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**PRESIDENT**  
Mr Richard Bowden  
**CHIEF EXECUTIVE**  
Hon Dr Michael Armitage

## MEDIA RELEASE

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### **High Claims in 2008 top \$2.6 billion**

The Australian Health Insurance Association's Annual High Claims Survey has found that the number of "High Claims" – claims exceeding \$10,000 – increased in 2008 by 11.6 percent on the previous year.

The cost of all High Claims in 2008 increased by 18% compared with the previous year, with benefits paid exceeding \$2.6 billion. This represented 33% of the benefits paid out on behalf of members for hospital treatment during 2008.

AHIA Chief Executive Officer, Hon. Dr Michael Armitage, said the data collected from 34 health funds which represented 97% of the private health insurance industry, demonstrated the contribution private health insurance made to the lives of individuals, as well as Australia's broader health care system.

"The highest benefit paid during 2008 was \$630,400 for intensive care treatment for a patient with abdominal sepsis following surgery," he said.

Participating funds returned 130,829 claims where the benefit payment for the episode of care was more than \$10,000.

Of the 130,829 claims

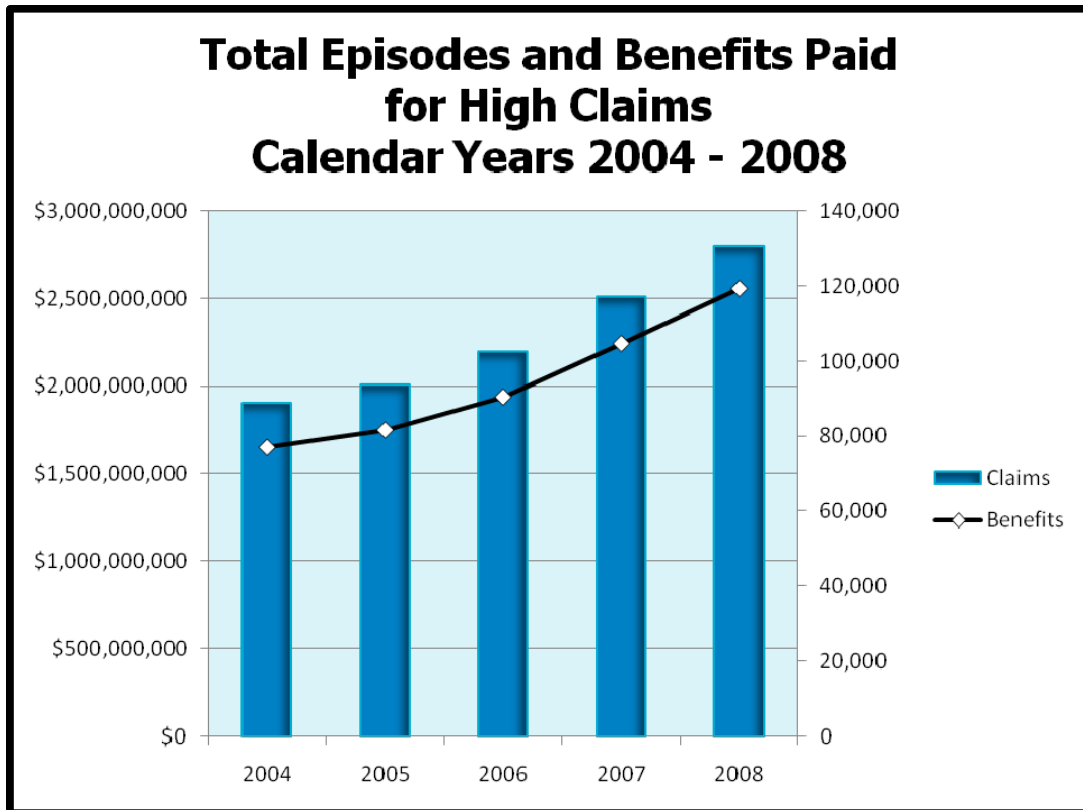
- 12 cost more than \$200,000
- 176 cost more than \$100,000
- 2,551 cost more than \$50,000
- 7,619 cost more than \$30,000
- 26,175 cost more than \$20,000
- 80,674 cost between \$10,000 and \$20,000

Dr Armitage said PHI Funds would inject an additional \$950 million into Australia's health care system in 2009 bringing total expenditure on private health treatments to more than \$11 billion.

