



# STATISTICS

## Quarterly Private Health Insurance Statistics

March 2019 (released 21 May 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

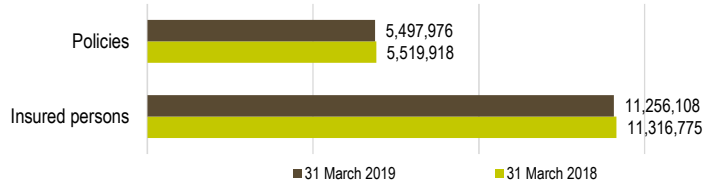
For more information about the statistics in this publication:

[DataAnalytics@apra.gov.au](mailto:DataAnalytics@apra.gov.au)

Manager, Private Health Insurance Strategic Intelligence  
Australian Prudential Regulation Authority  
GPO Box 9836  
Sydney NSW 2001

# Key metrics

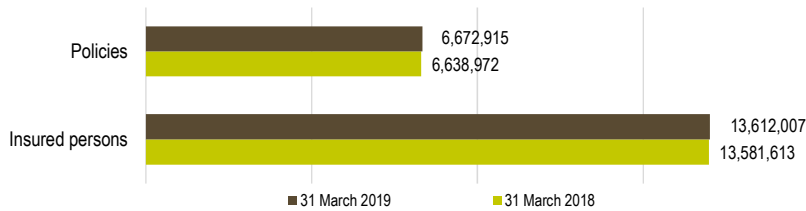
## Hospital treatment membership



**44.5%** of population at 31 March 2019  
 ↓ **-0.1%** percentage points from 31 Dec 2018  
 ↑ **14,471** insured persons over the quarter

**53.8%** of population at 31 March 2019  
 ↓ **0.0%** percentage points from 31 Dec 2018  
 ↑ **44,287** insured persons over the quarter

## General treatment membership



### Hospital treatment episodes

Period	Value
12 months to 31 March 2019	4,693,934
12 months to 31 March 2018	4,634,266

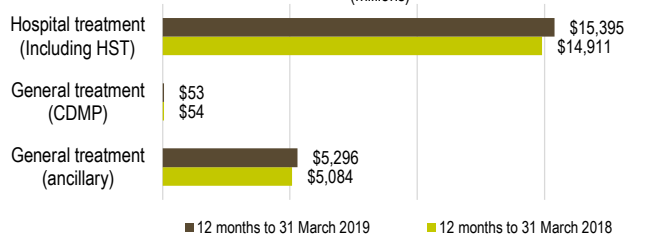
↑ **1.3%** over the 12 months to March 2019  
 ↓ **-5.7%** compared to the December 2018 quarter

### General treatment services (ancillary)

Period	Value
12 months to 31 March 2019	96,539,113
12 months to 31 March 2018	93,921,981

↑ **2.8%** over the 12 months to March 2019  
 ↑ **1.9%** compared to the December 2018 quarter

## Benefits



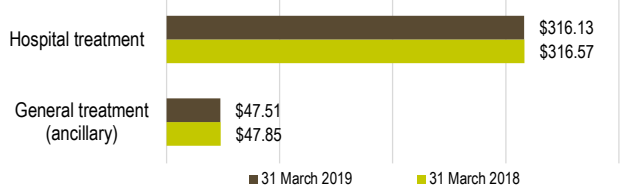
↑ **3.2%** over the 12 months to March 2019  
 ↑ **3.4%** compared to the March 2018 quarter

↑ **4.2%** over the 12 months to March 2019  
 ↑ **3.2%** compared to the March 2018 quarter

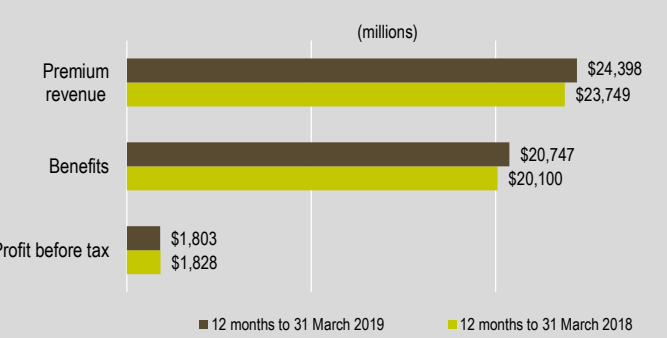
↓ **-0.1%** over the 12 months to March 2019

