



STATISTICS

Quarterly Private Health Insurance Statistics

June 2019 (released 20 August 2019)

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

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Forthcoming issues

This publication will be released according to the timetable published on the APRA website.

Revisions

This publication will include revisions to previously published statistics if better source data becomes available or if compilation errors are uncovered.

APRA regularly analyses past revisions to identify potential improvements to the source data and statistical compilation techniques, in order to minimise the frequency and scale of any future revisions.

Rounding

Details on tables may not add up to totals due to rounding of figures.

Enquiries

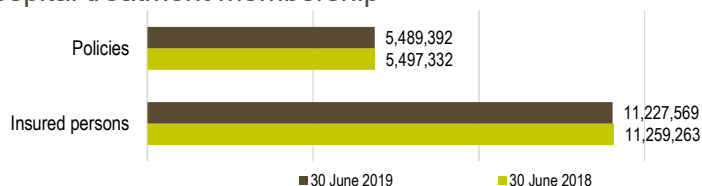
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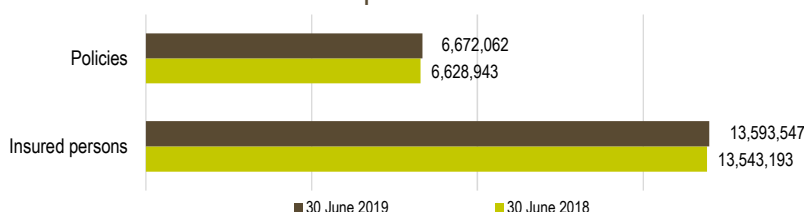
Key metrics

Hospital treatment membership



44.2% of population at 30 June 2019
 ↓ **-0.3%** percentage points from 31 Mar 2019
 ↓ **-28,539** insured persons over the quarter

General treatment membership



53.5% of population at 30 June 2019
 ↓ **-0.3%** percentage points from 31 Mar 2019
 ↓ **-18,460** insured persons over the quarter

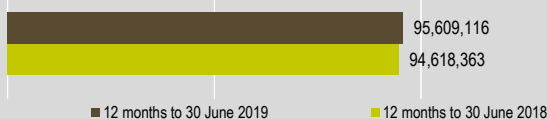
Hospital treatment episodes

↑ **0.3%** over the 12 months to June 2019
 ↑ **5.7%** compared to the March 2019 quarter

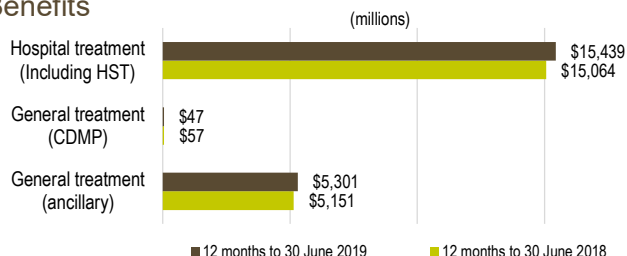


General treatment services (ancillary)

↑ **1.0%** over the 12 months to June 2019
 ↓ **-6.9%** compared to the March 2019 quarter



Benefits



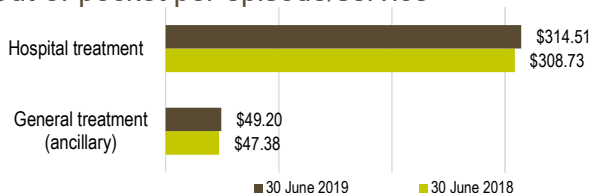
↑ **2.5%** over the 12 months to June 2019
 ↑ **1.1%** compared to the June 2018 quarter

↑ **2.9%** over the 12 months to June 2019
 ↑ **0.4%** compared to the June 2018 quarter

