



STATISTICS

Quarterly private health insurance statistics

September 2022 (released 23 November 2022)

Disclaimer and Copyright

While APRA endeavours to ensure the quality of this publication, it does not accept any responsibility for the accuracy, completeness or currency of the material included in this publication and will not be liable for any loss or damage arising out of any use of, or reliance on, this publication.

© Australian Prudential Regulation Authority (APRA)

This work is licensed under the Creative Commons Attribution 3.0 Australia Licence (CCBY 3.0). This licence allows you to copy, distribute and adapt this work, provided you attribute the work and do not suggest that APRA endorses you or your work. To view a full copy of the terms of this licence, visit <https://creativecommons.org/licenses/by/3.0/au/>

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

Copyright

© Australian Prudential Regulation Authority (APRA)

This work is licensed under the Creative Commons Attribution 3.0 Australia Licence (CCBY 3.0).



This licence allows you to copy, distribute and adapt this work, provided you attribute the work and do not suggest that APRA endorses you or your work. To view a full copy of the terms of this licence, visit: www.creativecommons.org/licenses/by/3.0/au/

Disclaimer

While APRA endeavours to ensure the quality of this publication, APRA does not accept any responsibility for the accuracy, completeness or currency of the material included in this publication, and will not be liable for any loss or damage arising out of any use, or reliance on, this publication.

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

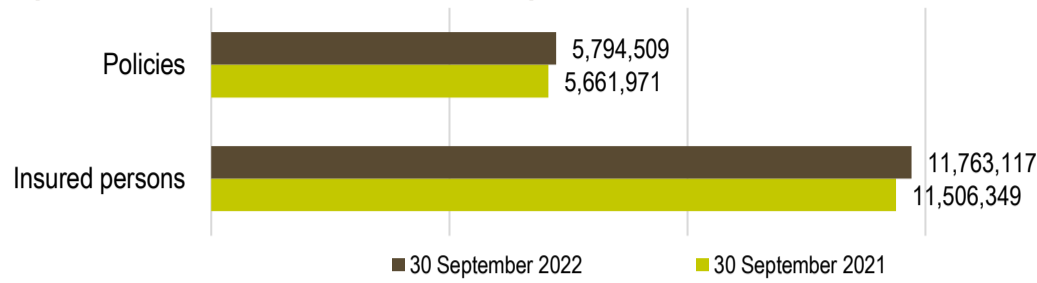
For more information about the statistics in this publication:

DataAnalytics@apra.gov.au

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

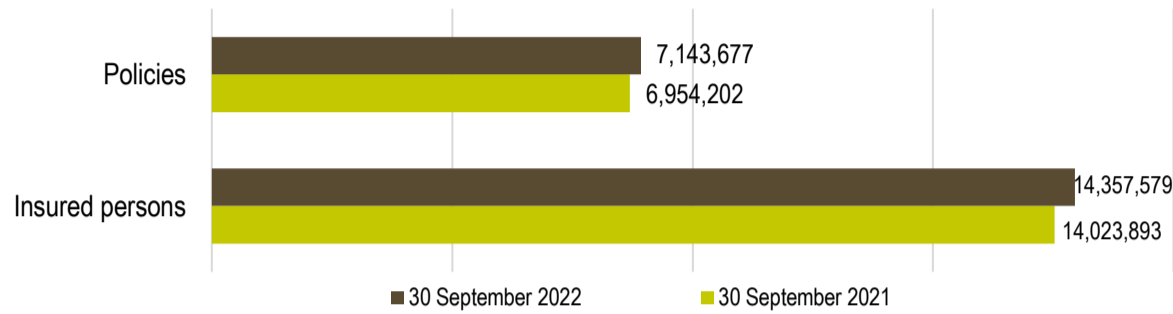
Key metrics

Hospital treatment membership



45.2% of population at 30 September 2022
 ↑ **0.2%** percentage points from 30 Jun 2022
 ↑ **84,834** insured persons over the quarter

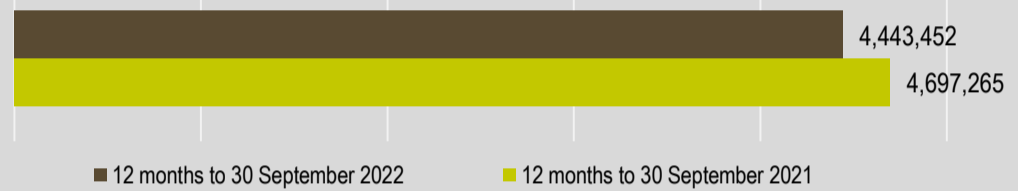
General treatment membership



55.1% of population at 30 September 2022
 ↑ **0.2%** percentage points from 30 Jun 2022
 ↑ **96,837** insured persons over the quarter

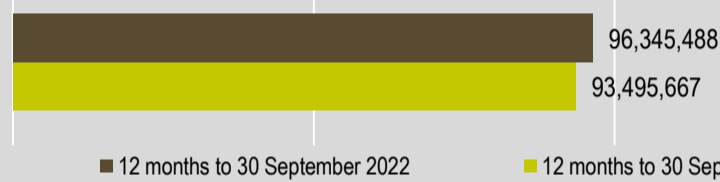
Hospital treatment episodes

↓ **-5.4%** over the 12 months to September 2022
 ↑ **0.7%** compared to the June 2022 quarter

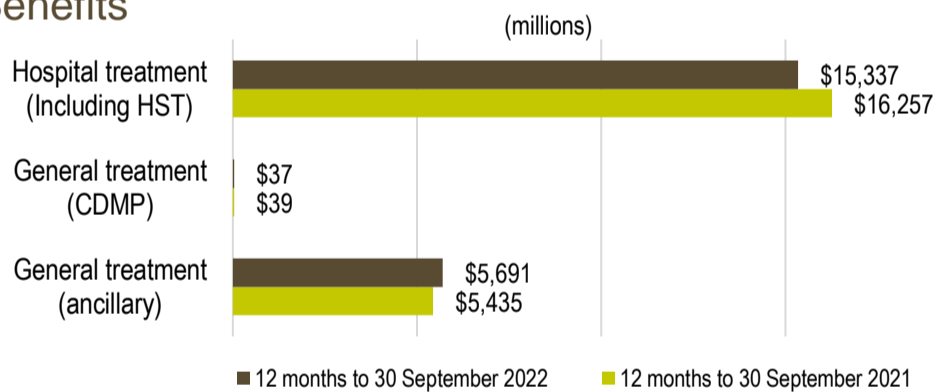


General treatment services (ancillary)

↑ **3.0%** over the 12 months to September 2022
 ↑ **0.5%** compared to the June 2022 quarter



Benefits



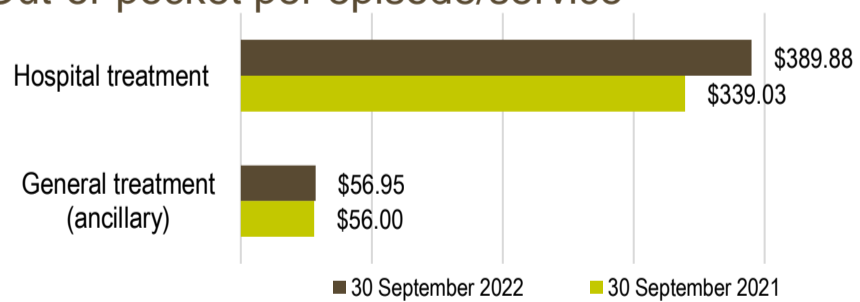
↓ **-5.7%** over the 12 months to September 2022
 ↓ **-4.8%** compared to the September 2021 quarter

↑ **4.7%** over the 12 months to September 2022
 ↑ **23.2%** compared to the September 2021 quarter

