



PHI reforms deliver increased benefits for consumers

Private Healthcare Australia Chief Executive Dr Rachel David said today's APRA statistics confirm that the Morrison Government's policy levers for PHI are delivering for consumers.

"APRA statistics released today show that the benefits being paid by health funds on behalf of their members have exceeded premium revenue growth in the twelve months from March 2018 to March 2019. During this period premium revenue increased by 2.7 percent while the benefits paid by health funds increased by 3.2 percent," said Dr David.

"This reinforces the value of the Government's PHI reforms and need for healthcare stakeholders to continue to work together to keep PHI affordable for Australians. Today's statistics are significant in that they demonstrate what can be achieved without capping premiums. However, there is no room for complacency as we must remain focussed on keeping premiums down."

There are now more than 13.6 million Australians with private health insurance. While the proportion of the population with hospital cover dropped by 0.1%, there was an increase of 14,471 people in the March 2019 quarter taking up hospital cover and an increase of 44,287 people taking up general treatment cover.

"The Morrison Government recognises the important of PHI in maintaining balance in our mixed- public private health system and its value particularly in terms of reducing wait time for non-emergency surgery and giving people control over their health care.

"PHA has worked closely with the Government and other stakeholders to develop and implement PHI reforms which were introduced in 1 April this year. It is early days, but it is crucial that the process of reform continues in the healthcare sector to keep PHI premiums down and reduce the incidence of unexpected out-of-pocket medical expenses for health fund members.

"The PHI industry is keen to engage as soon as possible with the Morrison Government to continue the positive work carried out during the last term of Government to control rising healthcare costs and reduce waste in the sector. PHA will continue to advocate for the restoration of the PHI rebate to 30 per cent for low and middle-income earners, as a means of arresting the decline in the proportion of the population with PHI. Financial incentives, including the means-tested rebate, are a proven way to promote participation and keep private cover more affordable for all Australians.

"Other key measures which need further work and will keep premiums down and improve the value of PHI include further reform of the medical device sector, putting an end to practice of public hospital administration staff trawling for private patients when they present to emergency departments, and improved transparency to address the issue of unexpected out-of-pocket (gap fees) medical costs.

"The Morrison Government in conjunction with PHA and healthcare stakeholders has already made significant progress towards these goals, but the process must continue. This year's average premium increase 3.25% was the lowest in 18 years and was a direct result of the reforms and reflects the increase in benefits paid of 3.2 percent in the twelve months to March 2019."

Media contact: Jen Eddy 0439240755.

Private Health Insurance Membership and Coverage Summary (APRA March 2019)

Hospital Membership

HOSPITAL TREATMENT

Policies - **up** 7,738 (+0.14%) from 5,490,238 to 5,497,976

- Over 65s insured with Hospital Cover **up** from 2,102,476 to 2,120,751 (+0.9%)
- Insured Persons - **up** 14,471 (+0.129%) from 11,241,637 to 11,256,108

Policies

- Couples **up** from 1,257,389 to 1,261,657
- 2+ Persons, No Adults down from 920 to 913
- 3+ Adults **up** from 246 to 578
- ALL Families **up** from 2,842,024 to 2,846,681
- Total Policies **up** from 5,490,238 to 5,497,976
- Singles **up** from 2,648,214 to 2,651,295
- Families **up** from 1,418,694 to 1,418,787
- Single Parents down from 164,775 to 164,746

Single Equivalent Units (SEUs)

- **Up** 12,431 (+0.15%) from 8,166,567 to 8,178,998

Proportion of the Population with Hospital Treatment Cover

- Proportion of the population with hospital treatment cover decreased to 44.49% (-0.12%) compared to December 2018 quarter (44.62%).
- The largest decrease compared to December 2018 quarter was SA at -0.040%, with ACT decreasing by -0.08%, NSW decreasing by -0.10%, VIC decreasing by -0.110%, WA decreasing by -0.126%, TAS decreasing by -0.16%, QLD decreasing by -0.17% and NT decreasing by -0.25%.
- Highest current proportion of the population with private hospital cover is WA, with an insured population of 54.2%.
- Lowest current proportion of the population with private hospital cover is NT, with an insured population of 39.3%.

Lifetime Health Cover

- Down 11,848 (-1.25%) from 945,123 to 933,275 insured persons.

GENERAL TREATMENT*

* Includes membership and coverage for Hospital-Substitute, CDMP and Ambulance Only

Insured Persons

- **Up** by 44,287 (+0.33%) from 13,567,720 to 13,612,007

Proportion of the Population with General Treatment Cover

- Proportion of the population with general treatment cover, including coverage for CDMP, hospital substitute and ambulance decreased to 53.81% (-0.04%) compared to December 2018 quarter (53.85%).

Policies

- **Up** 24,943 (+0.4%) from 6,647,972 to 6,672,915
- Singles **up** 14,304 from 3,259,421 to 3,273,725
- All Combined Families **up** 10,639 from 3,388,551 to 3,399,190

Single Equivalent Units (SEUs)

- **Up** 35,103 (+0.4%) from 9,812,107 to 9,847,210

ALL TABLES COMBINED

Insured Persons

- **Up** by 47,026 (+0.35%) from 13,571,914 to 13,618,940

Policies

- Total policies **up** by 26,518 (+0.4%) from 6,651,420 to 6,677,938

Single Equivalent Units (SEUs)

- **Up** 37,448 (+0.4%) from 9,816,090 to 9,853,538

Proportion of the Population with Private Health Insurance Cover

- 53.8% (-0.03%)