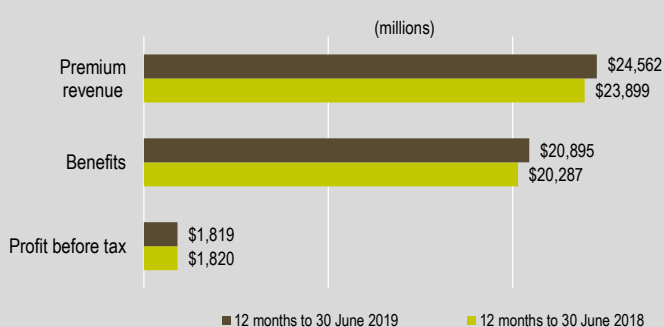
Out-of-pocket per episode/service

↑ **1.9%** over the 12 months to June 2019

↑ **3.8%** over the 12 months to June 2019



Financial



↑ **2.8%** over the 12 months to June 2019

↑ **3.0%** over the 12 months to June 2019

↓ **0.0%** over the 12 months to June 2019

Membership and coverage

as at 30 June 2019

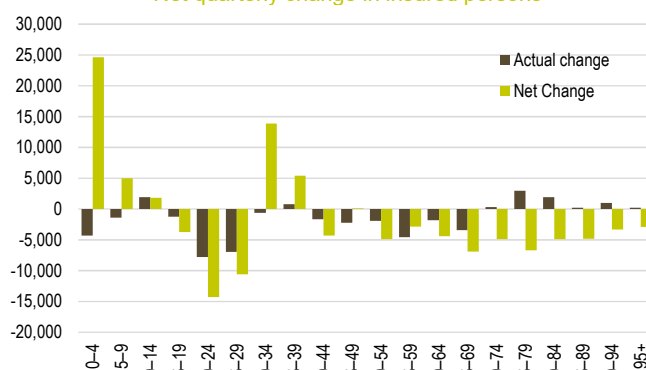
Hospital Treatment

At 30 June 2019, 11,227,569 people, or 44.2% of the population, were covered by hospital treatment cover. This was a drop of 0.3 percentage points in coverage compared to March 2019.

There was a decrease in coverage of 28,539 insured people in the June 2019 quarter. Family policies decreased by 6,338 and single policies by 2,446 during the quarter.

The largest decrease in coverage during the quarter was 7,804 for people aged between 20 and 24. The largest net decrease (taking into account movement between age groups) was also for the same age group, with a drop of 14,271 people.

Net quarterly change in insured persons

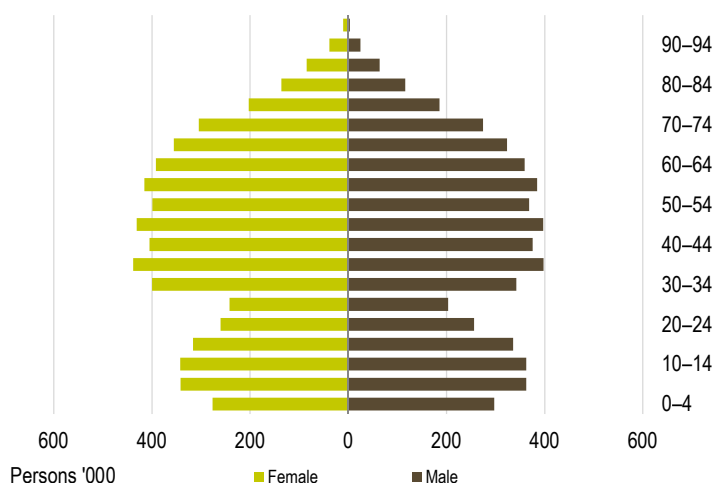


Lifetime health cover

The majority of adults with hospital cover (88.7%) have a certified age of entry of 30, with no penalty loading; a 0.2 percentage points increase compared to March 2019.

At the end of the June 2019 quarter, there were 916,256 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 60,379. There was a net increase in people with a certified age of entry of 30 (with no penalty) over the year of 41,062. Over the year, 112,967 people had their loading removed after paying a loading for ten years.

Number of persons insured by age



Hospital treatment tables

Aust.	44.2%	55.8%
NSW	45.5%	54.5%
VIC	40.8%	59.2%
QLD	41.1%	58.9%
SA	44.4%	55.6%
WA	54.1%	45.9%
TAS	42.4%	57.6%
ACT	53.9%	46.1%
NT	39.2%	60.8%

■ Insured persons ■ Non insured persons

Aust.	5,433,353	5,794,216
NSW	1,791,298	1,902,717
VIC	1,295,687	1,394,097
QLD	1,010,459	1,084,774
SA	372,933	404,642
WA	697,527	719,209
TAS	107,710	119,198
ACT	110,442	120,604
NT	47,297	48,975

■ Male ■ Female

Aust.	48.3%	51.7%
NSW	48.3%	51.7%
VIC	50.6%	49.4%
QLD	46.0%	54.0%
SA	48.2%	51.8%
WA	46.9%	53.1%
TAS	48.4%	51.6%
ACT	48.6%	51.4%
NT	47.9%	52.1%

■ Single policies ■ Family policies

General Treatment

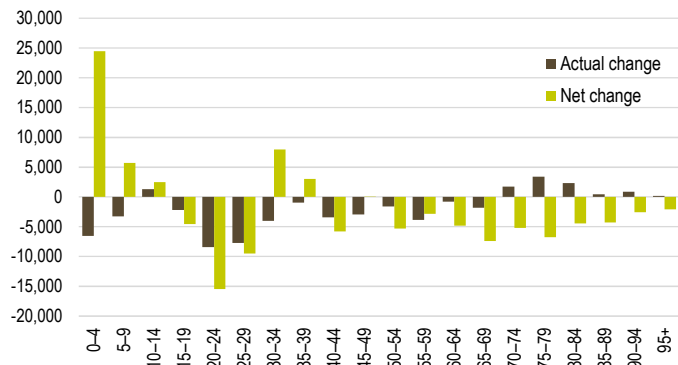
At 30 June 2019, 13,593,547 people or 53.5% of the population had some form of general treatment cover. There was a decrease of 18,460 people when compared to the March 2019 quarter.