\* The 5<sup>th</sup> Annual AHIA High Claims Survey is attached.



## 5<sup>TH</sup> ANNUAL AHIA HIGH CLAIMS SURVEY



March 2009



## Summary

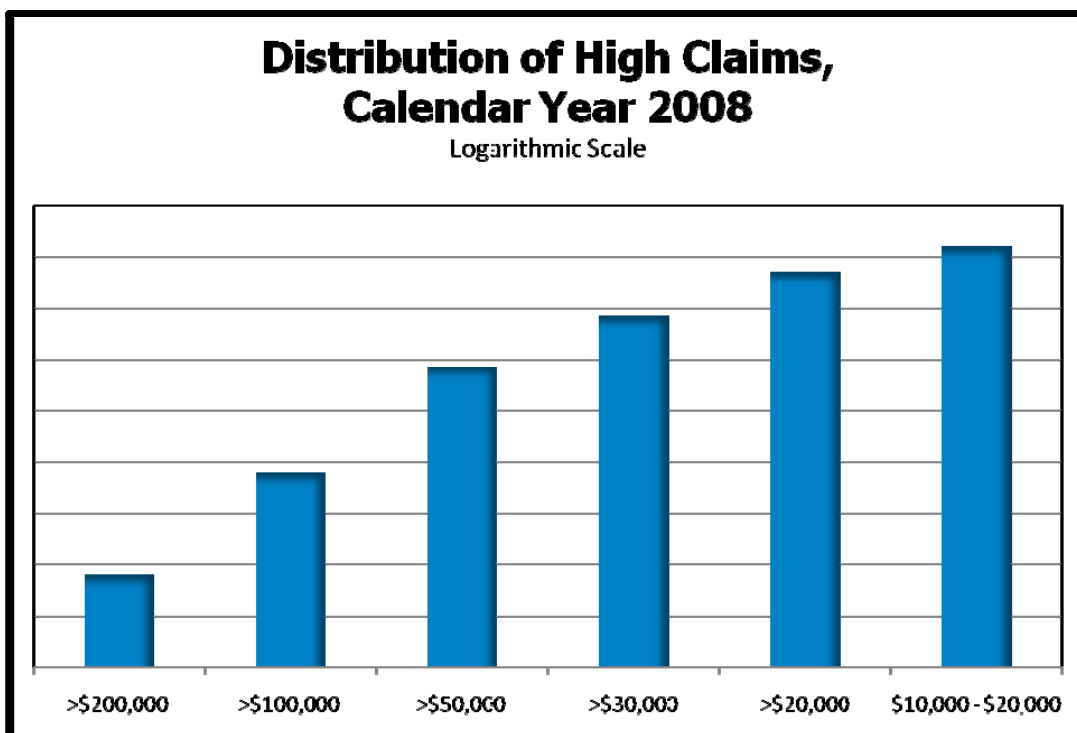
The AHIA Annual High Claims Survey Report is collated using survey data from 34 Australian nationally registered health benefits organisations which in total represent 97.0% of the private health insurance industry.

The participating funds returned 130,829 claims where the benefit payment for the episode of care was more than \$10,000. This is an increase in number of High Claims on the previous reporting year of 11.6%.

The highest benefit paid was \$630,400 for intensive care treatment for a patient with abdominal sepsis following surgery.

