



## Press Release

7 May 2012

### High Claims Payments Hits Record High of \$3.8 billion in 2011.

Private Healthcare Australia's annual survey of 'high claims' in 2011, found that private health funds paid 169,825 claims where the benefit payment for the episode of care was more than \$10,000.

The benefits paid for all high claims in 2011 increased by 12% on the previous year, with total payments exceeding \$3.8 billion. This represents 38% of benefits paid on behalf of members for hospital treatment during 2011.

Private Healthcare Australia's Chief Executive, Dr Michael Armitage, said the data collected from 32 Health Funds represented 98.8% of the private health insurance industry in Australia and demonstrated the contribution PHI made to the lives of individuals, as well as Australia's health care system.

The highest benefit paid during 2011 was \$370,921 for the treatment of a patient with stomach cancer. Of the 169,825 claims:

- 31 cost more than \$200,000
- 362 cost more than \$100,000
- 5,061 cost more than \$50,000
- 16,632 cost more than \$30,000
- 42,454 cost more than \$20,000
- 105,325 cost between \$10,000 and \$20,000

Dr Armitage said the survey also highlighted the role of private health insurance in the lives of young Australians.

For privately insured Australians aged under 30, there were 9,235 claims with benefits exceeding \$10,000, an increase on the previous year of 9.3% (701 claims). Of these, 1,979 claims were for neonatal care provided to premature babies with a total cost of \$43 million.

Benefits paid for all high claims over \$10,000 for under 30s totalled \$177 million in 2011.

Of the 9,235 claims:

- The highest claim was for \$165,364 for the treatment of lung inflammation following inhalation of food and vomit during a procedure.
- 6 out of the Top 30 High Claims involved heart procedures.
- 4 out of the Top 30 High Claims involved a spinal procedure.
- 3 out of the Top 30 High Claims involved mental disorders

"Young people under the age of 30 often think that age precludes them from serious illness. This survey demonstrates that it is just as important for young Australians to plan for their healthcare needs".