The decrease was mainly driven by family policies (down 4,137). For the 12 months to 30 June 2019, the number of insured persons with general treatment cover has decreased by 22,092.

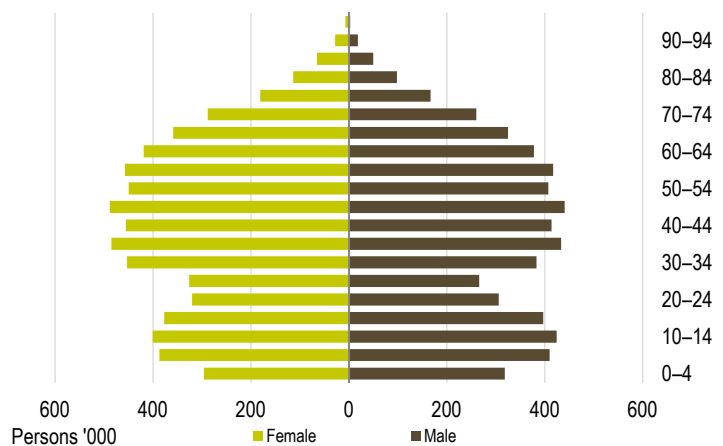
The general treatment (ancillary) by age charts and data in this report show data for those people that have general treatment policies covering ancillary services, regardless of other treatment included in the product. This excludes those general treatment policies that do not cover ancillary treatment.

There was a decrease of 37,329 people with general treatment (ancillary) coverage in the June 2019 quarter. The largest net decrease in coverage, after accounting for movements across age groups, was 24,487 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)

Insured persons		Not insured persons		Male		Female		Single policies		Family policies	
Aust.	53.5%	46.5%		5,912,290	6,358,372			49.1%	50.9%		
NSW	55.8%	44.2%		1,983,004	2,111,154			48.6%	51.4%		
VIC	47.8%	52.2%		1,282,053	1,386,001			51.2%	48.8%		
QLD	47.5%	52.5%		1,055,631	1,153,707			47.5%	52.5%		
SA	58.9%	41.1%		459,384	504,067			49.1%	50.9%		
WA	69.0%	31.0%		849,630	893,049			48.6%	51.4%		
TAS	49.9%	50.1%		116,101	129,966			49.7%	50.3%		
ACT	65.7%	34.3%		117,653	129,293			49.5%	50.5%		
NT	43.6%	56.4%		48,834	51,135			49.1%	50.9%		

Benefits Paid

Hospital treatment

Benefits per episode/service

	June 2019	Change from March 2019
Hospital Treatment		
Acute	\$2,353	-0.2%
Medical	\$62	1.6%
Prostheses	\$665	-1.5%
Cardiac	\$4,010	-2.4%
Hip	\$1,709	-2.5%
Knee	\$1,805	-1.8%
Total benefits and growth rate		
Hospital	\$ 3,937,148,651	6.4%
General	\$1,311,403,456	-7.8%

During the June 2019 quarter, insurers paid \$3,937 million in hospital treatment benefits, an increase of 6.4% compared to the March 2019 quarter. Hospital treatment benefits were comprised of:

◇ \$2,789 million for hospital services such as accommodation and nursing

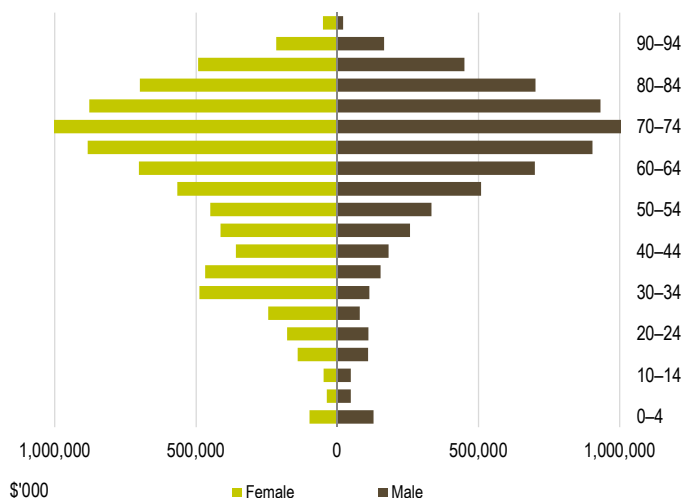
◇ \$603 million for medical services

◇ \$545 million for prostheses items.