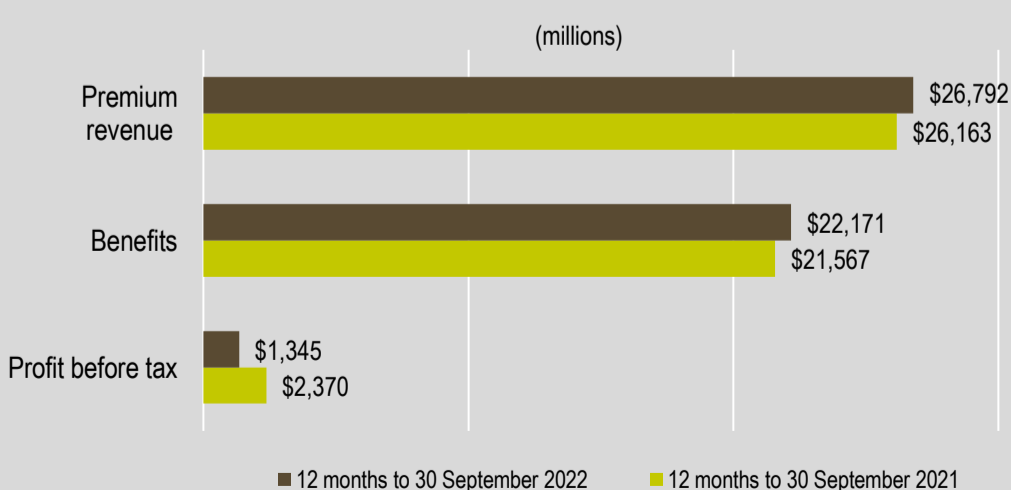
Out-of-pocket per episode/service

↑ **15.0%** over the 12 months to September 2022

↑ **1.7%** over the 12 months to September 2022



Financial



↑ **2.4%** over the 12 months to September 2022

↑ **2.8%** over the 12 months to September 2022

↓ **-43.2%** over the 12 months to September 2022

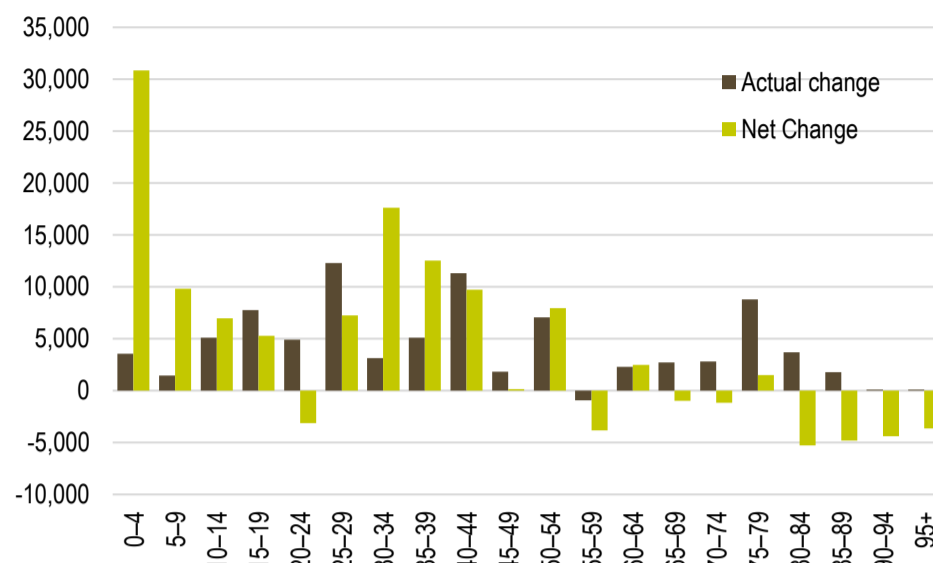
Hospital Treatment

At 30 September 2022, 11,763,117 people, or 45.2% of the population, were covered by hospital treatment cover. There was a slight increase compared to June 2022.

There was an increase in coverage of 84,834 insured people in the September 2022 quarter compared to June 2022. Family policies increased by 12,571 and single policies by 17,584 during the quarter.

The largest increase in coverage during the quarter was 12,292 for people aged between 25 and 29. The largest net increase (taking into account movement between age groups) was for the 0-4 with an increase of 30,825 people.

Net quarterly change in insured persons

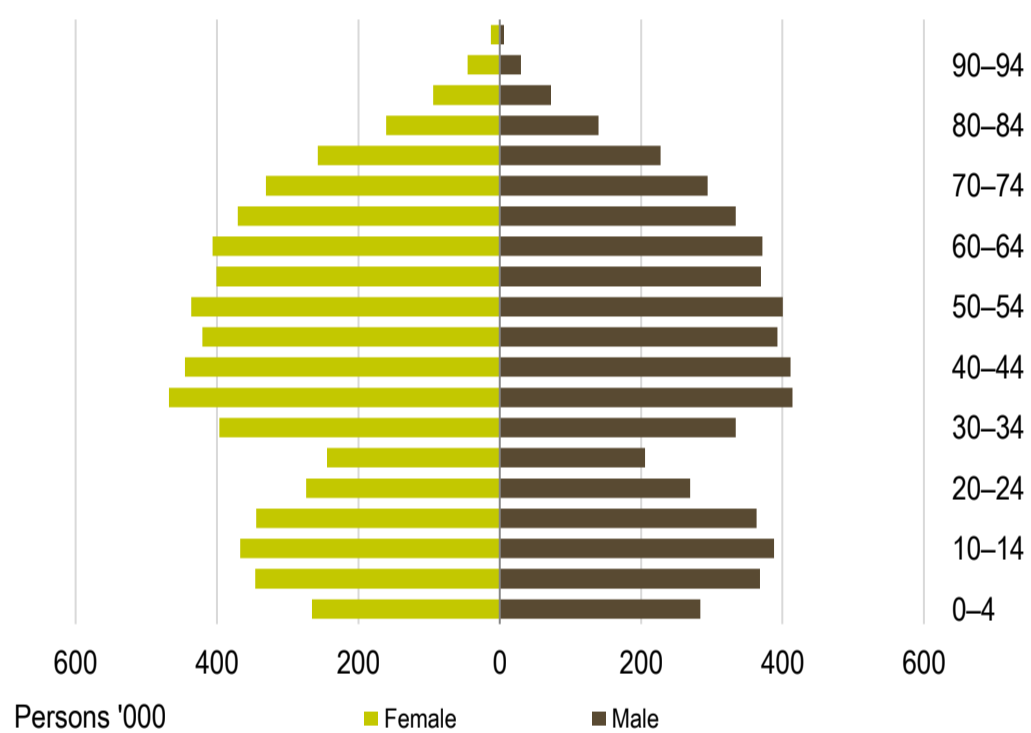


Lifetime health cover

The majority of adults with hospital cover (89.1%) have a certified age of entry of 30, with no penalty loading.

At the end of the 30 September 2022 quarter, there were 932,240 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 37,124. There was a net increase in people with a certified age of entry of 30 (with no penalty) over the year of 140,601. Over the year, 129,018 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 (%)	Male	Female	Single policies (%)	Family policies (%)
Aust.	45.2%	54.8%	5,675,753	6,087,364	48.8%	51.2%
NSW	46.9%	53.1%	1,853,810	1,978,620	48.7%	51.3%
VIC	42.5%	57.5%	1,353,048	1,465,256	50.9%	49.1%
QLD	41.0%	59.0%	1,054,044	1,141,531	47.1%	52.9%
SA	44.5%	55.5%	388,516	424,334	49.4%	50.6%
WA	54.6%	45.4%	748,939	774,317	46.9%	53.1%
TAS	41.0%	59.0%	111,179	124,361	49.5%	50.5%
ACT	53.8%	46.2%	118,025	128,472	49.2%	50.8%
NT	39.3%	60.7%	48,192	50,473	48.9%	51.1%

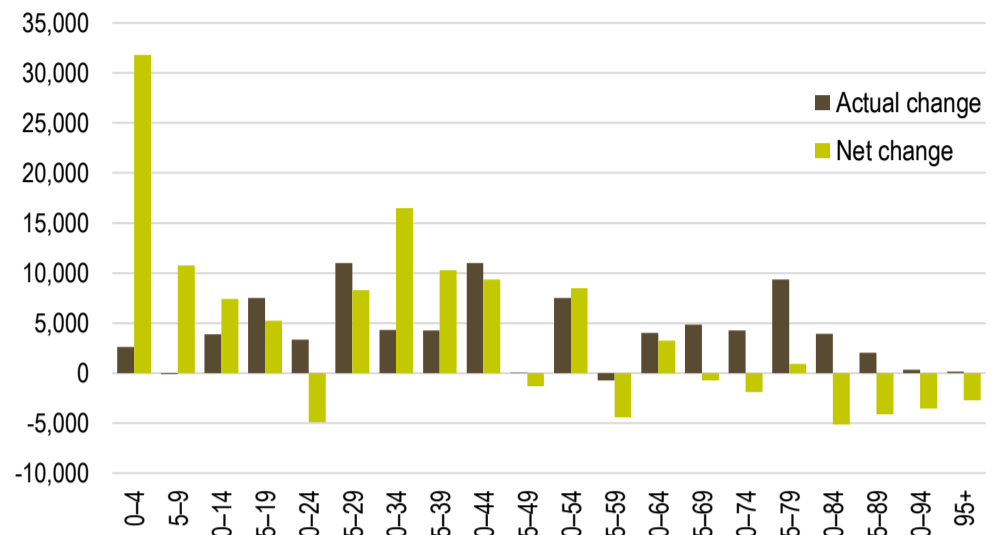
General Treatment

At 30 September 2022, 14,357,579 people or 55.1% of the population had some form of general treatment cover. There was an increase of 96,837 people when compared to the June quarter. There was an increase of General Treatment policies of 45,194 for September 2022 which was mainly driven by Single Policies which increased by 24,082. For the 12 months to 30 September 2022, the number of insured persons with general treatment cover has increased by 333,686.