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## All High Claims

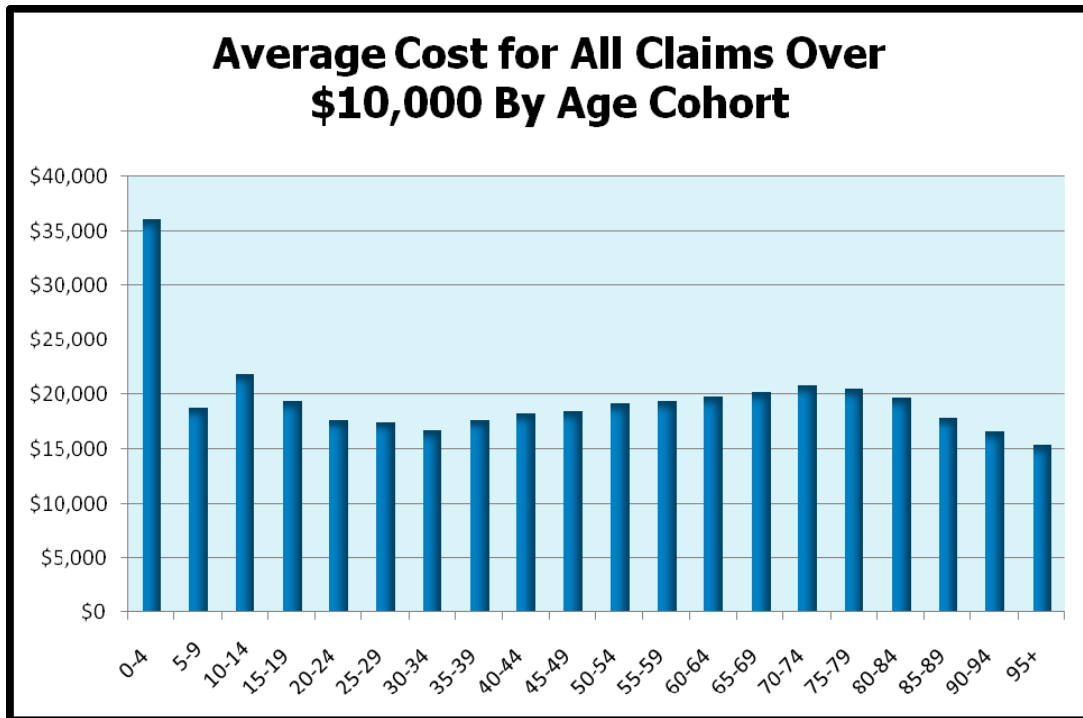
All High Claims over \$10,000 account for 4.4% of all Hospital episodes in CY 2008 (+0.2% from 2007). Assuming each of these people were hospitalised once, then for the 130,829 high claims they represent 1.35% of the total insured population (+0.10% from 2007).

The Total Cost of All High Claims for CY 2008 has increased by 18% from the previous year to over \$2.6 billion which represents 33% of the Total Cost to Industry for Hospital Treatment during CY 2008.



## Average Cost per High Claim by Age Cohort

It can be seen from the below chart that the average cost of high claims for the 0-4 age cohort far exceed any other age group. This can be attributed to the high cost burden of neonates. Overall most age groups are similar in terms of average cost for high claims, ranging from \$15,000 to \$22,000.



### Highest Claim for Selected Groups

- All Cancer Types is \$192,396 for a malignant neoplasm of the rectum
- All Mental Disorders is \$100,655 for an unspecified depressive episode
- All Diabetes Types is \$120,983 for type 2 diabetes mellitus

### Tables attached show the following High Claims:

- Top 20 Identifiable High Claims for all Private Health Insurance members
- Top 20 Identifiable High Claims - All Mental Disorders
- Top 20 Identifiable High Claims - All Cancer Types
- Top 20 Identifiable High Claims - All Diabetes