*\* The Private Healthcare Australia 2011 High Claims Survey is attached.*

Further information: Jen Eddy 02 62021000



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



## 8th Annual High Claims Survey

1 January to 31 December 2011

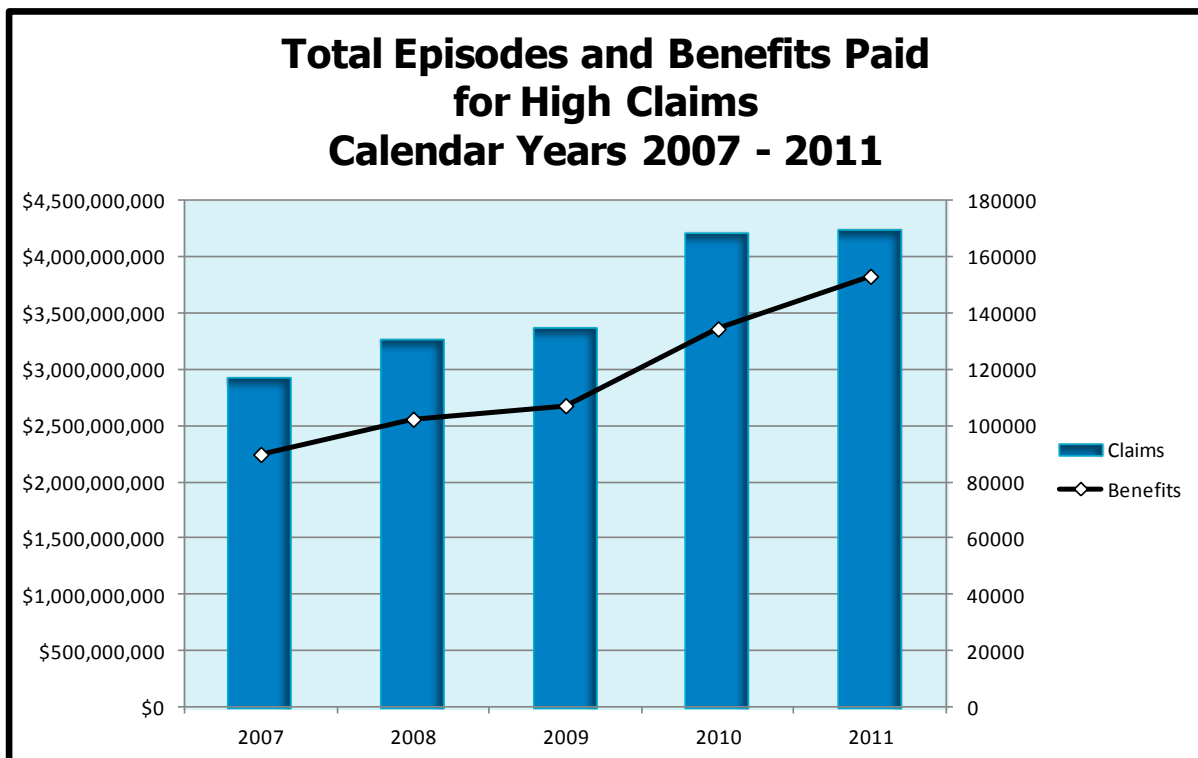
Released April 2012



## Summary

The Private Healthcare Australia Annual High Claims Survey Report analyses the nature and magnitude of high claims met by Health Funds over the past 12 months and is collated using survey data from 32 Australian health funds which in total represent 98.8% of the private health insurance industry.

The participating funds paid out on behalf of members 169,865 claims where the benefit payment for the episode of care was more than \$10,000. This is an increase in the number of high claims on the previous reporting year of 0.7% with benefits paid exceeding \$3.8 billion. This represents 38% of benefits paid out on behalf of members for hospital treatment during 2011.



The survey report highlights the value of private health insurance to members who have needed to access services during periods of sudden illness or accident or when operation is required, and further demonstrates the contribution private health insurance makes to the lives of individuals, as well as Australia's broader healthcare system.

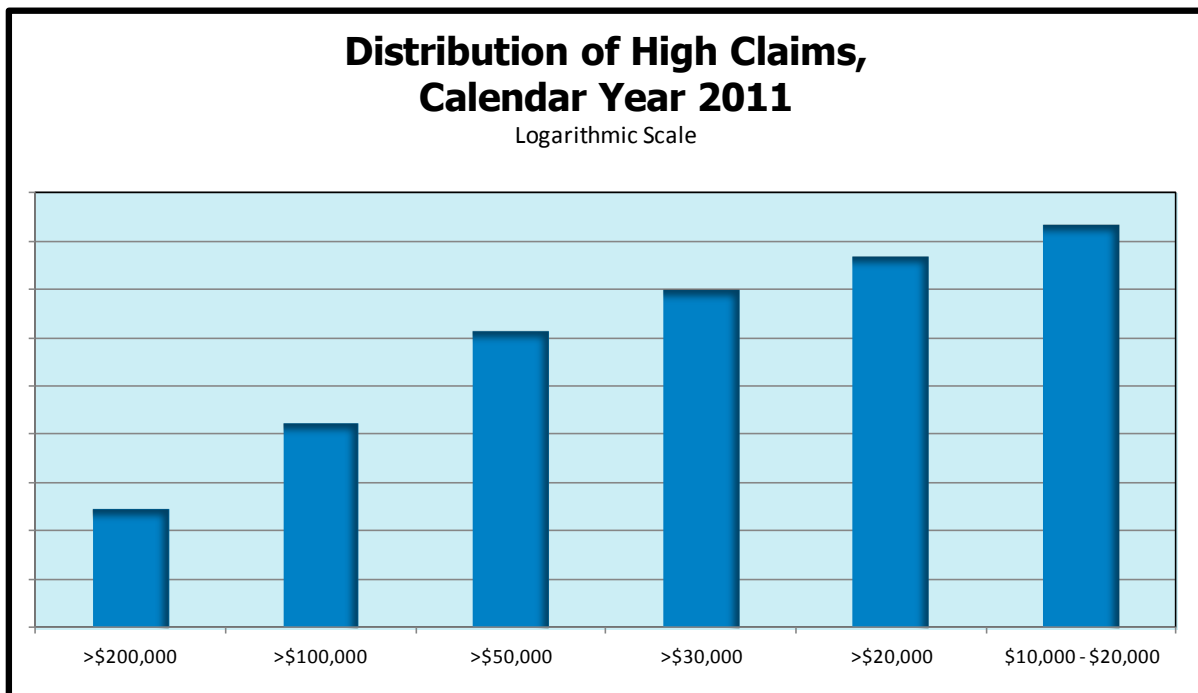


## High Claims

The highest benefit paid was \$370,921 for treatment of a patient with stomach cancer.

Of the 169,825 claims:

- 31 cost more than \$200,000
- 362 cost more than \$100,000
- 5,061 cost more than \$50,000
- 16,632 cost more than \$30,000
- 42,454 cost more than \$20,000
- 105,325 cost between \$10,000 and \$20,000



Claims for which the benefit payment was over \$10,000 account for 5.0% of all Hospital episodes in CY 2011 (-0.2% from 2010). Assuming each of these people were hospitalised once, then for the 169,865 high claims they represent 3.4% of the total insured population (+1.7% from 2010).