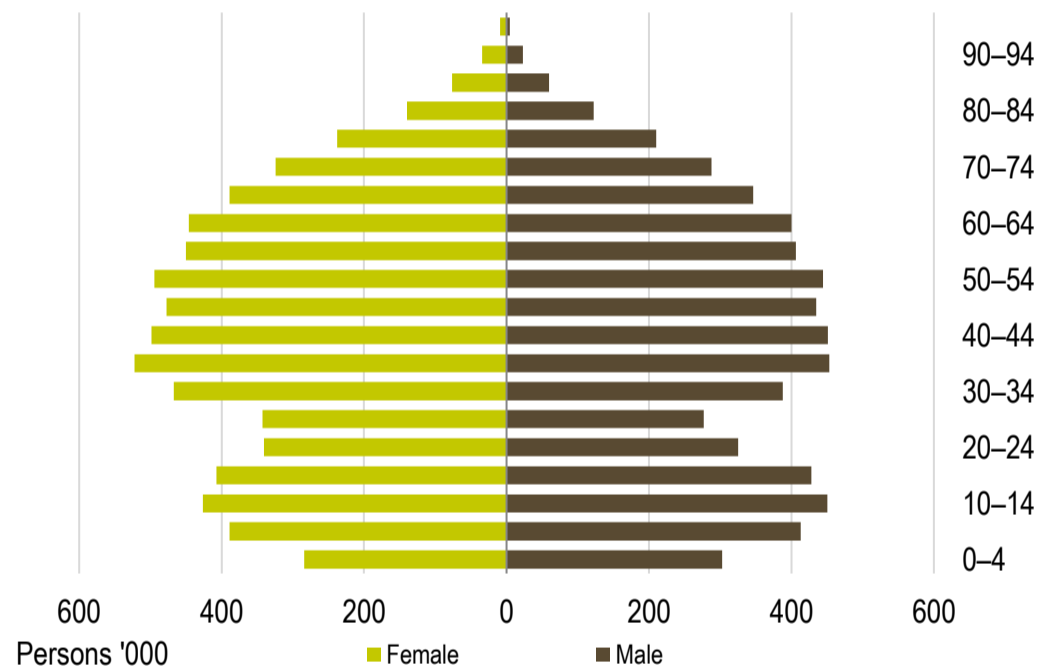
The general treatment (ancillary) by age charts and data in this report show data for those people that have general treatment policies covering ancillary services, regardless of other treatment included in the product. This excludes those general treatment policies that do not cover ancillary treatment.

There was an increase of 83,487 people with general treatment (ancillary) coverage in the September 2022 quarter. The largest net increase in coverage, after accounting for movements across age groups, was 31,830 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 Policies (Single/Family)
Aust.	55.1%	44.9%	6,227,209 / 6,756,916	50.1% / 49.9%
NSW	57.9%	42.1%	2,072,127 / 2,223,506	49.5% / 50.5%
VIC	50.3%	49.7%	1,355,091 / 1,480,060	52.1% / 47.9%
QLD	48.0%	52.0%	1,113,832 / 1,231,794	49.1% / 50.9%
SA	59.5%	40.5%	479,895 / 530,685	50.7% / 49.3%
WA	69.7%	30.3%	908,964 / 961,108	49.2% / 50.8%
TAS	48.8%	51.2%	120,335 / 136,669	51.3% / 48.7%
ACT	66.2%	33.8%	127,014 / 139,714	50.4% / 49.6%
NT	44.1%	55.9%	49,951 / 53,380	50.2% / 49.8%

Benefits Paid

Hospital treatment

Benefits per episode/service

	September 2022	Change from June 2022
Hospital Treatment		
Acute	\$2,490	2.0%
Medical	\$64	1.3%
Prostheses	\$649	-4.5%
Cardiac	\$3,620	-2.3%
Hip	\$1,650	-4.0%
Knee	\$1,690	-2.3%
Total benefits and growth rate		
Hospital	\$4,014,850,832	2.3%
General	\$1,402,897,106	1.1%

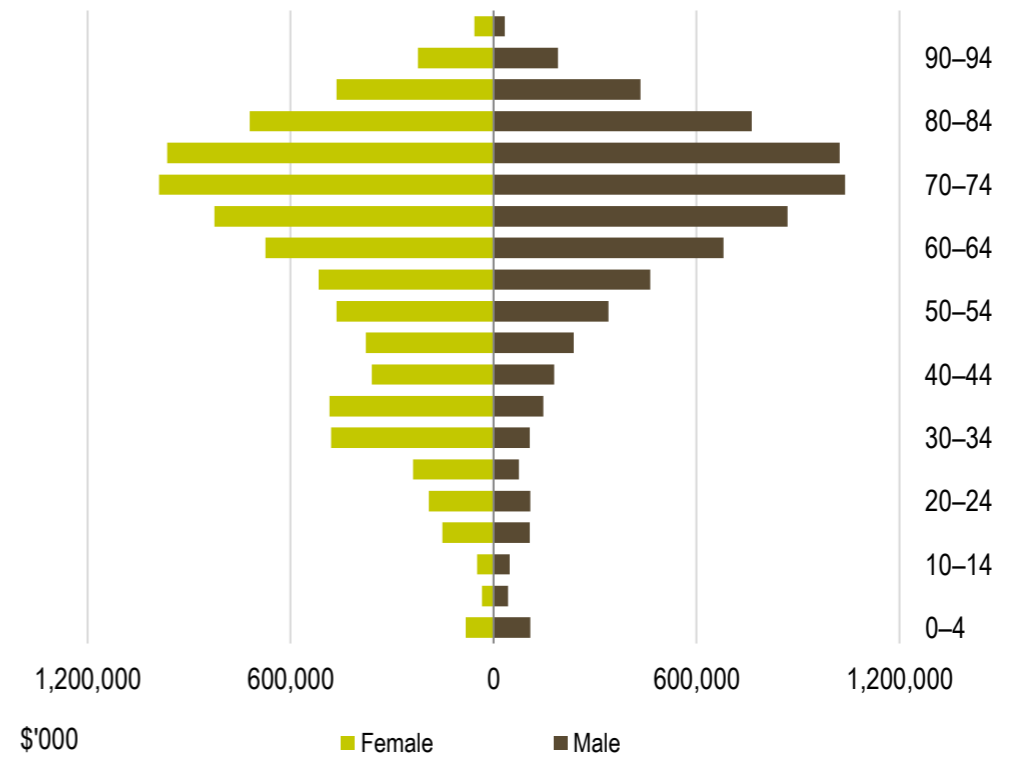
During the September 2022 quarter, insurers paid \$4,015 million in hospital treatment benefits, which was 2.3% higher compared to the June 2022 quarter. Hospital treatment benefits were comprised of:

- ◇ \$2,845 million for hospital services such as accommodation and nursing
- ◇ \$621 million for medical services
- ◇ \$549 million for prostheses items.