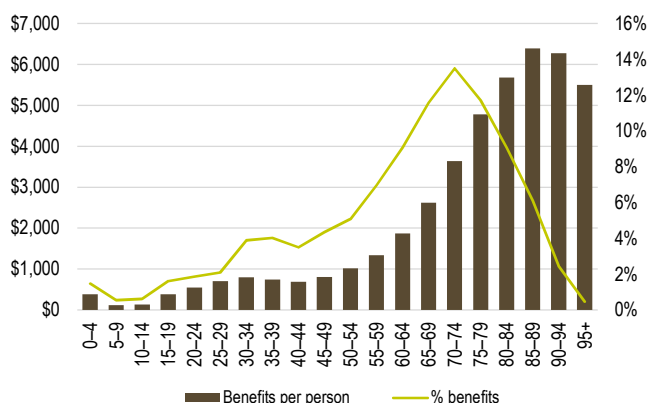
The age group for which most hospital benefits are paid is between 60 and 84 (top chart). Total benefits by age group is affected by the average benefits paid per person (displayed in the second chart) and the number of people in each age group. Older age groups have a higher claiming rate. The rise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

Average hospital benefits per person decreased from \$1,338 for the year ending June 2018 to \$1,375 for the year ending June 2019. The largest amount of benefits per person was spent on hospital accommodation and nursing, followed by medical and prostheses benefits.

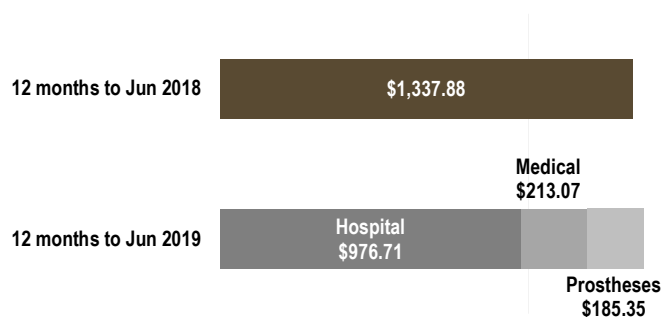
Hospital treatment benefits paid by age 12 months to 30 June 2019



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



Hospital treatment benefits per person



General treatment

Benefits per service

	June 2019	Change from March 2019
Dental	\$64	-4.6%
Chiropractic	\$33	-3.9%
Physiotherapy	\$37	-4.2%
Optical	\$77	-0.8%

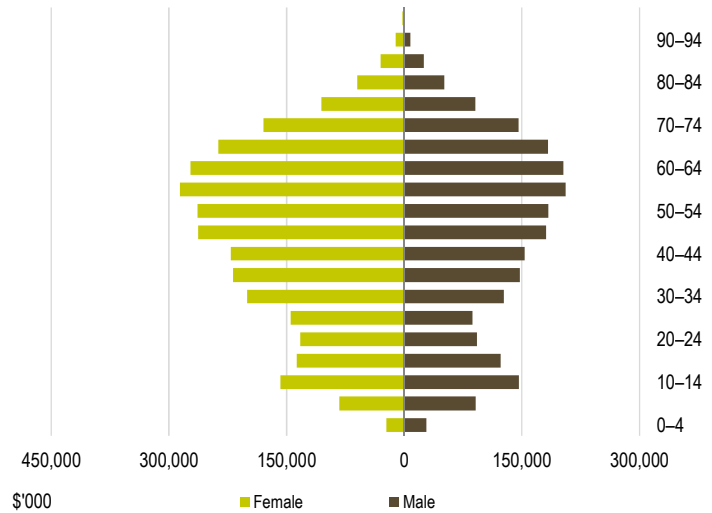
During the June 2019 quarter, insurers paid \$1,301 million in general treatment (ancillary) benefits. This was a decrease of 7.8% compared to the March 2019 quarter. Ancillary benefits for the June 2019 quarter included the major categories of:

- ◇ Dental \$697 million
- ◇ Optical \$204 million
- ◇ Physiotherapy \$112 million
- ◇ Chiropractic \$77 million.

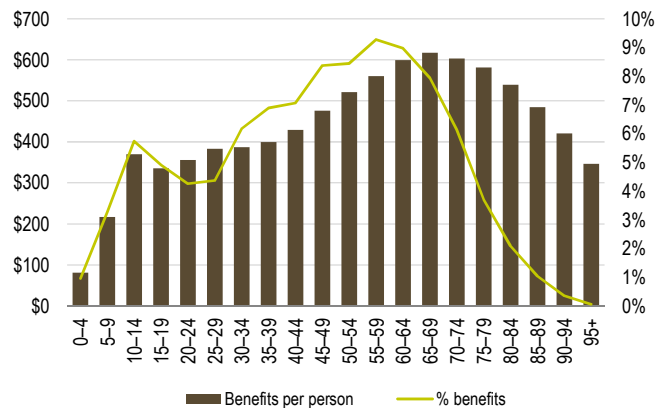
There is a marked difference between the distribution of benefits over age groups between hospital benefits and ancillary benefits. The major difference is the higher claiming rate in older age groups for hospital benefits while benefits per person for ancillary benefits are more evenly spread over the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

General treatment (ancillary) benefits per person during the year to June 2019 were \$432, increasing from \$419 for the year to June 2018. The largest component of ancillary benefits is dental, for which \$229 was paid per insured.

