

28 May 2024

Via email: dataconsultations@apra.gov.au

Catholic Health Australia Submission: Consultation on enhancements to the Australian Prudential Regulation Authority's quarterly insurance publication suite

Catholic Health Australia (CHA) would like to thank you for the opportunity to provide feedback on the enhancements to the Australian Prudential Regulation Authority's (APRA's) quarterly insurance publication suite. It should be noted that CHA's comments in this submission relate solely to the changes regarding private health insurance quarterly reporting, even though the consultation covers updates for general insurance and life insurance reporting as well.

CHA is disappointed by APRA's lack of clear, transparent, and proactive communication with stakeholders regarding the modifications to the quarterly private health insurance statistics releases for the December 2023 and March 2024 periods that resulted in cessation of reporting private health insurer financial data. CHA understands that alterations to the capital framework for private health insurers had an impact on the availability of data for these quarterly publications during that time and recognises that insurers required an adjustment period. At a time when insurer profits are high and substantial challenges are confronting the private health sector, the reporting of private health insurer financial data is critical. CHA would like to see the reporting of private health insurer financial data return to the quarterly APRA reports.

CHA understands that the changes APRA is proposing are largely to the publication that summarises the various quarterly reports and provides comparisons to the previous quarter and/or year. CHA is concerned that these proposed changes will reduce the usability and utility of these quarterly reports, as it will require stakeholders to invest additional time and resources into analysing the raw data. The rationale for this proposed change — to bring the format of quarterly reporting for private health insurers into line with quarterly reporting publications for other (life and general) insurers — overlooks the fact that the range and nature of stakeholders invested in private health insurance is likely broader than those invested in life and general insurance. It also overlooks the fact that private health insurance represents a distinct form of insurance as it receives substantial government subsidies amounting to billions annually, and therefore it is reasonable for APRA to maintain rigorous and transparent reporting of private health insurance trends and proper oversight of Commonwealth funds.

CHA would also like to take this opportunity to propose additional metrics that should be included as part of the quarterly and annual reports:

- greater granularity regarding the makeup of insurer management expenses, as management expenses have been increasing year-on-year and there needs to be more transparency for policyholders and regulators regarding what these expenses are and why they have been increasing at a rate faster than benefits¹

¹ Australian Medical Association (2024). *Where do your private health insurance premiums go?* Retrieved 26/05/2024 from: <https://www.ama.com.au/media/patients-cop-brunt-private-healths-soaring-management-expenses>



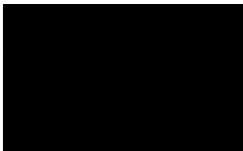
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- overall annual insurer profits, as these have also been increasing year-on-year² and there needs to be more transparency for policyholders and regulators, particularly amidst rising insurance premiums and private hospital viability concerns
- out-of-pocket costs associated with products/product tiers, which would enable improved transparency regarding the affordability and accessibility of health services
- products that had been closed in the previous premium year (including the cost), and what new products have been released (including the cost), as CHA is aware that insurers are closing products and opening new products which are largely the same cover but with significant increases in cost (i.e. more than the specified annual premium round increase).³

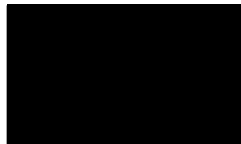
These changes will assist in delivering a private health system which is stable, competitive, and efficient, in line with APRA's core purpose.

If you wish to discuss anything further, please contact Dr Katharine Bassett, Director of Health Policy on [REDACTED]

Yours sincerely,



Chief Executive Officer
Catholic Health Australia



Director of Health Policy
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Catholic Health Australia

www.cha.org.au

Catholic Health Australia (CHA) is Australia's largest non-government grouping of health, community, and aged care services accounting for over 15 per cent of hospital-based healthcare in Australia. Our members operate hospitals in each Australian state and in the Australian Capital Territory, providing about 30 per cent of private hospital care and 5 per cent of public hospital care in addition to extensive community and residential aged care. CHA Members also provide approximately 12 per cent of all aged care facilities across Australia, in addition to around 20 per cent of home care provision.

CHA not-for-profit providers are a dedicated voice for the disadvantaged which advocates for an equitable, compassionate, best practice and secure health system that is person-centred in its delivery of care.

² Australian Medical Association (2024). *Where do your private health insurance premiums go?* Retrieved 26/05/2024 from: <https://www.ama.com.au/media/patients-cop-brunt-private-healths-soaring-management-expenses>

³ CHOICE (2024). *Health insurers are increasing their top-level policy prices by over 30%*. Retrieved 09/05/2024 from: <https://www.choice.com.au/about-us/media/media-releases/2024/feb/gold-cover-sneaky-tactics>