↓ **-0.7%** over the 12 months to March 2019

## Out-of-pocket per episode/service



## Financial



↑ **2.7%** over the 12 months to March 2019

↑ **3.2%** over the 12 months to March 2019

↓ **-1.4%** over the 12 months to March 2019

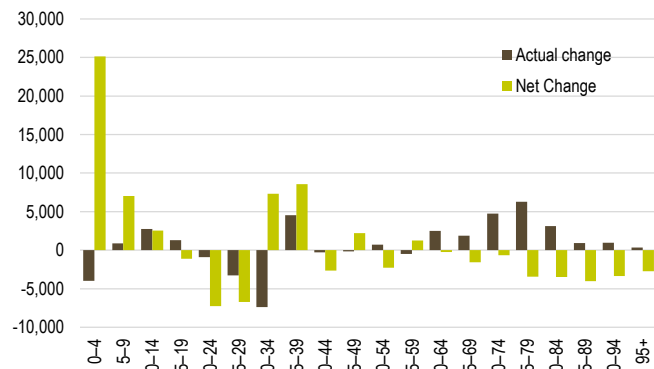
## Hospital Treatment

At 31 March 2019, 11,256,108 people, or 44.5% of the population, were covered by hospital treatment cover. This was a drop of 0.1 percentage points in coverage compared to December 2018.

There was an increase in coverage of 14,471 insured people in the March 2019 quarter. Family policies increased by 4,686 and single policies by 3,052 during the quarter.

The largest increase in coverage during the quarter was 6,273 for people aged between 75 and 79. The largest net increase (taking into account movement between age groups) was for people aged 35-39, with an increase of 8,570 people.

Net quarterly change in insured persons

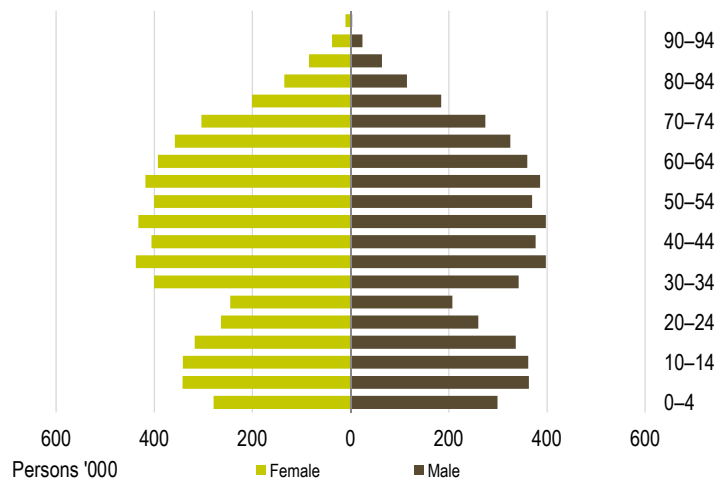


## Lifetime health cover

The majority of adults with hospital cover (88.5%) have a certified age of entry of 30, with no penalty loading; a 0.1 percentage points increase compared to December 2018.

At the end of the March 2019 quarter, there were 933,275 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 63,770. There was a net increase in people with a certified age of entry of 30 (with no penalty) over the year of 29,220. Over the year, 112,928 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 (%)
Aust.	44.5%	55.5%
NSW	45.8%	54.2%
VIC	41.1%	58.9%
QLD	41.4%	58.6%
SA	44.6%	55.4%
WA	54.2%	45.8%
TAS	42.7%	57.3%
ACT	54.2%	45.8%
NT	39.3%	60.7%

State/Territory	Male	Female
Aust.	5,447,429	5,808,679
NSW	1,795,415	1,906,933
VIC	1,298,848	1,397,977
QLD	1,014,460	1,088,744
SA	374,197	405,911
WA	698,099	719,668
TAS	108,155	119,490
ACT	110,568	120,667
NT	47,687	49,289

State/Territory	Single policies (%)	Family policies (%)
Aust.	48.2%	51.8%
NSW	48.3%	51.7%
VIC	50.6%	49.4%
QLD	45.9%	54.1%
SA	48.1%	51.9%
WA	46.9%	53.1%
TAS	48.3%	51.7%
ACT	48.6%	51.4%
NT	47.8%	52.2%

### General Treatment

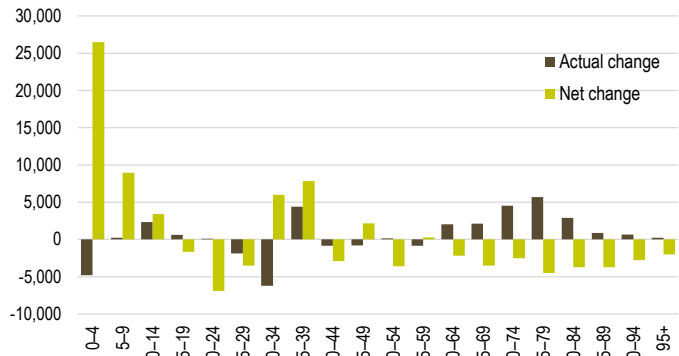
At 31 March 2019, 13,612,007 people or 53.8% of the population had some form of general treatment cover. There was an increase of 44,287 people when compared to the December 2018 quarter.

