

# Press Release

24 August 2020

## **Private health insurers pay out record number of high claims**

Private Healthcare Australia has released its [high claims data report for 2019](#), showing health funds paid 367,979 hospital claims where the benefit payment for the episode of care exceeded \$10,000. This is an increase of 16,700 (4.8%) high claims on the previous year.

Of the 367,979 claims:

- 28 cost more than \$300,000
- 106 cost more than \$200,000
- 936 cost more than \$100,000
- 12,643 cost more than \$50,000
- 50,612 cost more than \$30,000
- 136,839 cost more than \$20,000
- 231,140 cost between \$10,000 and \$20,000

CEO Dr Rachel David said this is further proof of the rising costs of healthcare:

“In the year 2019, total hospital benefits paid exceeded \$7.57 billion, which is a 5.9% increase on the previous year. Health inflation continues to rise at levels substantially higher than general inflation. This is a reminder the health sector must work together to bring down the costs of healthcare and remove waste in the system to make private health insurance premiums more affordable for Australian consumers.”

The highest benefit paid in 2019 was \$629,544 for heart valve disease, requiring replacement of the valve with a bioprosthesis (biological artificial valve implant). The patient was in hospital for 4 months.

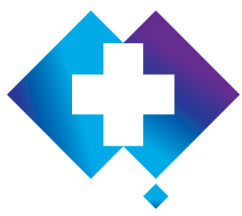
Dr David said the High Claims Report demonstrates the value of private health insurance for young people and those needing mental health treatment:

“There were 19,455 hospital claims with benefits exceeding \$10,000 for people aged under 30. This is an increase of 4.9% compared to the previous year and in part can be attributed to the rise in mental health claims by young Australians.”

Private health covers mental health treatments not readily available in the public system. For example, the highest mental health claim paid out in 2019 was \$192,658 for a young patient with a recurrent depressive disorder. The industry expects to fund many more high claims for mental health in 2020 as a result of the COVID-19 pandemic.

For all mental health claims, over 30,000 Australians received more than \$10,000 each in benefits – an increase of more than 42% over the last four years.

Dr David said the report also reveals surgery for back pain is one of the highest costs to health funds.



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“An ageing population and increasing rates of obesity are contributing to a surge in patients seeking treatment for back pain. There is much greater scope to fund earlier interventions for back pain as in many cases surgery is shutting the gate after the horse has bolted and is not effective at improving patient outcomes.

As the well regarded Cochrane Review noted: “We have very little confidence to conclude whether surgical treatment or a conservative approach is better for lumbar spinal stenosis... No clear benefits were observed with surgery versus non-surgical treatment.” ([Cochrane 2012](#))

The value of private health insurance has never been greater. Members have access to timely care with a fully trained specialist responsible for their care. This compares to the public system where wait lists are blowing out to over 1.5 years for common elective procedures, a situation that will be greatly exacerbated by the impact of COVID-19 on the public hospital system.

PHA Report: <https://www.privatehealthcareaustralia.org.au/wp-content/uploads/PHA-Annual-High-Claims-2020-Report-FINAL.pdf>

### Private health insurance: covering your mental health treatment



Thousands more younger Australians are needing intensive help to manage mental health conditions.



**19,455**

hospital claims with benefits exceeding \$10,000 for people aged under 30.



**4.9%**

increase compared to the previous year.



**Claims**

over \$10,000 for mental health conditions:  
2015: 21,500  
2019: 30,500



**42%**

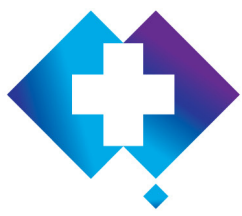
increase over the last four years.

*The industry expects to fund many more high claims for mental health in 2020 as a result of the COVID-19 pandemic.*



Private Healthcare Australia  
Better Cover. Better Access. Better Care.

Source: PHA Annual Hospital High Claims Report 2020



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## About PHA

*Private Healthcare Australia is the peak representative body for Australia's private health insurance industry. PHA represents 24 Australian health funds with a combined membership of over 13 million Australians, or 97% of the sector on membership.*

## Media Contact

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