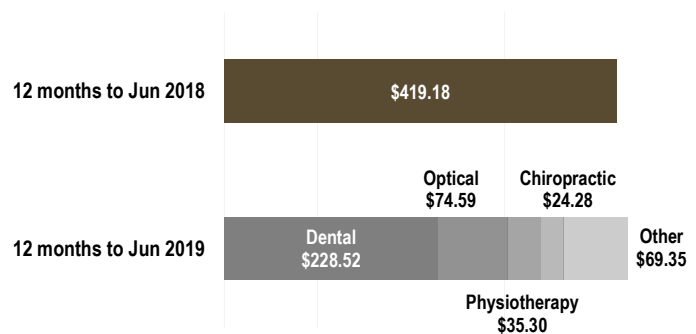
General treatment benefits paid by age 12 months to 30 June 2019 (ancillary)



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



General treatment benefits per person (ancillary)



Medical benefits

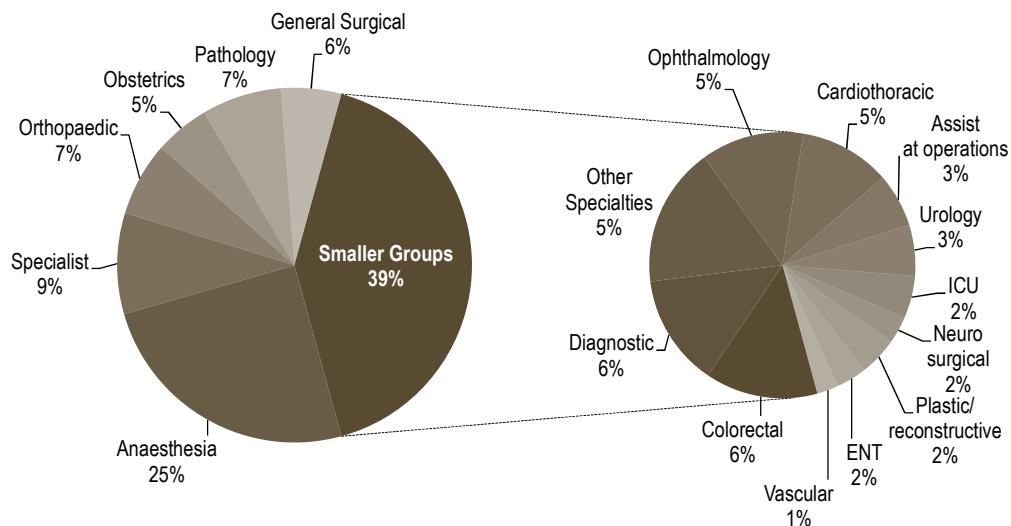
Total benefits for medical services increased 7.5% during the June quarter 2019, driven largely by a 5.8% increase in the number of services.

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 24.8% of all medical benefits and totalling \$150 million.

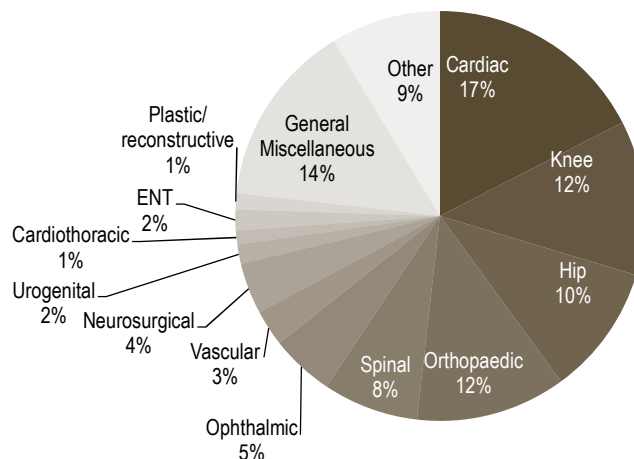
Prostheses benefits

Total benefits paid for prostheses increased by 9.8% in the June quarter 2019 compared to the March 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

	June 2019	Change from March 2019
Hospital Episodes	1,185,308	5.7%
Hospital Days	3,049,530	4.0%
Medical Services	9,754,453	5.8%
Prostheses Items	819,555	11.6%
Specialist Orthopaedic	154,163	14.9%
Ophthalmic	93,995	13.9%
Spinal	52,987	1.6%
General Treatment	23,164,134	-6.9%
Dental	10,838,820	0.8%
Chiropractic	2,370,644	-2.5%
Physiotherapy	3,036,300	0.8%
Optical	2,655,602	-20.4%

During the June 2019 quarter, insurers paid benefits for 3.05 million days in hospital, arising from 1.19 million hospital episodes of care.