The increase was mainly driven by both single policies (up 14,778) and family policies (up 10,165). For the 12 months to 31 March 2019, the number of insured persons with general treatment cover has increased by 30,394.

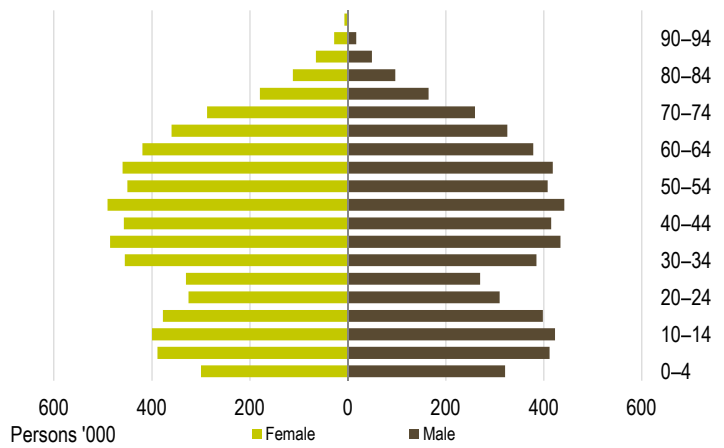
The general treatment (ancillary) by age charts and data in this report show data for those people that have general treatment policies covering ancillary services, regardless of other treatment included in the product. This excludes those general treatment policies that do not cover ancillary treatment.

There was an increase of 11,634 people with general treatment (ancillary) coverage in the March 2019 quarter. The largest net increase in coverage, after accounting for movements across age groups, was 26,489 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 Insured (Male/Female)	Single policies (%)	Family policies (%)
Aust.	53.8%	46.2%	5,931,766 / 6,376,225	49.1% / 50.9%	49.1%	50.9%
NSW	56.1%	43.9%	1,987,993 / 2,115,505	48.6% / 51.4%	48.6%	51.4%
VIC	48.0%	52.0%	1,285,986 / 1,390,255	51.2% / 48.8%	51.2%	48.8%
QLD	47.9%	52.1%	1,063,572 / 1,161,088	47.4% / 52.6%	47.4%	52.6%
SA	59.1%	40.9%	461,096 / 505,767	49.0% / 51.0%	49.0%	51.0%
WA	69.1%	30.9%	849,665 / 892,580	48.6% / 51.4%	48.6%	51.4%
TAS	50.2%	49.8%	116,544 / 130,302	49.7% / 50.3%	49.7%	50.3%
ACT	65.9%	34.1%	117,683 / 129,302	49.4% / 50.6%	49.4%	50.6%
NT	43.5%	56.5%	49,227 / 51,426	48.9% / 51.1%	48.9%	51.1%

# Benefits Paid

## Hospital treatment

### Benefits per episode/service

	March 2019	Change from December 2018
Hospital Treatment		
Acute	\$2,358	-0.5%
Medical	\$61	-1.5%
Prostheses	\$675	0.3%
Cardiac	\$4,108	-1.3%
Hip	\$1,752	0.2%
Knee	\$1,837	0.7%
Total benefits and growth rate		
Hospital	\$ 3,701,934,015	-6.6%
General	\$1,421,923,435	4.2%

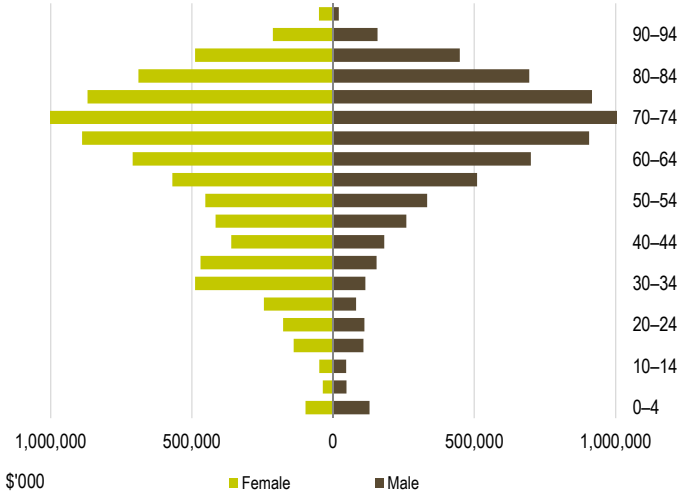
During the March 2019 quarter, insurers paid \$3,702 million in hospital treatment benefits, a decrease of 6.6% compared to the December 2018 quarter. Hospital treatment benefits were comprised of:

- ◇ \$2,645 million for hospital services such as accommodation and nursing
- ◇ \$562 million for medical services
- ◇ \$496 million for prostheses items.

