5,807,007
Total assets minus total liabilities	8,512,875	8,759,120	8,281,444

The industry held total assets of \$15.0 billion as at 30 September 2019.

Total assets have increased by \$894 million in the last 12 months.

Total liabilities reported by the industry have increased by \$662 million over the year.

Total net assets increased from \$8.3 billion in September 2018 to \$8.5 billion in September 2019.

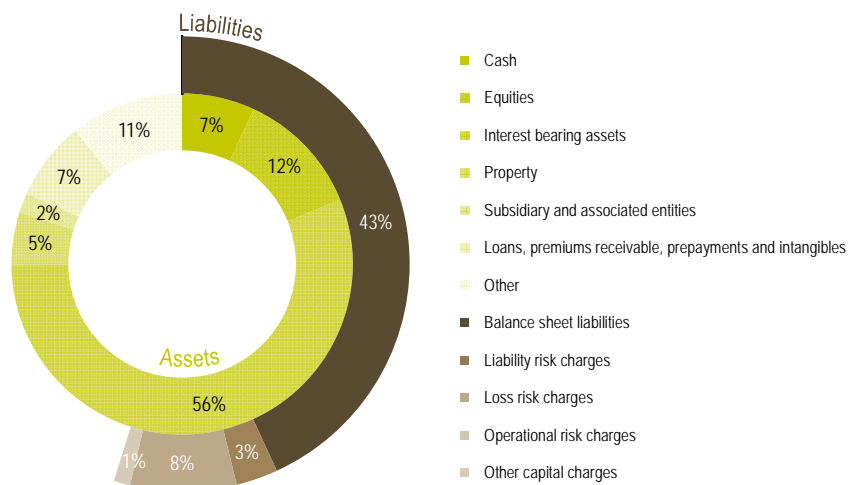
Capital Adequacy Requirement

All figures \$'000	September 2019	June 2019	September 2018
Total Liabilities	6,469,385	6,481,222	5,807,007
Liability risk charges	444,029	473,682	480,428
Loss risk charges	1,134,167	1,074,446	977,643
Operational risk charges	173,051	171,769	169,122
Other capital charges	82,997	83,392	72,859
Less subordinated debt	4,349	4,282	4,069
Total Capital Adequacy Requirement*	8,299,280	8,280,231	7,502,989

* 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 September 2019



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 Dec 2016 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 2016 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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