



11 September 2019

**TO: ALL PRIVATE HEALTH INSURERS (PHIS)**

**CONSULTATION ON PROPOSED PRIVATE HEALTH INSURANCE REFORM DATA COLLECTION**

The Australian Prudential Regulation Authority (APRA) has today released for consultation a draft *Reporting Standard HRS 605.0 Private Health Insurance Reform Data Collection* (HRS 605.0). APRA proposes to collect, on behalf of the Department of Health (the Department), data on private health insurance reform measures (reforms) announced by the Department in October 2017<sup>1</sup>.

**Background**

APRA collects information from financial sector entities under the *Financial Sector (Collection of Data) Act 2001* (FSCODA) for a number of purposes, including to assist other agencies to perform their functions or exercise their powers.

In October 2017, the Department announced a range of private health insurance reforms which were introduced from 1 April 2018<sup>2</sup>. The Department requested APRA to collect data for the monitoring and analysis of the effects of the reforms on consumers and PHIs in January 2019, releasing a draft Excel-based reporting template and instructions for consultation<sup>3</sup>. The Department stated that Excel-based collection would commence 1 April 2019 and end 30 March 2020 to allow APRA and PHIs enough time to consult and adapt existing systems before the collection is formalised into a reporting standard. After incorporating feedback the Department released finalised versions in March 2019<sup>4</sup>.

The Department is of the view that availability of high quality and relevant data on the reform will provide evidence of the impact of the reforms on the private health insurance industry. Data on the reforms will be used by Government in future policy planning to support affordable and quality private health insurance.

**Proposed HRS 605.0 and implementation timeline**

The proposed data collection formalises the existing Excel-based reporting through the implementation of *Reporting Standard HRS 605.0 Private Health Insurance Reform Data Collection* (HRS 605.0). As with the existing data collection, PHIs will be required to report on a quarterly basis, for periods ending: 31 March; 30 June; 30 September; and 31 December

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<sup>1</sup> [Private health insurance reforms: Overview](#)

<sup>2</sup> The following reform measures were identified as in-scope for this data collection: a) Supporting mental health, b) Gold/silver/bronze/basic product categories, c) Increasing maximum excess levels, d) Discounts for 18 to 29 year olds, and e) Improved access to travel and accommodation benefits.

<sup>3</sup> [PHI Circular 01/19 - Private Health Insurance Reform Data Collection- Request for Comment](#)

<sup>4</sup> [PHI Circular 20/19 – Private Health Insurance Reform Data Collection](#)

and must submit the data to APRA within 28 calendar days after the end of the reporting period.

APRA intends to respond to feedback on this proposal and release a finalised HRS 605.0 in early 2020.

The proposed implementation of HRS 605.0 is expected to coincide with the start of APRA's new data collection solution (DCS), which replaces Direct to APRA (D2A), APRA's current data collection tool. As such APRA intends that entities will submit HRS 605.0 data in the new DCS or an alternative file-based method and expects that PHIs will be able to submit data via manual entry or upload of XBRL<sup>5</sup> or Microsoft Excel files. More information on the DCS is available on the APRA website at: <https://www.apra.gov.au/apra-replacing-d2a>.

APRA proposes that the first reporting period for HRS 605.0 will be the quarter ending 30 June 2020 with the first returns due on 28 July 2020. This will allow PHIs sufficient time to adapt their systems and processes for the new DCS or alternative file-based method.

### **Confidentiality and publication of data**

Data collected by APRA under a reporting standard is protected information under section 56 of the *Australian Prudential Regulation Authority Act 1998* (APRA Act). APRA may disclose protected information in certain circumstances, including where APRA has determined the information to be non-confidential under section 57 of the APRA Act. APRA intends to determine HRS 605.0 data to be non-confidential for the purposes of section 56 of the APRA Act and seeks feedback on this proposal.

APRA will provide HRS 605.0 data to the Department to assist its monitoring and analysis of the effects of the reforms on the private health insurance industry. The Department intends to only publish certain data as aggregated industry-level statistics. Publication of industry-level data will contribute to effective discussions of issues related to private health insurance affordability and complexity.

### **Consultation period and cost-benefit information**

The Department and APRA welcome feedback on the proposals in this letter, including the design of the proposed data collection, instructions included in the draft reporting standard HRS 605.0, the proposed implementation timeline and the treatment of the data as non-confidential.

In order to perform a cost-benefit analysis the Department and APRA invite feedback from interested parties on the financial impact of the proposed collection. This includes implementation and ongoing costs of reporting under the proposed HRS 605.0, and whether these costs are expected to increase or decrease over time. The Department and APRA also seek specific feedback on any barriers or associated costs to implementing the changes within the proposed timeframes.

Submissions can also indicate whether there are any particular aspects of the proposed data collection that could be improved or removed to reduce compliance costs, or if there are particular data items which are more or less difficult to provide.

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<sup>5</sup> eXtensible Business Reporting Language

Feedback on expected costs incurred under the proposed collection can be provided to APRA using the template for costings available on the APRA website at: <https://www.apra.gov.au/consultations-private-health-insurance-reform-data-collection>.

The draft reporting standard HRS 605.0 is available on the APRA website at <https://www.apra.gov.au/consultations-private-health-insurance-reform-data-collection>.

Written submissions on the proposals in this letter should be sent to [DataAnalytics@apra.gov.au](mailto:DataAnalytics@apra.gov.au) by 11 October 2019 and addressed to:

Senior Manager, Data Strategy and Frameworks, Data Analytics and Insights  
Australian Prudential Regulation Authority

Yours sincerely,



Alison Bliss  
General Manager  
Data Analytics

#### **Important disclosure notice – publication of submissions**

All information in submissions will be made available to the public on the APRA website unless a respondent expressly requests that all or part of the submission is to remain in confidence. Automatically generated confidentiality statements in emails do not suffice for this purpose. Respondents who would like part of their submission to remain in confidence should provide this information marked as confidential in a separate attachment.

Submissions may be the subject of a request for access made under the *Freedom of Information Act 1982* (FOIA). APRA will determine such requests, if any, in accordance with the provisions of the FOIA. Information in the submission about any APRA-regulated entity that is not in the public domain and that is identified as confidential will be protected by section 56 of the *Australian Prudential Regulation Authority Act 1998* and will therefore be exempt from production under the FOIA.