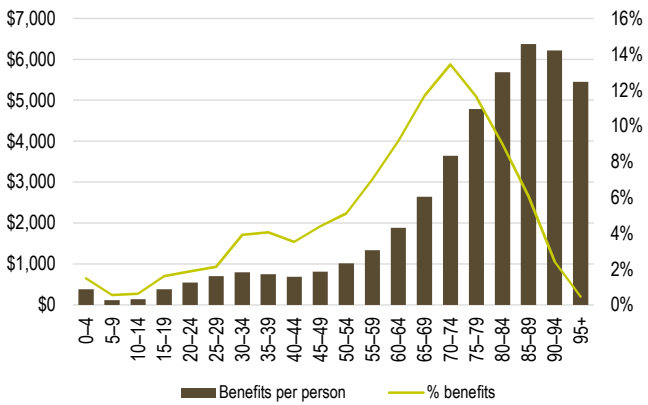
The age group for which most hospital benefits are paid is between 60 and 79 (top chart). Total benefits by age group is affected by the average benefits paid per person (displayed in the second chart) and the number of people in each age group. Older age groups have a higher claiming rate. The rise 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 \$1,318 for the year ending March 2018 to \$1,368 for the year ending March 2019. The largest amount of benefits per person was spent on hospital accommodation and nursing, followed by medical and prostheses benefits.

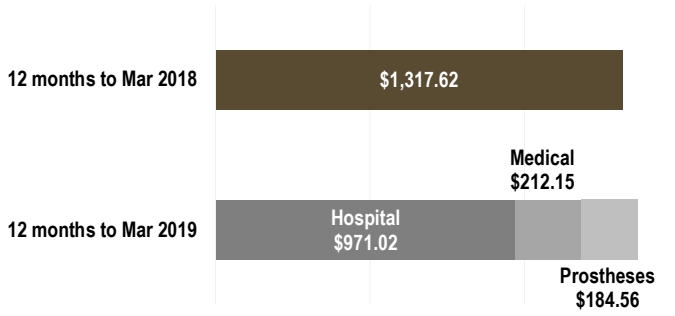
### Hospital treatment benefits paid by age 12 months to 31 March 2019



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



### Hospital treatment benefits per person



**General treatment**

**Benefits per service**

	March 2019	Change from December 2018
Dental	\$67	2.6%
Chiropractic	\$34	11.6%
Physiotherapy	\$39	9.0%
Optical	\$77	2.9%

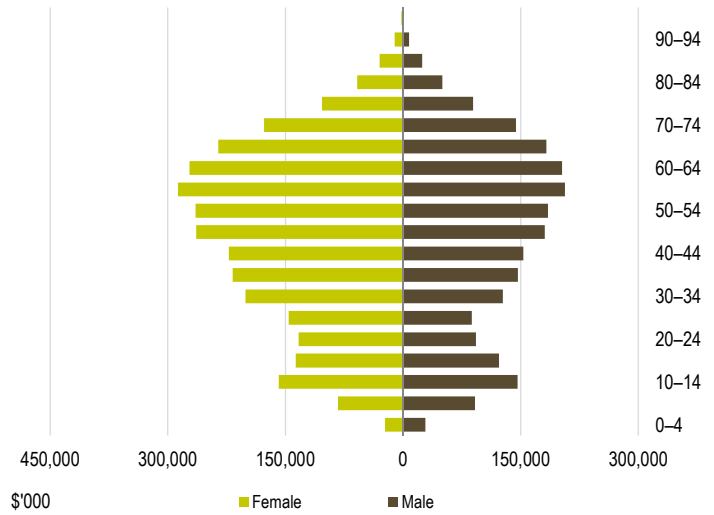
During the March 2019 quarter, insurers paid \$1,411 million in general treatment (ancillary) benefits. This was an increase of 4.3% compared to the December 2018 quarter. Ancillary benefits for the March 2019 quarter included the major categories of:

- ◇ Dental \$725 million
- ◇ Optical \$258 million
- ◇ Physiotherapy \$116 million
- ◇ Chiropractic \$83 million.