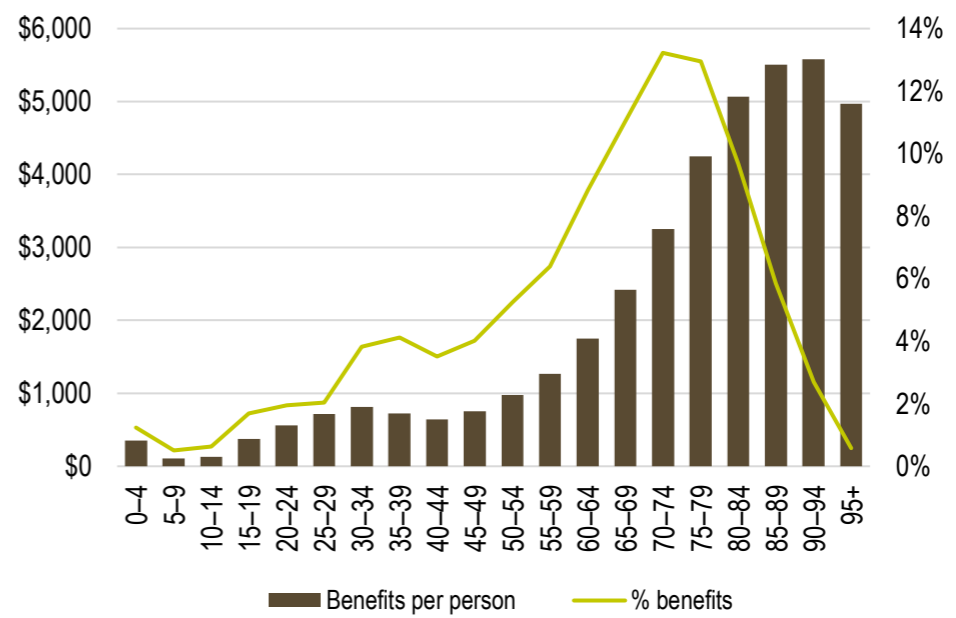
The age group for which most hospital benefits are paid is between 60 and 84 (top chart). Total benefits by age group is affected by the average benefits paid per person (displayed in the second chart) and the number of people in each age group.

Average hospital benefits per person decreased from \$1,412.84 for the year ending September 2021 to \$1,303.78 for the year ending September 2022. The largest amount of benefits per person was spent on hospital accommodation and nursing, followed by medical and prostheses benefits.

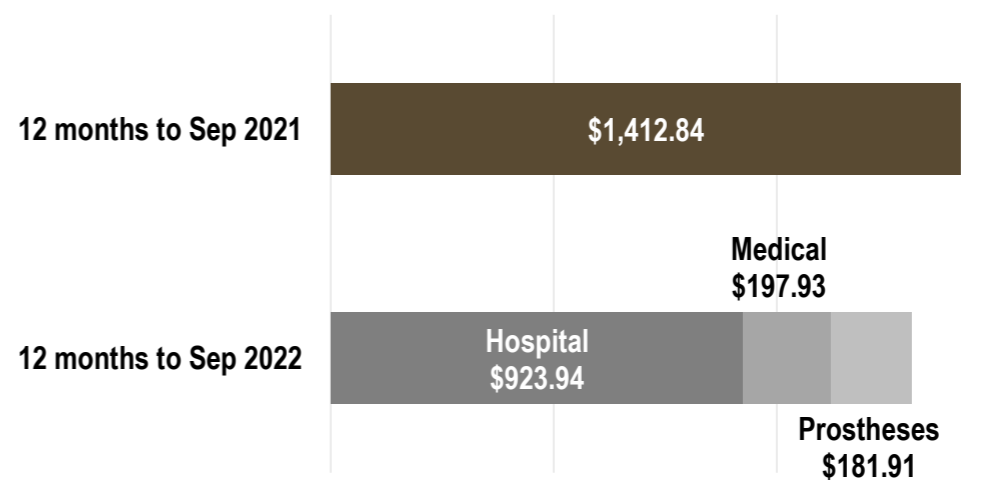
Hospital treatment benefits paid by age 12 months to 30 September 2022



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



Hospital treatment benefits per person



General treatment

Benefits per service

	September 2022	Change from June 2022
Dental	\$65	0.9%
Chiropractic	\$33	-1.7%
Physiotherapy	\$39	-0.7%
Optical	\$80	1.9%

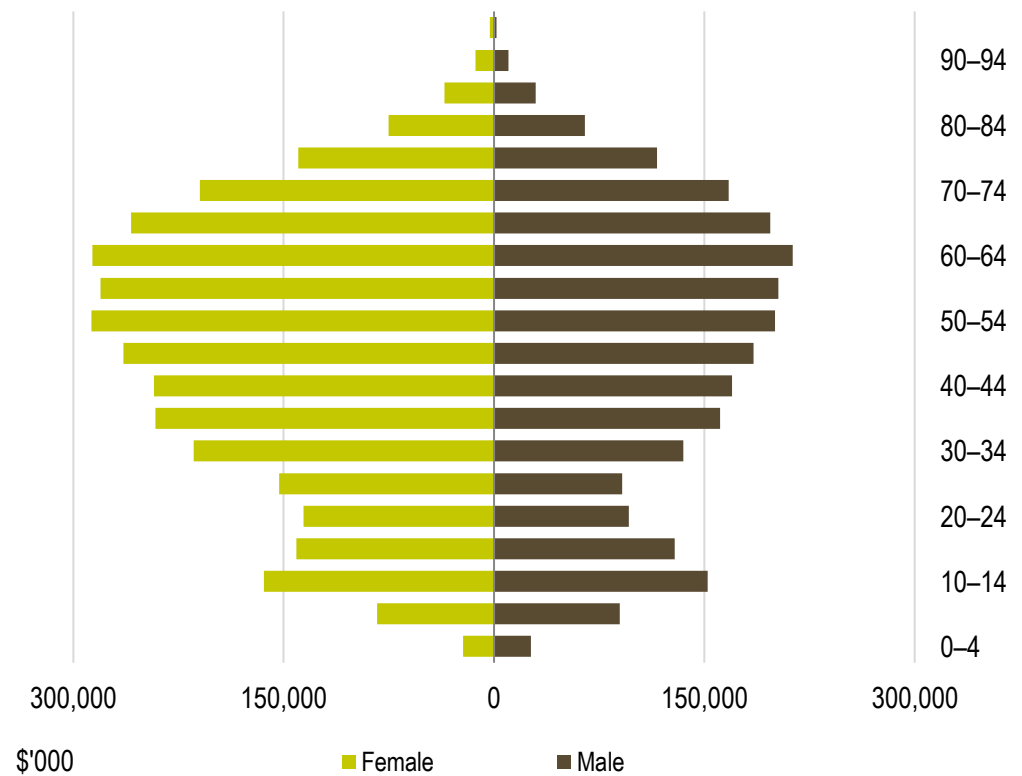
During the September 2022 quarter, insurers paid \$1,393 million in general treatment (ancillary) benefits. This was an increase of 1.1% compared to the June 2022 quarter. Ancillary benefits for the September 2022 quarter included the major categories of:

- ◇ Dental \$777.8 million
- ◇ Optical \$203.0 million
- ◇ Physiotherapy \$110.7 million
- ◇ Chiropractic \$74.8 million

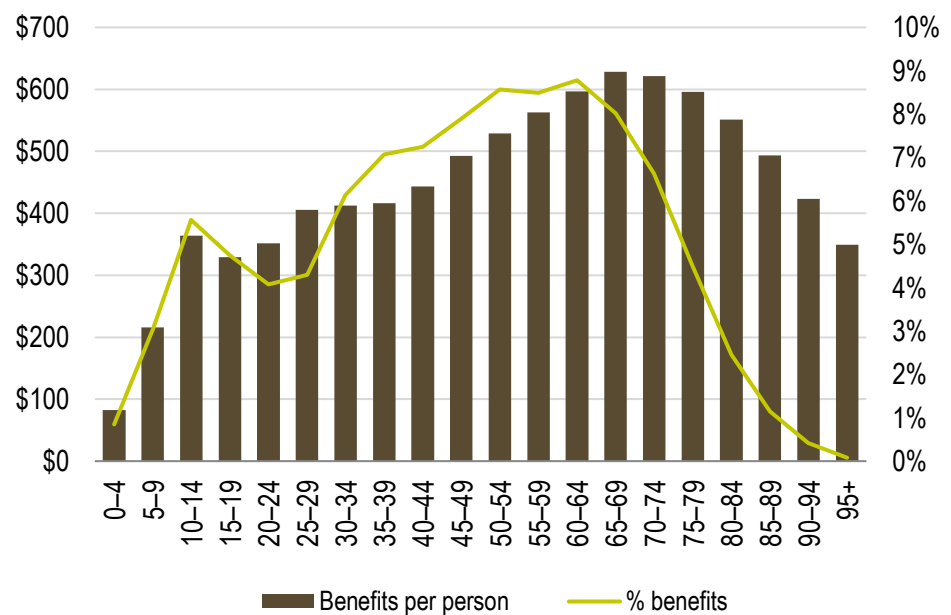
There is a marked difference between the distribution of benefits over age groups between hospital benefits and ancillary benefits. The major difference is the higher claiming rate in older age groups for hospital benefits while benefits per person for ancillary benefits are more evenly spread over the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

General treatment (ancillary) benefits per person during the year to September 2021 were \$428.8 increasing to \$438.3 for the year to September 2022. The largest component of ancillary benefits is dental, for which \$237.8 was paid per insured.