The total cost of all high claims for CY 2011 has increased by 12% from the previous year to around \$3.8 billion which represents 38% of the total cost to industry for hospital treatment during CY 2011.

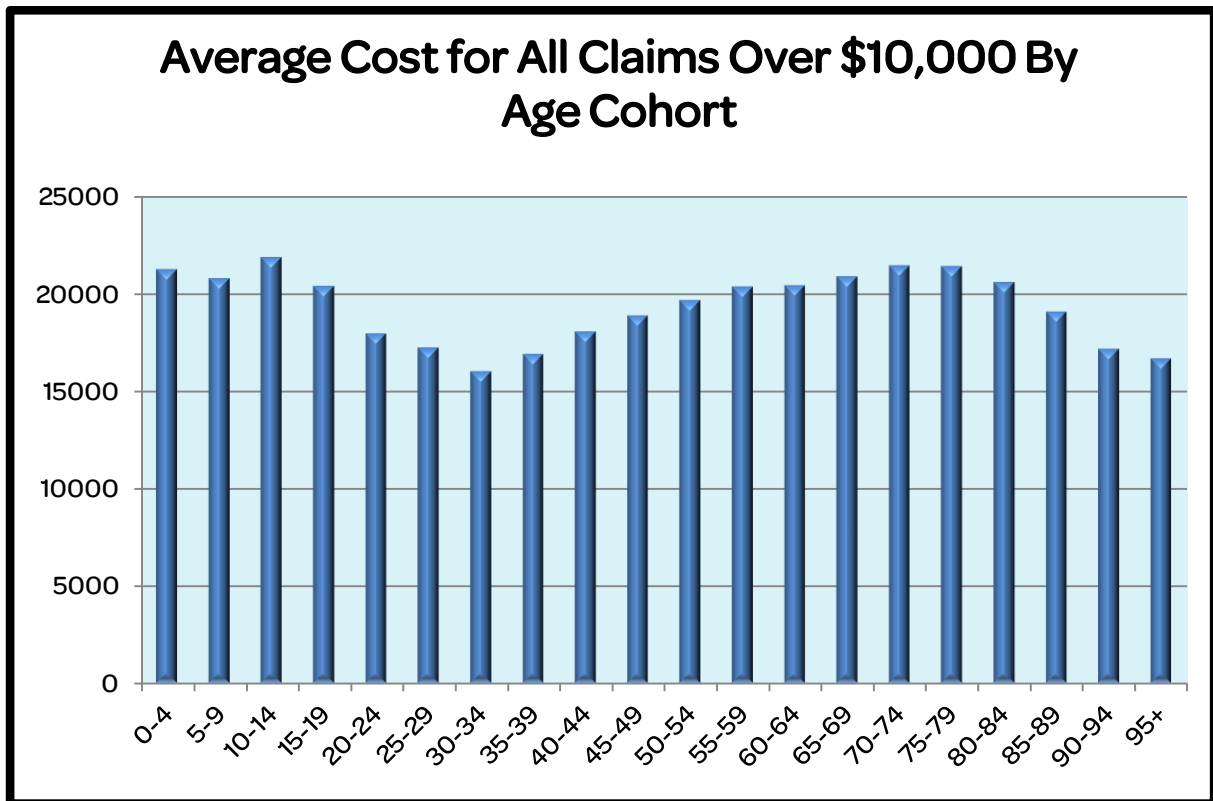


## Highest Claim for Selected Groups

- Cardiovascular disease - \$265,981 for the treatment of an unruptured aortic aneurysm
- Mental Health - \$110,753 for the treatment of a depressive episode, unspecified
- Cancer – \$370,921 for the treatment of stomach cancer
- Diabetes - \$119,510 for the treatment of type 2 diabetes mellitus with hypoglycaemia

## Average Cost per High Claim by Age Group

It can be seen from the below chart that the average cost of high claims for each cohort was approximately similar in the calendar year 2011. Average cost per age cohort ranged from \$16,018 for those aged 30-34 to \$21,879 for those aged 10-14.





## High Claims for PHI Members Aged Under 30

For PHI members aged under 30, there were 9,235 claims with benefits exceeding \$10,000, an increase on the previous year of 701 claims (+9.3%). Of these, 1,979 claims were for neonatal care provided to premature babies with a total cost of \$43 million.

Benefits for all high claims over \$10,000 for under 30s cost \$177 million for CY 2011.