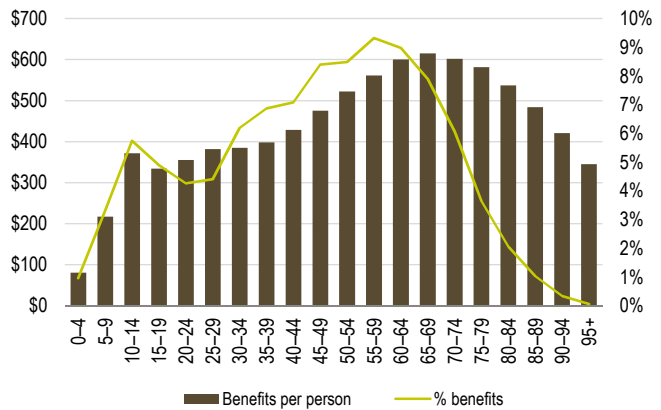
There is a marked difference between the distribution of benefits over age groups between hospital benefits and ancillary benefits. The major difference is the higher claiming rate in older age groups for hospital benefits while benefits per person for ancillary benefits are more evenly spread over the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

General treatment (ancillary) benefits per person during the year to March 2019 were \$430, increasing from \$412 for the year to March 2018. The largest component of ancillary benefits is dental, for which \$227 was paid per insured.

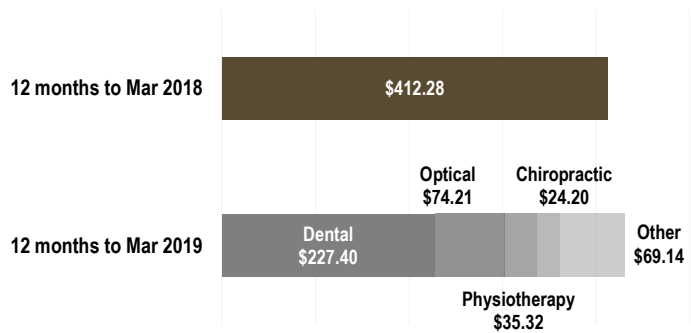
**General treatment benefits paid by age 12 months to 31 March 2019 (ancillary)**



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



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



## Medical benefits

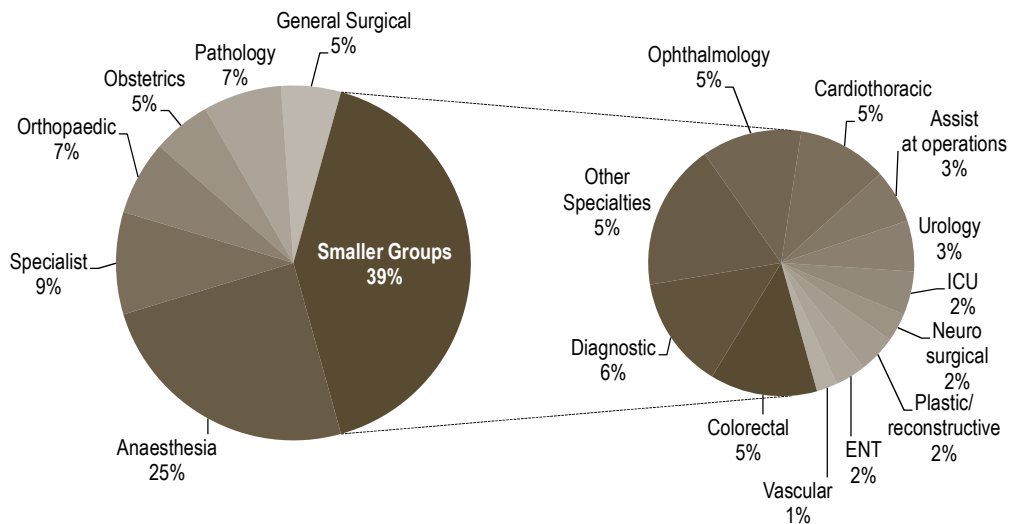
Total benefits for medical services decreased 8.3% during the March quarter 2019, driven largely by a 6.9% decrease in the number of services.

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 24.6% of all medical benefits and totalling \$138 million.