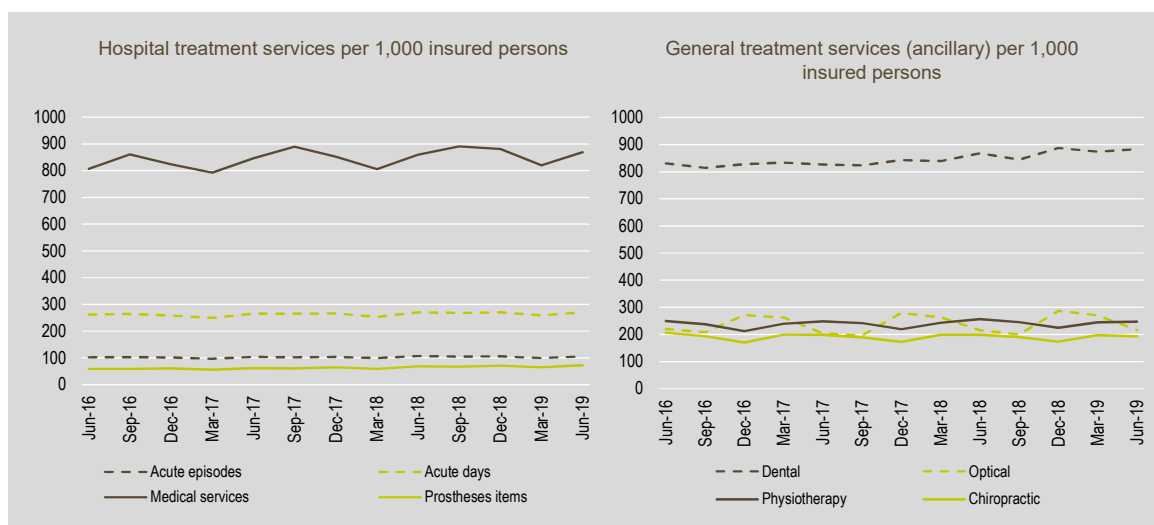
Hospital utilisation is distributed over four categories of hospital—public, private, day only facilities and hospital-substitute. During the June 2019 quarter, hospital episodes were distributed as follows:

- ◇ public hospitals 197,367 episodes
- ◇ private hospitals 778,907 episodes
- ◇ day hospital facilities 156,188 episodes
- ◇ hospital substitute 52,846 episodes.

For the June 2019 quarter, hospital utilisation (measured in episodes) increased by 5.7%, driven by increases in all hospital settings except in public hospitals. In the year ending June 2019, episodes in all hospital settings increased except in public hospitals, where episodes decreased.

	Quarter change	Year change
◇ public hospitals	↓ -1.1%	↓ -3.0%
◇ private hospitals	↑ 7.3%	↑ 1.1%
◇ day hospital facilities	↑ 5.9%	↓ -1.6%
◇ hospital-substitute	↑ 9.5%	↑ 7.6%

Day-only episodes in the four categories of hospital totalled 793,025, an increase of 7.2% compared to the March 2019 quarter.



Out-of-pocket payments

Average out-of-pocket per episode/service

	June 2019	Change from Mar 19	Change from Jun 18
Hospital treatment	\$314.51	-0.5%	1.9%
Hospital-substitute treatment	\$10.36	-5.7%	16.9%
General treatment ancillary	\$49.20	3.6%	3.8%
Medical gap where gap was paid	\$151.44	-2.6%	-7.1%

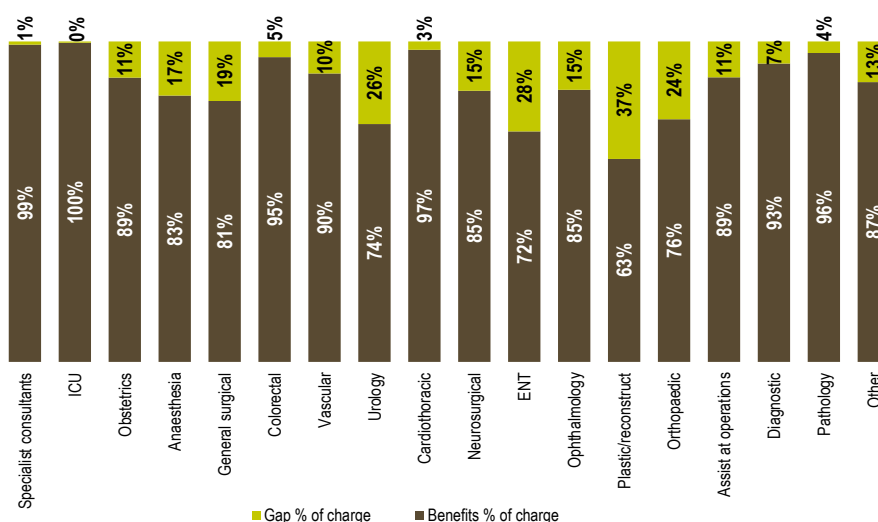
The average out-of-pocket (gap) payment for a hospital episode was \$315 in the June 2019 quarter. This included out-of-pocket payments for medical services, in addition to any excess or co-payment amounts relating to hospital accommodation.