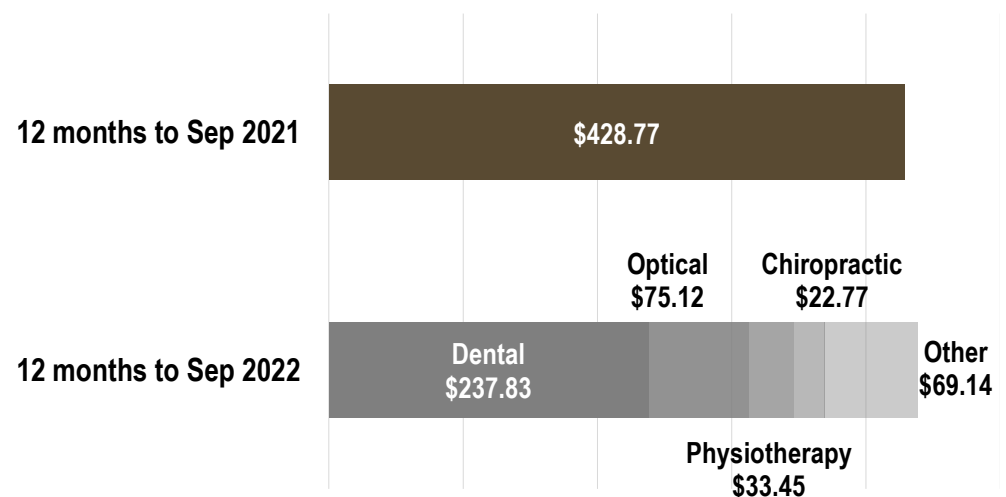
General treatment benefits paid by age 12 months to 30 September 2022 (ancillary)



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



General treatment benefits per person (ancillary)



Medical benefits

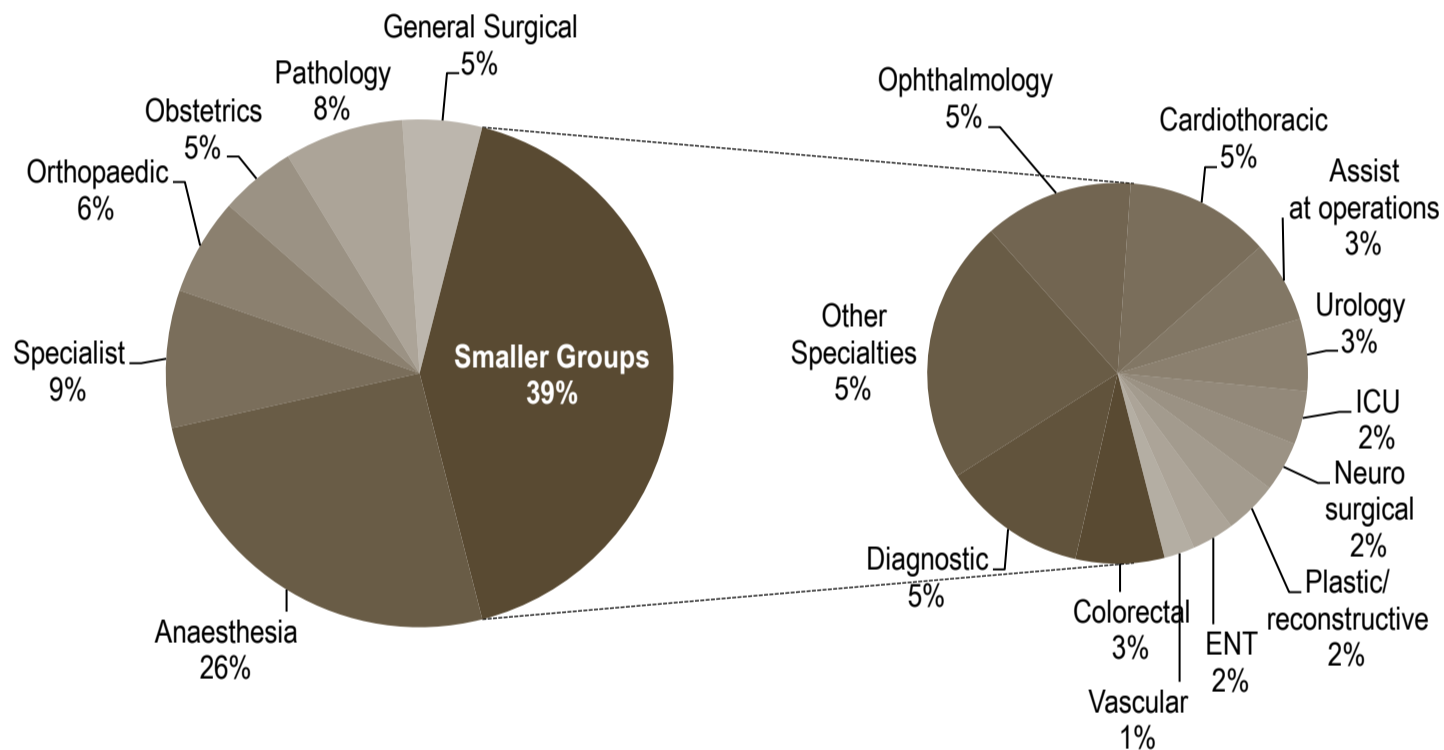
Total benefits for medical services increased 5.4% during the September quarter 2022.

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 25.5% of all medical benefits and totalling \$158.5 million.

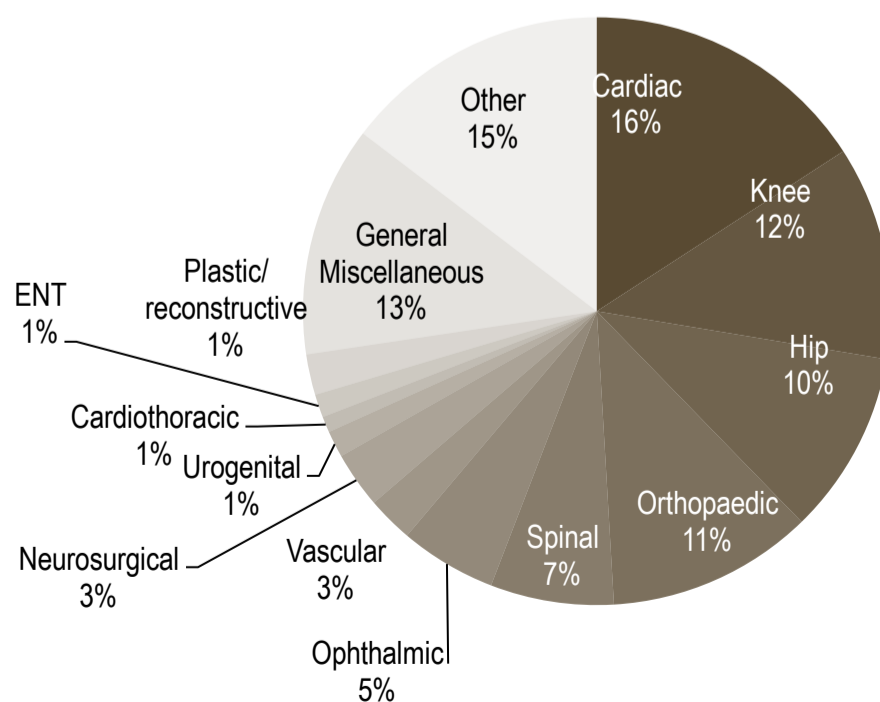
Prostheses benefits

Total benefits paid for prostheses decreased by 2.6% in September 2022 compared to June 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 15.8% of all prosthetic benefits and totalling \$87.0 million.