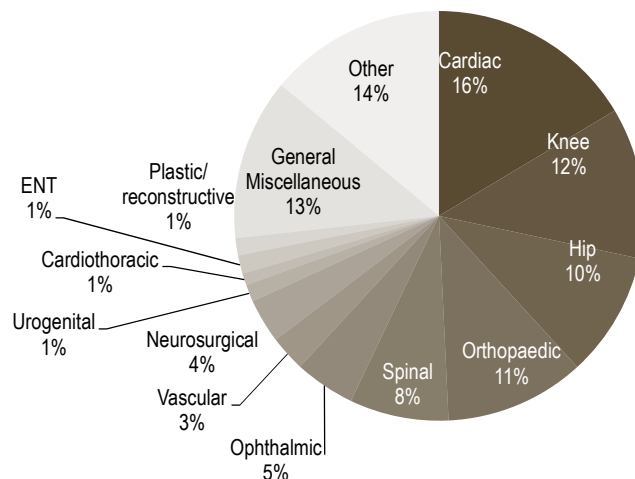
## Prostheses benefits

Total benefits paid for prostheses decreased by 7.2% in the March quarter 2019 compared to the December quarter 2018. 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 16.4% of all prosthetic benefits and totalling \$81 million.

Medical benefits by Speciality group



Benefits paid for prostheses





## Service utilisation

### Episodes/Services by type

	March 2019	Change from December 2018
Hospital Episodes	1,121,438	-5.7%
Hospital Days	2,932,174	-3.8%
Medical Services	9,222,776	-6.9%
Prostheses Items	734,062	-7.5%
Specialist Orthopaedic	130,986	-5.8%
Ophthalmic	82,425	-11.1%
Spinal	54,538	-2.8%
General Treatment	24,867,790	1.9%
Dental	10,757,565	-1.4%
Chiropractic	2,431,628	14.2%
Physiotherapy	3,011,097	9.1%
Optical	3,334,769	-5.6%

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

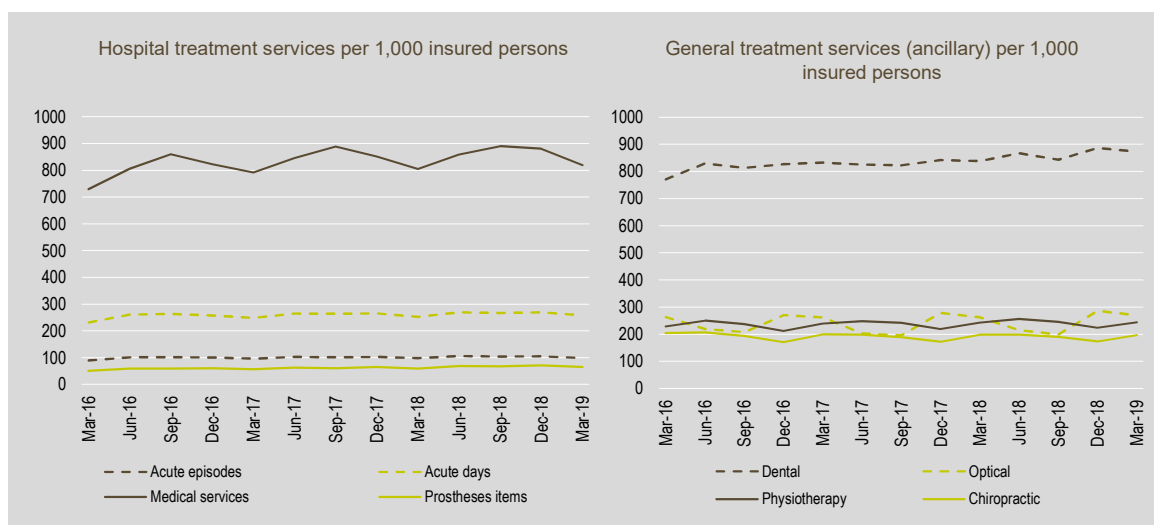
- ◇ public hospitals 199,520 episodes
- ◇ private hospitals 726,245 episodes
- ◇ day hospital facilities 147,430 episodes
- ◇ hospital substitute 48,243 episodes.

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

During the March 2019 quarter, insurers paid benefits for 2.93 million days in hospital, arising from 1.12 million hospital episodes of care.

	Quarter change	Year change
◇ public hospitals	↑ 1.4%	↓ -2.3%
◇ private hospitals	↓ -7.4%	↑ 2.1%
◇ day hospital facilities	↓ -6.1%	↑ 1.1%
◇ hospital-substitute	↓ -5.6%	↑ 4.0%

Day-only episodes in the four categories of hospital totalled 739,604, a decrease of 7.0% compared to the December 2018 quarter.