The out-of-pocket payments for hospital episodes increased by 1.9% compared to the same quarter for the previous year.

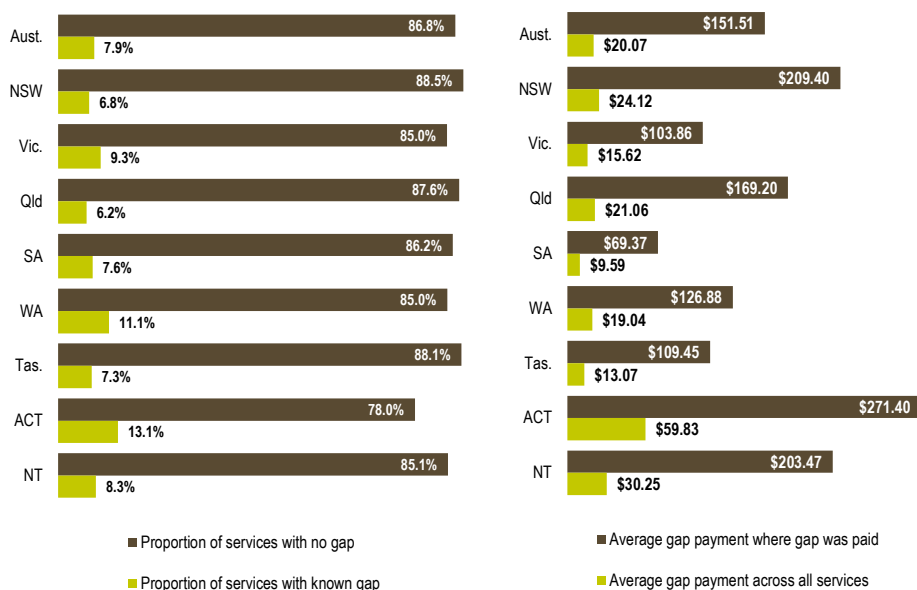
Out-of-pocket payments for medical services were \$151 where an out-of-pocket payment was payable. The amount of gap for medical services varies depending on the specialty group. The specialty group with the largest out-of-pocket payment was plastic/reconstructive with an average gap of \$377. Gap incurred for the various medical services is displayed in the first chart.

Medical gap also varies by state and territory and these differences are shown in the bottom chart.

Medical benefits and out-of-pocket by specialty group



Proportion of services and average out-of-pocket payments



Financial information

Financial Performance

All Figures \$'000	12 months to June 2019	12 months to June 2018
Revenue		
HIB premium revenue	24,561,694	23,899,157
Net investment income	456,493	408,604
Net HRB revenue	136,079	137,969
Net other operational revenue	73,169	60,384
Total revenue	25,227,434	24,506,114
Benefits		
Fund benefits	20,894,655	20,287,178
State ambulance levies	233,385	227,380
Total fund benefits	21,128,040	20,514,558
Expenses		
HIB expenses	1,828,181	1,741,585
HIB claims handling	404,054	390,680
Non-operating expenses	47,837	39,706
Total expenses	2,280,071	2,171,971
Profit of the industry		
Profit/(loss) before tax	1,819,323	1,819,584
Taxation expense	440,147	442,032
Profit/(loss) after tax	1,379,176	1,377,552
Margins		
Gross margin	13.98%	14.16%
HIB expenses	9.09%	8.92%
Net margin	4.89%	5.24%