Medical benefits by Speciality group



Benefits paid for prostheses



Service utilisation

Episodes/Services by type

	September 2022	Change from June 2022
Hospital Episodes	1,142,079	0.7%
Hospital Days	2,937,207	2.7%
Medical Services	9,735,460	4.1%
Prostheses Items	845,408	2.1%
Specialist Orthopaedic	154,127	2.9%
Ophthalmic	104,747	4.3%
Spinal	55,361	0.0%
General Treatment	23,801,120	0.5%
Dental	12,020,684	1.7%
Chiropractic	2,269,611	0.7%
Physiotherapy	2,856,871	1.5%
Optical	2,537,984	-4.8%

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

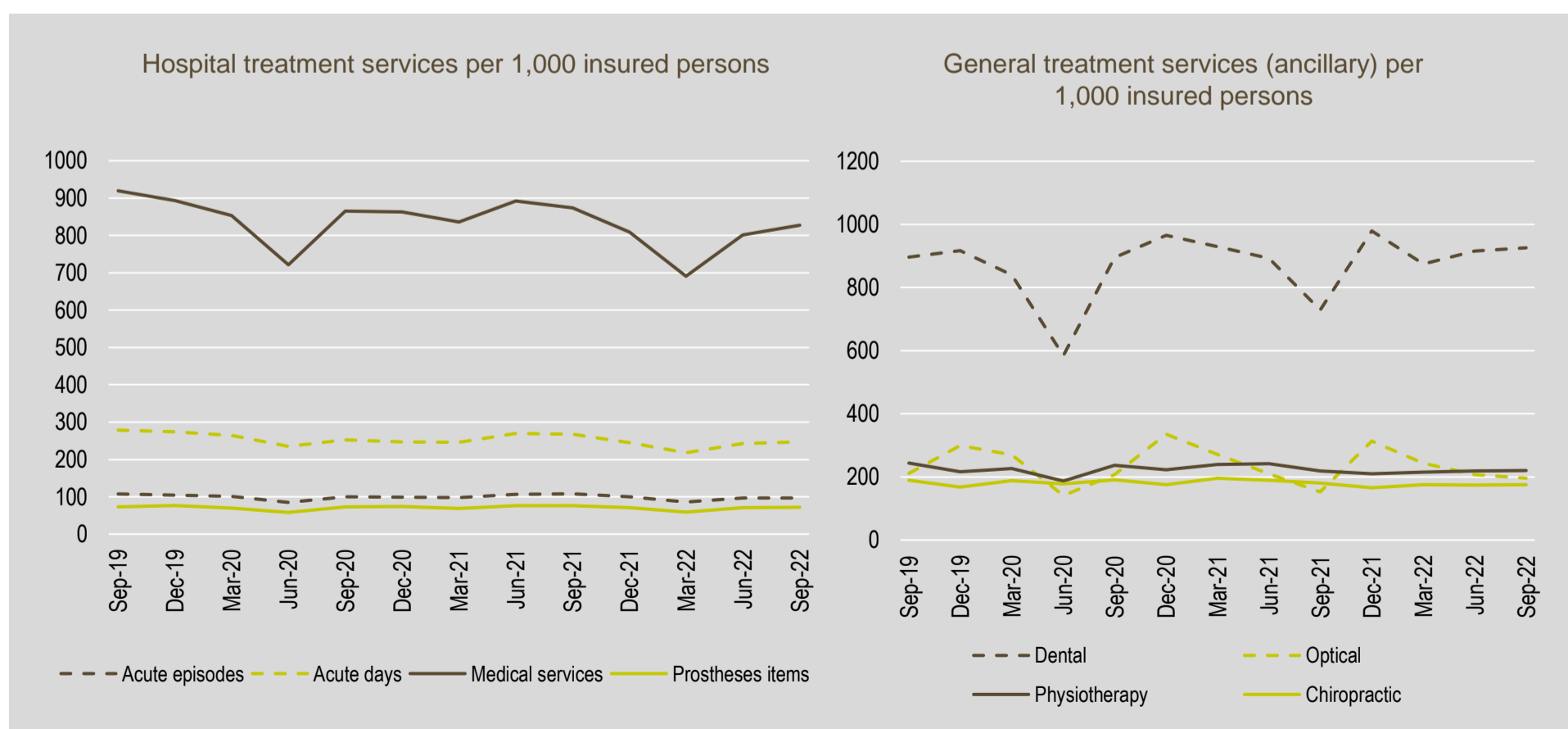
- ◇ public hospitals 160,409 episodes
- ◇ private hospitals 758,003 episodes
- ◇ day hospital facilities 162,531 episodes
- ◇ hospital substitute 61,136 episodes.

For the September 2022 quarter, hospital utilisation (measured in episodes) increased by 0.7% which was mainly driven by private hospitals.

During the September 2022 quarter, insurers paid benefits for 2.94 million days in hospital, arising from 1.14 million hospital episodes of care.

	Quarter change	Year change
◇ public hospitals	↓ 0.0%	↓ -9.2%
◇ private hospitals	↑ 0.7%	↓ -5.9%
◇ day hospital facilities	↑ 0.7%	↓ -1.9%
◇ hospital-substitute	↑ 2.1%	↑ 3.3%

Day-only episodes in the four categories of hospital totalled 798,110, with a 0.9% change compared to June 2022.



Out-of-pocket payments

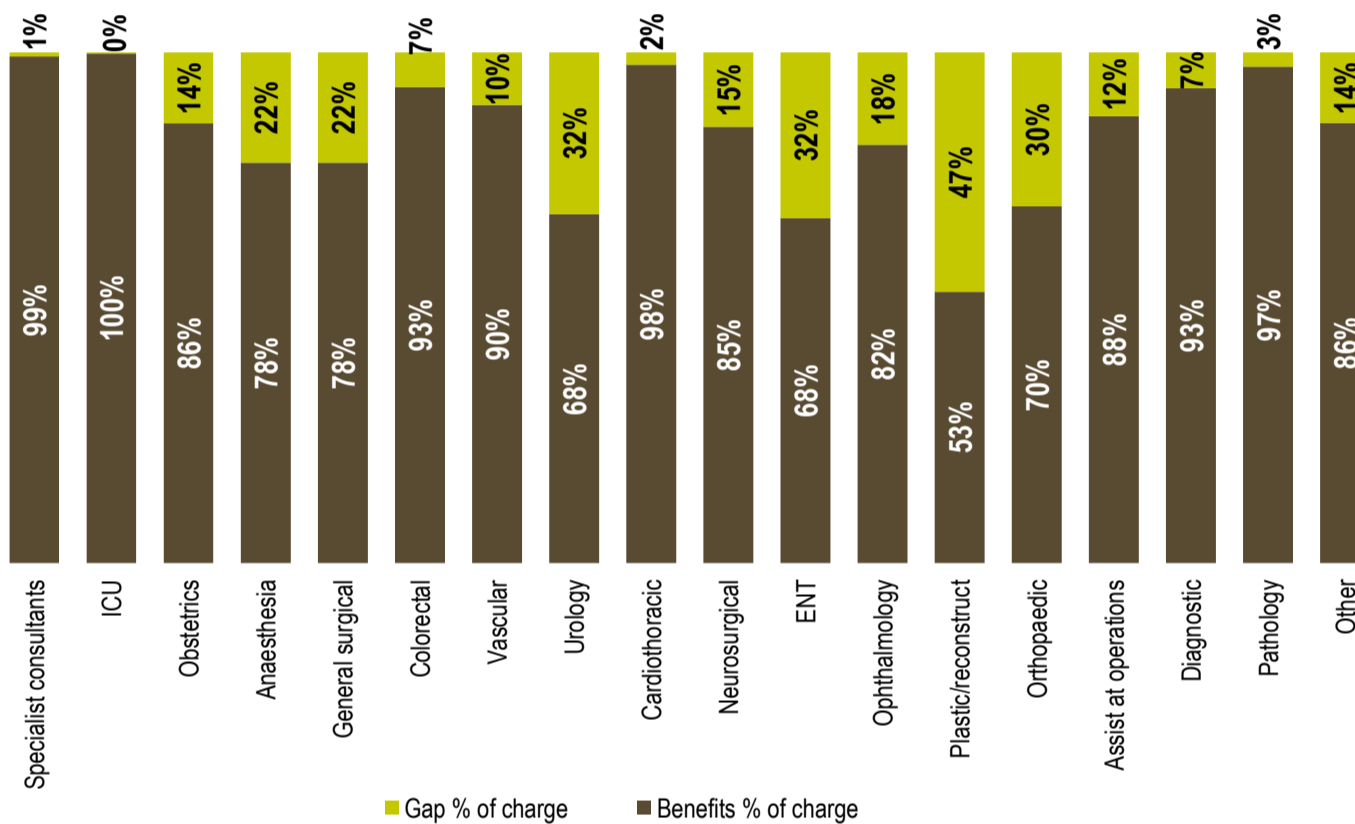
Average out-of-pocket per episode/service