# Out-of-pocket payments

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

	March 2019	Change from Dec 18	Change from Mar 18
Hospital treatment	\$316.13	8.9%	-0.1%
Hospital-substitute treatment	\$10.99	9.2%	22.8%
General treatment ancillary	\$47.51	-3.1%	-0.7%
Medical gap where gap was paid	\$155.42	-4.4%	-6.9%

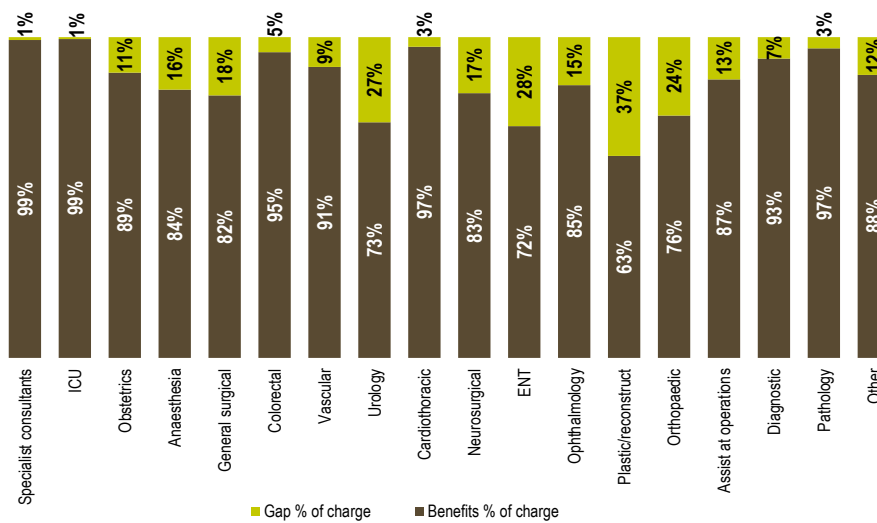
The average out-of-pocket (gap) payment for a hospital episode was \$316 in the March 2019 quarter. This included out-of-pocket payments for medical services, in addition to any excess or co-payment amounts relating to hospital accommodation.

The out-of-pocket payments for hospital episodes remained largely unchanged compared to the same quarter for the previous year.

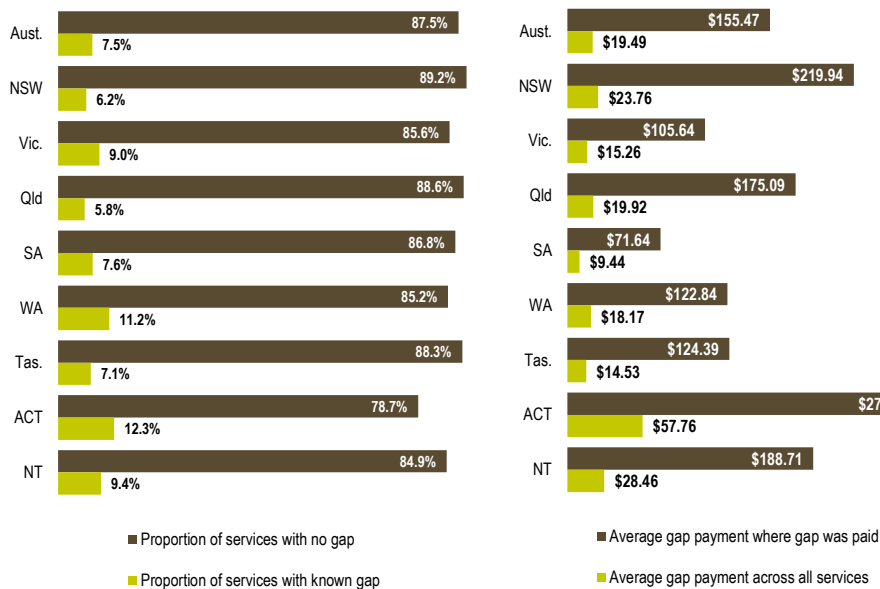
Out-of-pocket payments for medical services were \$155 where an out-of-pocket payment was payable. The amount of gap for medical services varies depending on the specialty group. The specialty group with the largest out-of-pocket payment was plastic/reconstructive with an average gap of \$385. Gap incurred 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 March 2019	12 months to March 2018
<b>Revenue</b>		
HIB premium revenue	24,398,098	23,749,177
Net investment income	426,081	425,326
Net HRB revenue	138,469	137,138
Net other operational revenue	69,362	52,929
<b>Total revenue</b>	<b>25,032,011</b>	<b>24,364,570</b>
<b>Benefits</b>		
Fund benefits	20,747,373	20,099,882
State ambulance levies	231,948	225,885
<b>Total fund benefits</b>	<b>20,979,320</b>	<b>20,325,767</b>
<b>Expenses</b>		
HIB expenses	1,804,592	1,739,726
HIB claims handling	398,678	393,927
Non-operating expenses	46,825	77,407
<b>Total expenses</b>	<b>2,250,094</b>	<b>2,211,060</b>
<b>Profit of the industry</b>		
Profit/(loss) before tax	1,802,597	1,827,743
Taxation expense	435,957	442,035
<b>Profit/(loss) after tax</b>	<b>1,366,640</b>	<b>1,385,709</b>
<b>Margins</b>		
Gross margin	14.01%	14.41%
HIB expenses	9.03%	8.98%
Net margin	4.98%	5.43%

Health Insurance Business (HIB) premium revenue was up 2.7% for the year to March 2019, while total fund benefits increased by 3.2%. As a result, gross margin decreased from 14.4% to 14.0%.

