



PHI DELIVERING RECORD BENEFITS AND RECORD VALUE

APRA's latest private health insurance statistics validate reports that Health Funds have been paying record benefits on behalf of their members in spite of increasing health costs.

"The December 2016 quarterly statistics released by APRA today reveal that total private health insurance benefits paid by funds over twelve months were up 5.1% on the previous year to a record \$19.2 billion. This is further evidence why 84% of privately insured Australians believe it is value for money," said Private Healthcare Australia CEO, Dr Rachel David.

Health funds are paying record benefits on behalf of members across hospital and general treatment areas. Over the 12 months to December 2016:

- **Hospital Treatment benefits up 4.9% to \$14.29 billion**
 - Medical devices benefits up 5.3% to \$2.05 billion
 - Medical Specialist benefits up 3.6% to \$2.21 billion
 - Public hospital accommodation benefits up 5.7% to \$1.09 billion
 - Private hospital accommodation benefits up 5.0% to \$8.93 billion
- **General Treatment (ancillary) benefits up 4.0% to \$4.82 billion**
 - Chronic Disease Management Programs benefits up 7.0% to \$50.05 million
 - Hospital Substitute Treatment benefits up 4.0% to \$46.43 million

"Importantly for consumers, out of pocket expenses per hospital treatment episode decreased by 5.8% from \$291.51 to \$274.72 over the 12 months to December 2016 demonstrating the value of PHI", Dr David said.

"Almost 13.5 million Australians have private health insurance and almost half of them have an annual income of less than \$50,000. 84% of Australians with private health insurance value the product, want to keep it and make considerable sacrifices to do so but they are concerned about affordability. (IPSOS)

"Health Funds are committed to working with the Government to improve the sustainability and affordability of the private health sector and to continue to reduce upward pressure on premiums. This in turn will keep pressure off the public hospital system and benefit all Australians".

The number of insured persons with some form of PHI cover (extras/hospital or hospital + extras) has increased by +7,853 (+0.1%) from 13.458 million to 13.466 million people over the 3 months to December 2016. It is concerning that there has been a drop in hospital policies (-0.04%) from September to December 2016 from 5,514,360 to 5,512,289, however at the same time, General Treatment policies has increased (+0.1%) during the quarter from 6,542,858 to 6,550,604.

"Private health insurance is a critical element of Australia's health care system. PHI pays for close to two thirds of non-emergency surgery in Australia, 90% of day admissions for mental health care and 50% of all mental health admissions, 70% of joint replacements, 60% of chemotherapy and 88% of retinal procedures take place in the private health sector. In addition, under ancillary (extras) cover, health funds pay out more than \$2.54 billion for dental care, more than the Federal Government. 90% of dental health services provided to low and middle income earners are subsidised by health funds".