

SUBMISSION

Wednesday, 22 May 2024

AMA submission to APRA consultation on changes to its quarterly insurance publication suite

By email: dataconsultations@apra.gov.au

Introduction

The Australian Medical Association (AMA) appreciates the opportunity to provide a submission to this important consultation.

Although the consultation encompasses changes to quarterly insurance reporting for general insurance, life insurance and private health insurance, the AMA's comments in this submission relate to private health insurance quarterly reporting only.

As you will be aware from our recent emails to your office, the AMA was surprised and disappointed by APRA's failure to communicate with stakeholders clearly, honestly and in advance on the reasons for changes to its quarterly private health insurance statistics publications for the December 2023 and March 2024 quarters.

The AMA understands that changes to the capital framework for private health insurers affected the data available for quarterly private health insurance publications at that time, and that insurers needed time to adjust to these changes. However, the AMA is dismayed that APRA is now framing the new changes it proposes to the format of these publications going forward in terms of "facilitating better alignment to stakeholder needs."ⁱ

The specific reporting changes APRA is proposing in this consultation are completely unrelated to changes to the capital framework for private health insurers. More importantly, the changes proposed will reduce the utility and usability of these quarterly reports for stakeholders. The AMA is seriously concerned that APRA does not understand the needs of the broad range of health-sector stakeholders who rely on these publications.

The AMA recognises that the changes proposed by APRA will provide stakeholders with the same raw data points on the activities of private health insurers that they have received each quarter for many years. However, for many stakeholders in the health space, the new format for quarterly private health insurance statistics proposed by APRA will be far less useful and will simply create more work.

Many of these stakeholders are small, non-profit organisations without significant resources. Given this, the AMA strongly recommends that APRA does not proceed with its proposed changes and resumes quarterly private health insurance reporting as usual.

Specific comments on the new quarterly private health insurance statistics report proposed by APRA

The AMA recognises that APRA is proposing to continue to issue most of its quarterly private health insurance publications in the same format. These publications are:

- Quarterly private health insurance membership and benefits
- Quarterly private health insurance membership coverage
- Quarterly private health insurance medical gap
- Quarterly private health insurance medical services
- Quarterly private health insurance prostheses

The key change APRA is proposing is to its summary publication, Quarterly private health insurance statistics.

Until now, this publication summarised most of the key data reflected in all the above publications in one place, in addition to providing summary percentage changes from the previous quarter and/or year. This was very helpful for non-profit stakeholders attempting to track changes over time.

Now, APRA is proposing to remove this summary publication, and to include only financial and prudential information in it. The justification given for this change in the APRA consultation paperⁱⁱ is that it will bring the format of quarterly reporting for private health insurers into line with quarterly reporting publications for other (life and general) insurers.

It is not clear why bringing this publication into line with those issued in relation to life and general insurers is a consideration, given that the nature of stakeholders interested in private health insurance is different, and far broader than those interested in life and general insurance matters.

Private health insurance is a unique form of insurance which is subsidised by the Government at the cost of billions of dollars per year. It is reasonable to expect that there is robust, transparent reporting by APRA on private health insurers.

Recommendation:

On behalf of many stakeholders in the private health space, the AMA requests, in the strongest possible terms, that APRA scraps its proposed changes to quarterly private health insurance statistics publications and continues to publish them in their current form.

Contact

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ⁱ APRA. 2024. *Consultation on enhancements to APRA's quarterly insurance publication suite*, <https://www.apra.gov.au/consultation-on-enhancements-to-apra%E2%80%99s-quarterly-insurance-publication-suite>, retrieved 3 May 2024.

ⁱⁱ APRA. 2024. *Consultation on enhancements to APRA's quarterly insurance publication suite*, <https://www.apra.gov.au/consultation-on-enhancements-to-apra%E2%80%99s-quarterly-insurance-publication-suite>, retrieved 3 May 2024, p.2.