Net investment income increased from \$425 million in the year ending March 2018 to \$426 million in the year ending March 2019.

HIB expenses as a percentage of revenue remained relatively stable at 9.0% and net margin decreased from 5.4% to 5.0%.

Net profit after tax was \$1.37 billion for the year ended March 2019, compared with \$1.39 billion for the previous 12 months.

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



## Prudential Position

All figures \$'000	March 2019	December 2018	March 2018
<b>Assets</b>			
Cash	1,199,556	980,537	1,202,942
Investments			
Equities	1,691,802	1,531,941	1,389,205
Interest bearing assets	8,195,708	7,829,849	8,274,618
Property	709,242	709,308	610,268
Subsidiary and associated entities	289,237	278,978	282,865
Loans	38,277	44,842	25,153
Receivables	63,271	53,140	58,511
Intangibles DAC and FITBS	902,070	882,761	848,243
Pre-paid expenses	63,833	61,676	53,923
Other*	1,824,024	1,351,629	1,636,608
<b>Total assets</b>	<b>14,977,019</b>	<b>13,724,661</b>	<b>14,382,336</b>
<b>Liabilities</b>			
Unearned premium liabilities	3,329,228	2,485,688	3,290,230
Unpresented & outstanding claims	2,097,893	1,933,299	2,106,633
Other fund liabilities	177,091	166,466	165,673
Interest bearing liabilities	3,953	2,593	32,689
Payables, provisions & other liabilities	977,418	780,022	852,072
<b>Total liabilities</b>	<b>6,585,582</b>	<b>5,368,067</b>	<b>6,447,298</b>
<b>Total assets minus total liabilities</b>	<b>8,391,436</b>	<b>8,356,594</b>	<b>7,935,038</b>

The industry held total assets of \$15.0 billion as at 31 March 2019.

Total assets have increased by \$595 million in the last 12 months.

Total liabilities reported by the industry have increased by \$138 million over the year.

Total net assets increased from \$7.9 billion in March 2018 to \$8.4 billion in March 2019.

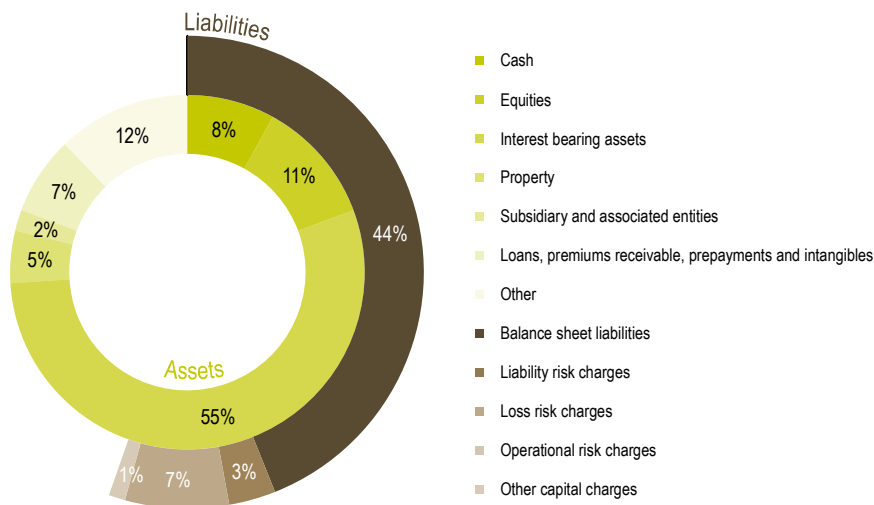
## Capital Adequacy Requirement

All figures \$'000	March 2019	December 2018	March 2018
Total Liabilities	6,585,582	5,368,067	6,447,298
Liability risk charges	480,335	449,528	432,122
Loss risk charges	1,060,858	975,623	882,041
Operational risk charges	171,016	169,297	167,823
Other capital charges	80,338	72,208	91,984
Less subordinated debt	4,212	4,142	30,000
<b>Total Capital Adequacy Requirement*</b>	<b>8,373,918</b>	<b>7,030,581</b>	<b>7,991,268</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 March 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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