## AHIA Annual High Claims Survey - Calendar Year 2008

### Top 20 Identifiable High Claims for Private Health Insurance

Rank	TOTAL Benefits Paid	Gender	Age	Description	Number of Bed Days	Hospital Type (Public/ Private/ FDS)
1	\$630,400	M	65	Abdominal sepsis following surgery	369	Private
2	\$364,860	M	64	Colorectal surgery	140	Private
3	\$288,155	F	64	Pancreatic surgery	136	Private
4	\$276,595	F	54	Major neurological condition	87	Private
5	\$270,234	M	73	Major cardiac arrest	103	Private
6	\$245,674	M	70	Infection of heart valve	116	Private
7	\$221,223	M	82	Meningitis	50	Private
8	\$220,034	F	80	Cardiothoracic surgery	103	Private
9	\$214,313	F	70	Major cardiac arrest	84	Private
10	\$200,304	M	71	Major heart condition	111	Private
11	\$195,413	M	0	Neonatal care	102	Private
12	\$192,397	M	75	Cancer of the rectum	62	Private
13	\$190,393	M	79	Staphylococcus infection	80	Private
14	\$189,080	F	54	Disorder of heart valve/s	76	Private
15	\$187,033	F	78	Cardiothoracic surgery	48	Private
16	\$185,822	F	75	Disorder of heart valve/s	67	Private
17	\$180,594	F	30	Major neurological condition	58	Private
18	\$179,668	F	83	Cancer of the kidney	77	Private
19	\$178,606	M	75	Cardiothoracic surgery	55	Private
20	\$171,613	M	82	Cardiac arrest	90	Private

## AHIA Annual High Claims Survey - Calendar Year 2008

### Top 20 Identifiable High Claims for PHI - All Mental Health

Rank	TOTAL Benefits Paid	Gender	Age	Description	Number of Bed Days	Hospital Type (Public/ Private/ FDS)
1	\$100,655	F	45	Depressive episode unspecified	69	Private
2	\$99,603	F	64	Depressive episode unspecified	103	Private
3	\$92,182	F	78	Severe depressive episode without psychotic symptoms	187	Public
4	\$88,070	F	27	Depressive episode unspecified	51	Private
5	\$86,862	F	55	Depressive episode unspecified	51	Private
6	\$77,433	F	30	Depressive episode unspecified	45	Private
7	\$74,153	F	29	Depressive episode unspecified	84	Private
8	\$66,233	F	42	Depressive episode unspecified	77	Private
9	\$65,450	F	67	Depressive episode unspecified	62	Private
10	\$63,555	F	80	Depressive episode unspecified	61	Private
11	\$62,838	M	78	Depressive episode unspecified	36	Private
12	\$62,510	F	73	Depressive episode unspecified	36	Private
13	\$61,643	M	65	Depressive episode unspecified	61	Private
14	\$61,466	F	59	Schizoaffective disorder, unspecified	127	Private
15	\$61,276	F	37	Depressive episode unspecified	35	Private
16	\$61,085	M	28	Depressive episode unspecified	38	Private
17	\$59,807	M	30	Depressive episode unspecified	35	Private
18	\$59,750	F	34	Depressive episode unspecified	33	Private
19	\$57,262	F	34	Schizoaffective disorder, depressive type	93	Private
20	\$56,412	F	77	Recurrent depressive disorder, current episode severe no psychotic symptoms	127	Public