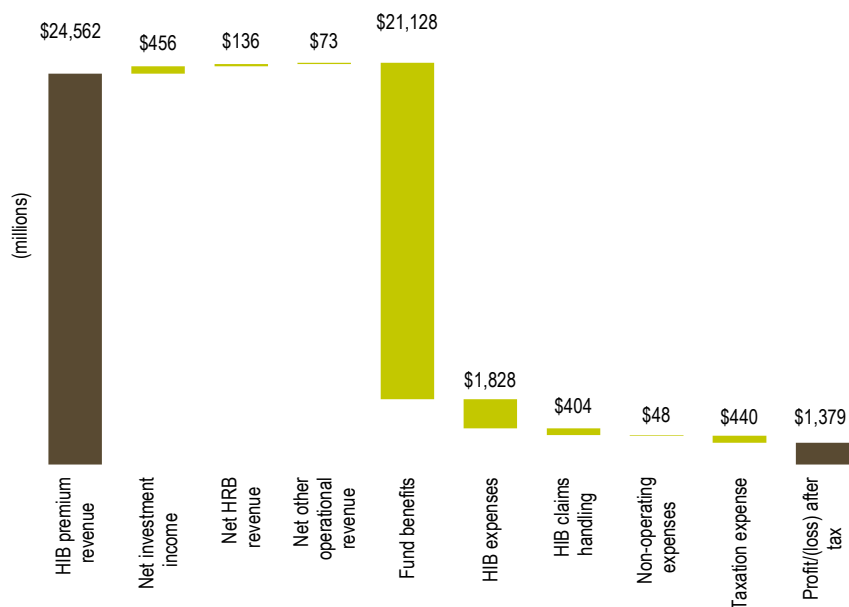
Health Insurance Business (HIB) premium revenue was up 2.8% for the year to June 2019, while total fund benefits increased by 3.0%. As a result, gross margin decreased from 14.2% to 14.0%.

Net investment income increased from \$409 million in the year ending June 2018 to \$456 million in the year ending June 2019.

HIB expenses as a percentage of revenue remained relatively stable at 9.1% and net margin decreased from 5.2% to 4.9%.

Net profit after tax remained at \$1.38 billion for the year ended June 2019 compared with the previous 12 months.

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



Prudential Position

All figures \$'000	June 2019	March 2019	June 2018
Assets			
Cash	983,429	1,204,782	942,401
Investments			
Equities	1,812,466	1,680,580	1,507,534
Interest bearing assets	8,736,016	8,182,336	8,617,253
Property	737,816	709,269	699,751
Subsidiary and associated entities	291,542	289,237	284,592
Loans	37,865	38,277	31,485
Receivables	50,481	63,442	52,078
Intangibles DAC and FITBS	925,700	902,070	850,811
Pre-paid expenses	66,642	63,582	59,465
Other*	1,598,292	1,821,354	1,372,826
Total assets	15,240,250	14,954,930	14,418,197
Liabilities			
Unearned premium liabilities	3,126,279	3,316,687	3,099,287
Unpresented & outstanding claims	2,161,711	2,097,970	2,028,031
Other fund liabilities	176,993	177,091	186,433
Interest bearing liabilities	3,867	3,953	34,638
Payables, provisions & other liabilities	1,012,781	975,664	773,034
Total liabilities	6,481,631	6,571,364	6,121,423
Total assets minus total liabilities	8,758,619	8,383,566	8,296,774

The industry held total assets of \$15.2 billion as at 30 June 2019.

Total assets have increased by \$822 million in the last 12 months.

Total liabilities reported by the industry have increased by \$360 million over the year.

Total net assets increased from \$8.3 billion in June 2018 to \$8.8 billion in June 2019.

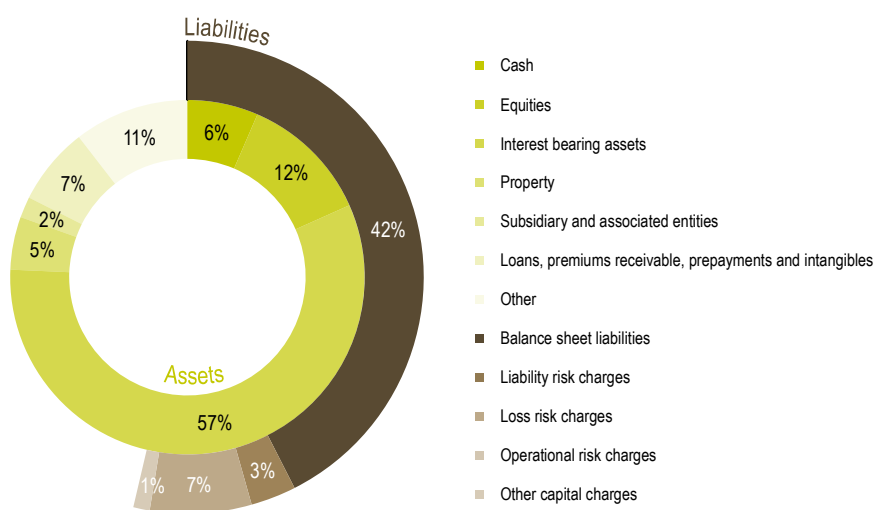
Capital Adequacy Requirement

All figures \$'000	June 2019	March 2019	June 2018
Total Liabilities	6,481,631	6,571,364	6,121,423
Liability risk charges	473,138	494,553	479,996
Loss risk charges	1,057,355	1,060,858	957,939
Operational risk charges	171,798	171,016	168,142
Other capital charges	83,392	80,338	92,096
Less: subordinated debt	4,282	4,212	34,000
Total Capital Adequacy Requirement*	8,263,032	8,373,918	7,785,597

* 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 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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