	September 2022	Change from Jun 22	Change from Sep 21
Hospital treatment	\$389.88	2.5%	15.0%
Hospital-substitute treatment	\$13.08	91.9%	168.9%
General treatment ancillary	\$56.95	4.7%	1.7%
Medical gap where gap was paid	\$226.25	-0.5%	9.1%

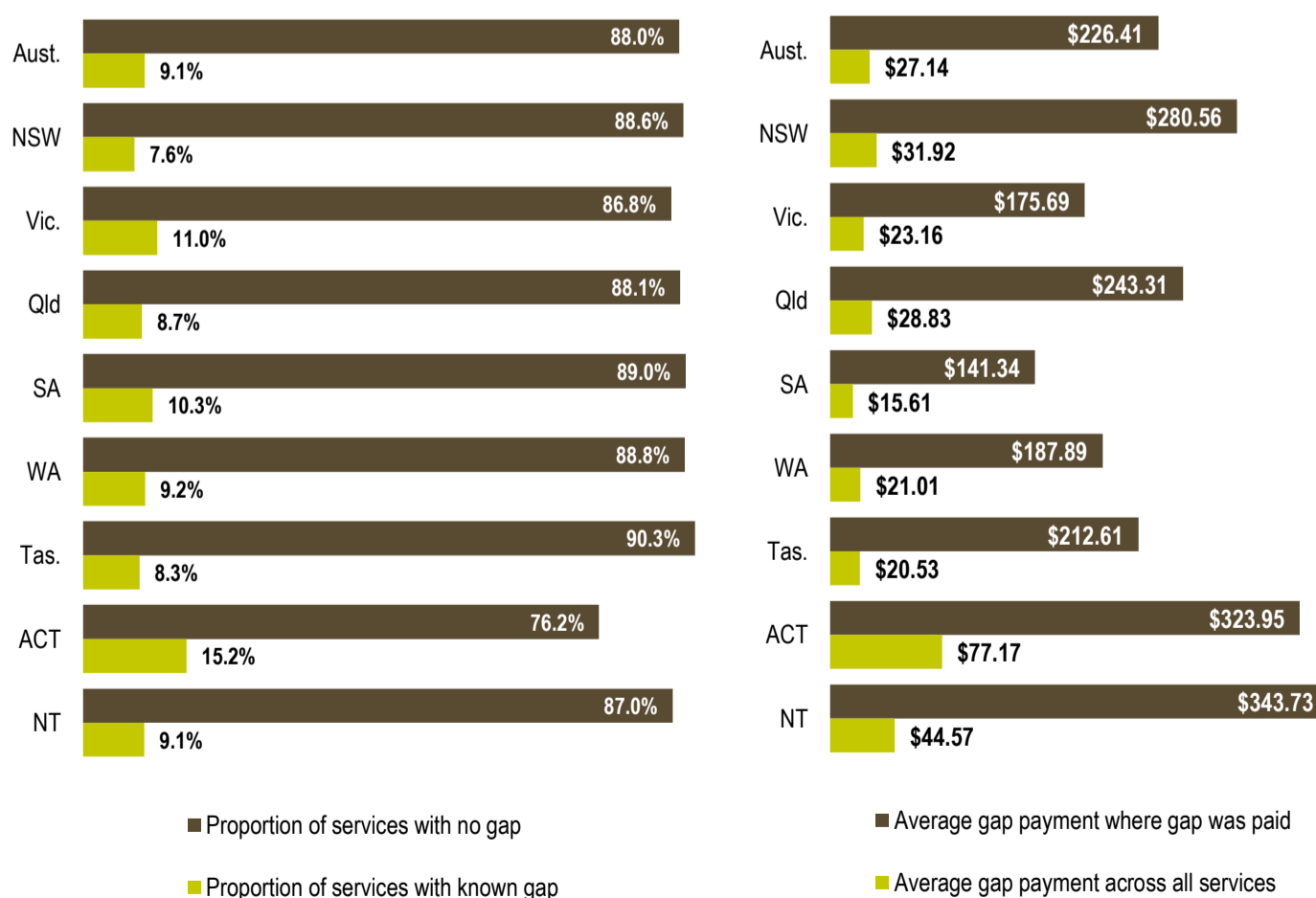
The out-of-pocket payments for hospital episodes increased by 15.0% compared to the same quarter for the previous year. Out-of-pocket payments for medical services were \$226 where an out-of-pocket payment was payable. The amount of gap for medical services varies depending on the specialty group. The specialty group with the largest out-of-pocket payment was plastic/reconstructive with an average gap of \$608. 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 \$390 in the September 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 September 2022	12 months to September 2021
Revenue		
HIB premium revenue	26,791,596	26,162,938
Net investment income	-359,517	570,993
Net HRB revenue	30,664	-104,784
Net other operational revenue	89,180	91,168
Total revenue	26,551,923	26,720,314
Benefits		
Fund benefits	22,170,950	21,567,375
State ambulance levies	259,393	247,021
Total fund benefits	22,430,343	21,814,395
Expenses		
HIB expenses	2,250,535	2,038,734
HIB claims handling	441,605	425,740
Non-operating expenses	84,016	70,955
Total expenses	2,776,156	2,535,430
Profit of the industry		
Profit/(loss) before tax	1,345,424	2,370,490
Taxation expense	429,550	535,533
Profit/(loss) after tax	915,874	1,834,956
Margins		
Gross margin	16.28%	16.62%
HIB expenses	10.05%	9.42%
Net margin	6.23%	7.20%