## AHIA Annual High Claims Survey - Calendar Year 2008

### Top 20 Identifiable High Claims for PHI - All Cancer Types

Rank	TOTAL Benefits Paid	Gender	Age	Description	Number of Bed Days	Hospital Type (Public/ Private/ FDS)
1	\$192,397	M	75	Malignant neoplasm of rectum	62	Private
2	\$179,668	F	83	Malignant neoplasm of kidney except renal pelvis	77	Private
3	\$167,577	F	83	Malignant neoplasm of sigmoid colon	91	Private
4	\$160,176	M	79	Multiple myeloma without remission	58	Private
5	\$153,408	M	64	Malignant neoplasm of kidney, except renal pelvis	44	Private
6	\$140,774	M	79	Malignant neoplasm of occipital lobe	120	Private
7	\$129,131	F	58	Chronic lymphocytic leukaemia, without mention of remission	252	Private
8	\$119,640	M	67	Other specified types of non-Hodgkin's lymphoma	np	Private
9	\$118,013	M	69	Malignant neoplasm of stomach	71	Private
10	\$116,484	F	72	Malignant neoplasm of breast	49	Private
11	\$111,698	M	78	Malignant neoplasm of occipital lobe	35	Private
12	\$110,310	M	76	Malignant neoplasm of ascending colon	45	Private
13	\$99,995	M	64	Other types of diffuse non-Hodgkin's lymphoma	93	Private
14	\$99,056	F	74	Malignant neoplasm of oesophagus unspecified	36	Private
15	\$97,767	F	79	Malignant neoplasm of sigmoid colon	44	Private
16	\$97,353	M	65	Large cell (diffuse) non-Hodgkin's lymphoma	60	Private
17	\$94,837	M	62	B-cell lymphoma unspecified	106	Private
18	\$94,783	M	73	Malignant neoplasm of connective and soft tissue of head, face and neck	61	Private
19	\$92,035	F	88	Malignant neoplasm of rectum	184	Public
20	\$91,660	F	77	Malignant neoplasm of descending colon	76	Private

## AHIA Annual High Claims Survey - Calendar Year 2008

### Top 20 Identifiable High Claims for PHI - Diabetes

Rank	TOTAL Benefits Paid	Gender	Age	Description	Number of Bed Days	Hospital Type (Public/ Private/ FDS)
1	\$120,983	F	72	Type 2 diabetes mellitus with foot ulcer due to multiple causes	175	Private
2	\$93,817	M	69	Type 2 diabetes mellitus with diabetic ischaemic cardiomyopathy	26	Private
3	\$92,785	M	82	Type 2 diabetes mellitus with foot ulcer due to multiple causes	93	Private
4	\$79,643	M	78	Type 2 diabetes with circulatory complication	2	Private
5	\$77,977	M	76	Type 2 diabetes mellitus with other specific circulatory complications	2	Private
6	\$77,878	M	62	Type 2 diabetes with features of insulin resistance	23	Private
7	\$74,494	M	83	Type 2 diabetes mellitus with other specific renal complications	47	Private
8	\$73,178	Male	78	Type 2 diabetes mellitus with other specific renal complications	50	Private
9	\$66,982	M	68	Type 2 diabetes mellitus with other specific renal complications	52	Private
10	\$66,778	M	62	Type 2 diabetes mellitus with diabetic ischaemic cardiomyopathy	5	Private
11	\$65,139	F	75	Type 2 diabetes mellitus with other specific circulatory complications	1	Private
12	\$65,093	M	65	Type 2 diabetes mellitus with diabetic ischaemic cardiomyopathy	1	Private
13	\$62,402	M	50	Type 2 diabetes mellitus with diabetic ischaemic cardiomyopathy	2	Private
14	\$62,101	M	50	Type 2 diabetes mellitus with diabetic ischaemic cardiomyopathy	1	Private
15	\$61,972	M	58	Type 2 diabetes mellitus with peripheral angiopathy without gangrene	23	Private
16	\$61,744	M	77	Type 2 diabetes mellitus with diabetic ischaemic cardiomyopathy	1	Private
17	\$61,377	M	74	Type 2 diabetes mellitus with diabetic ischaemic cardiomyopathy	1	Private
18	\$60,715	F	69	Type 2 diabetes mellitus with other specific circulatory complications	2	Private
19	\$58,101	F	69	Type 2 diabetes mellitus with foot ulcer due to multiple causes	146	Private
20	\$57,655	M	55	Type 2 diabetes mellitus with foot ulcer due to multiple causes	106	Private