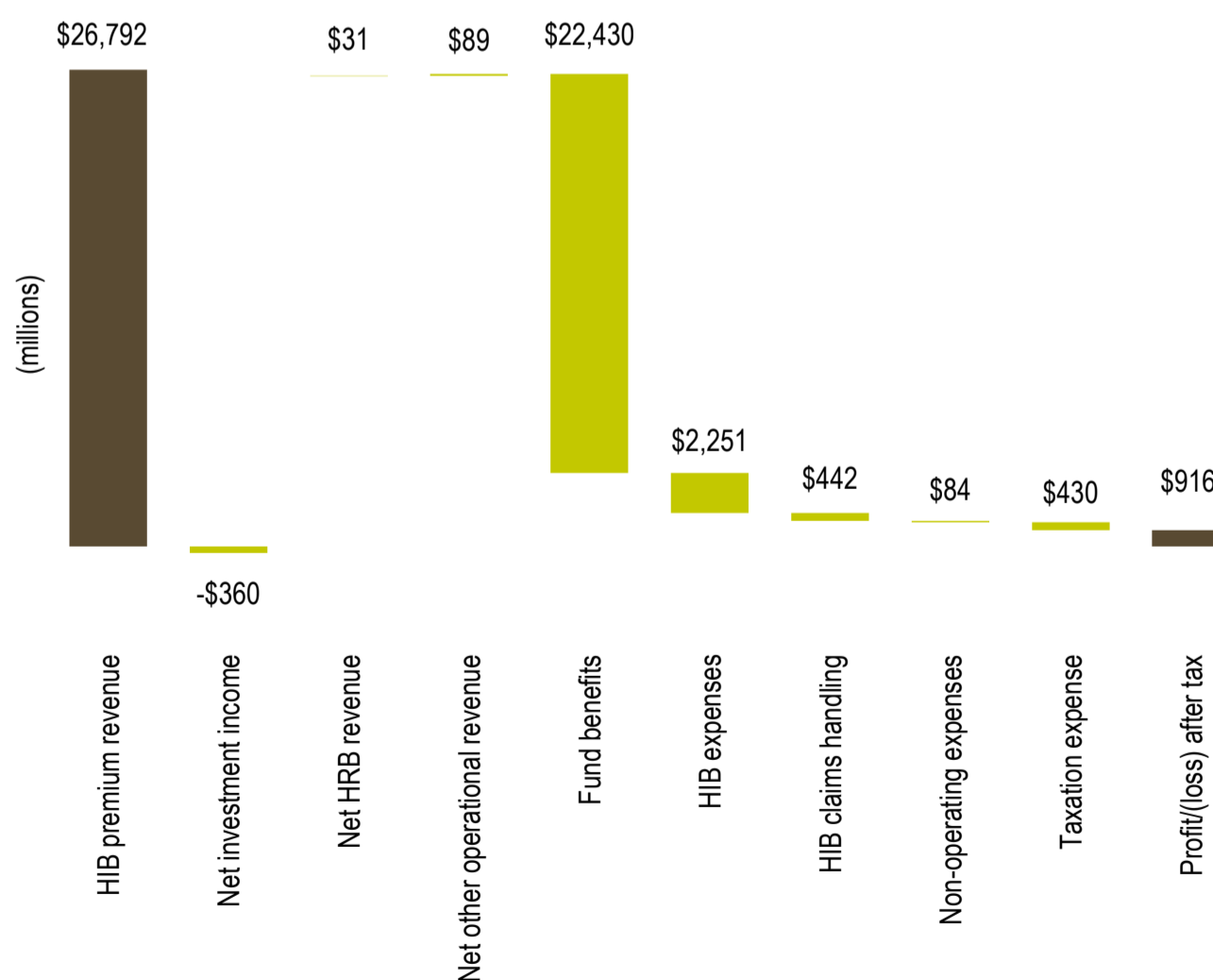
Health Insurance Business (HIB) premium revenue was up 2.4% for the year to September 2022, while total fund benefits increased by 2.8%. Gross margin decreased from 16.6% to 16.3%.

Net investment income decreased from \$571 million in the year ending September 2021 to -\$360 million in the year ending September 2022.

HIB expenses as a percentage of revenue increased from 9.4% to 10.0% and net margin decreased from 7.2% to 6.2%.

Net profit after tax decreased from \$1,835 million for the year ending September 2021 to \$916 million for the year ending September 2022.

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



Prudential Position

All figures \$'000	September 2022	June 2022	September 2021
Assets			
Cash	1,669,493	1,662,037	1,696,728
Investments			
Equities	2,247,111	2,339,943	2,352,120
Interest bearing assets	10,971,806	10,993,234	9,332,299
Property	852,199	841,830	779,386
Subsidiary and associated entities	230,655	262,682	239,607
Loans	220,192	210,205	177,980
Receivables	45,495	41,974	45,003
Intangibles DAC and FITBS	1,339,190	1,237,551	1,158,252
Pre-paid expenses	100,067	90,328	77,740
Other *	2,075,778	2,126,447	1,914,205
Total assets	19,751,987	19,806,230	17,773,319
Liabilities			
Unearned premium liabilities	3,239,240	3,450,933	3,036,843
Unpresented & outstanding claims	2,489,912	2,453,409	2,444,787
Other fund liabilities	2,214,581	2,004,841	1,351,882
of which: Other insurance liabilities	2,083,016	1,871,699	1,210,786
Interest bearing liabilities	6,169	6,647	6,746
Payables, provisions & other liabilities	1,846,008	1,948,669	1,244,286
Total liabilities	9,795,909	9,864,499	8,084,545
Total assets minus total liabilities	9,956,078	9,941,731	9,688,773

The industry held total assets of \$19.8 billion as at 30 September 2022.

Total assets have increased by \$1,979 million in the last 12 months.

Total liabilities reported by the industry have increased by \$1,711 million over the year.

Total net assets increased from \$9.7 billion in September 2021 to \$10.0 billion in September 2022.

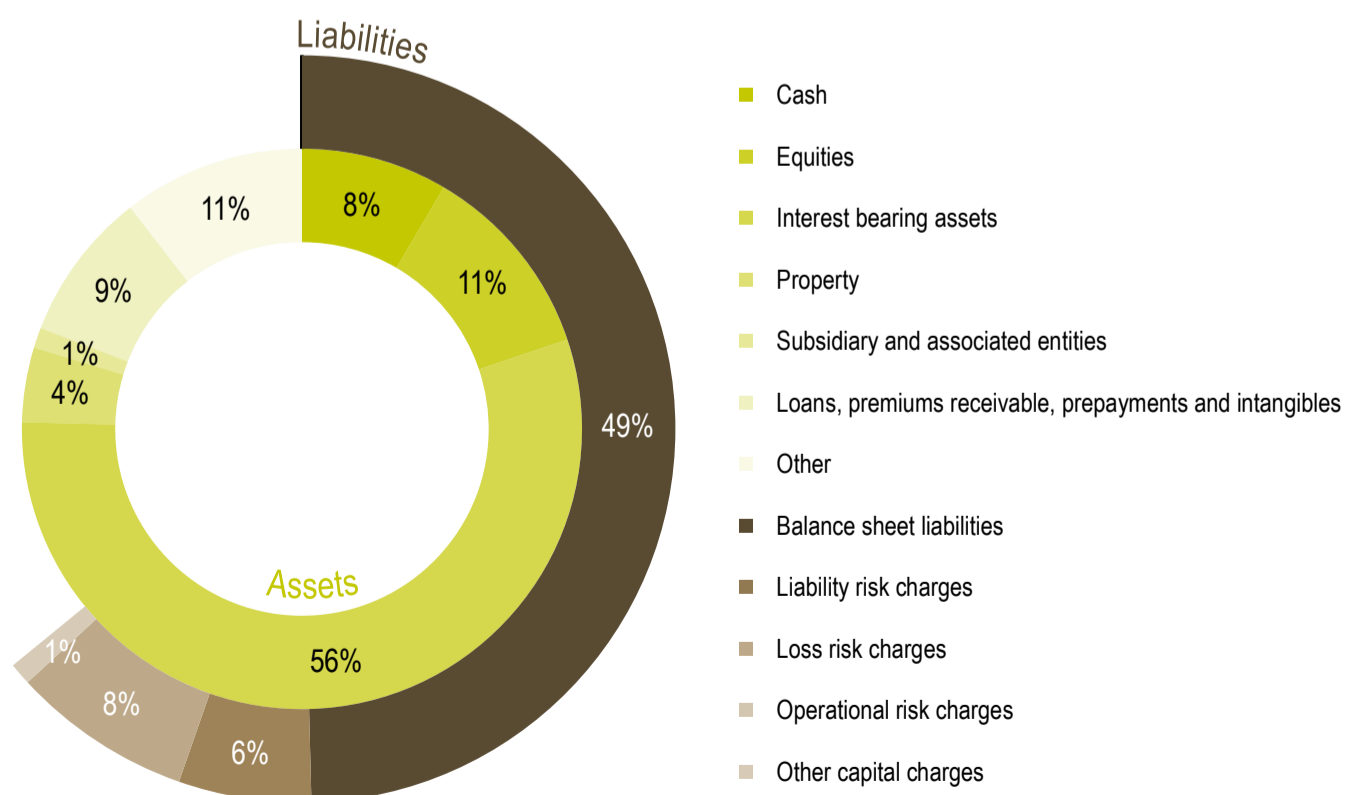
Capital Adequacy Requirement

All figures \$'000	September 2022	June 2022	September 2021
Total Liabilities	9,795,909	9,864,499	8,084,545
Liability risk charges	1,134,933	980,480	1,277,370
Loss risk charges	1,539,089	1,509,588	1,529,505
Operational risk charges	189,433	187,407	183,017
Other capital charges	31,457	28,827	17,365
Less subordinated debt	0	0	4,831
Total Capital Adequacy Requirement #	12,690,821	12,570,801	11,086,971

* 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 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>



APRA