Of the 9,235 claims (see Table 7 for description of individual claims):

- The highest claim was for \$165,364 for the treatment of lung inflammation following inhalation of food and vomit during a procedure.
- 6 out of the Top 30 High Claims involved heart procedures.
- 4 out of the Top 30 High Claims involved a spinal procedure including spinal fusion.
- 3 out of the Top 30 High Claims involved mental disorders.

Tables attached show the following High Claims:

Table 1: Top 20 Identifiable High Claims for all Private Health Insurance members

Table 2: Top 20 Identifiable High Claims – Cardiovascular Disease

Table 3: Top 20 Identifiable High Claims – Mental Disorders

Table 4: Top 20 Identifiable High Claims – Cancer

Table 5: Top 20 Identifiable High Claims – Diabetes

Table 6: Top 5 Selected High Claims by Age Group

Table 7: Top 30 Selected High Claims for members aged less than 30, Excluding Premature Births



**Table 1: Top 20 Identifiable High Claims for Private Health Insurance**

Rank	TOTAL Benefits Paid	Gender	Description	Number of Bed Days	Hospital Type (Public/ Private/ FDS)
1	\$370,921	M	Stomach cancer	232	Private
2	\$299,199	M	Tuberculosis infection of multiple organs	136	Private
3	\$265,981	M	Aortic aneurysm	75	Private
4	\$265,941	M	Pelvis and/or thigh fracture	151	Private
5	\$264,769	F	Postprocedural respiratory disorder	207	Private
6	\$260,463	F	Endocarditis (heart inflammation)	81	Private
7	\$258,362	F	Postprocedural disorder of digestive system	91	Private
8	\$251,193	M	Aortic aneurysm	70	Private
9	\$244,033	F	Fractured leg	112	Private
10	\$238,063	M	Wound infection following a procedure	71	Private
11	\$231,950	M	Heart attack	92	Private
12	\$227,982	F	Heart disease (Enlargement of heart)	63	Private
13	\$222,443	M	Cancer of salivary glands	78	Private
14	\$215,038	M	Guillain-Barre syndrome	71	Private
15	\$213,938	M	Other ill-defined heart disease	58	Private
16	\$212,403	F	Disorder of heart valve/s	63	Private
17	\$209,966	F	Disorder of heart valve/s	99	Private
18	\$206,493	M	Staphylococcus infection	93	Private
19	\$205,682	F	Pressure ulcer, stage IV	115	Private
20	\$205,530	M	Pneumonia	84	Private



**Table 2: Top 20 Identifiable High Claims for the treatment of Cardiovascular Disease**

Rank	TOTAL Benefits Paid	Gender	Description	Number of Bed Days	Hospital Type (Public/ Private/ FDS)
1	\$265,981	M	Aortic aneurysm (unruptured)	75	Private
2	\$260,463	F	Acute & subacute infective endocarditis	81	Private
3	\$251,193	M	Aortic aneurysm (ruptured)	70	Private
4	\$231,950	M	Acute myocardial infarction (Heart attack)	92	Private
5	\$227,982	F	Cardiomegaly	63	Private
6	\$213,938	M	Other ill-defined heart disease	58	Private
7	\$212,403	F	Aortic (valve) stenosis	63	Private
8	\$209,966	F	Disorders of both mitral and aortic valves	99	Private
9	\$194,300	F	Aortic (valve) stenosis	100	Private
10	\$191,570	M	Atrial fibrillation and flutter	72	Private
11	\$190,147	M	Atrial fibrillation and flutter	72	Private
12	\$188,934	M	Aortic (valve) stenosis	148	Private
13	\$178,886	M	Aortic aneurysm (ruptured)	52	Private
14	\$178,496	M	Aortal dissection	31	Private
15	\$177,471	M	Cardiac arrest with successful resuscitation	50	Private
16	\$175,856	F	Acute myocardial infarction (heart attack)	53	Private
17	\$173,128	F	Aortic (valve) stenosis	104	Private
18	\$171,266	M	Angina pectoris	74	Private
19	\$164,760	M	Aortic (valve) stenosis	68	Private
20	\$162,618	F	Ventricular fibrillation and flutter	19	Private





**Table 3: Top 20 Identifiable High Claims for the treatment of Mental Health**

Rank	TOTAL Benefits Paid	Gender	Description	Number of Bed Days	Hospital Type (Public/ Private/ FDS)
1	\$110,753	F	Depressive episode, unspecified	253	Public
2	\$84,774	M	Severe depressive episode	39	Private
3	\$79,497	F	Severe depressive episode	209	Private
4	\$77,414	F	Schizophrenia, unspecified	147	Public
5	\$76,175	M	Recurrent depressive disorder	84	Private
6	\$72,208	F	Recurrent depressive disorder	155	Public
7	\$65,875	F	Severe depressive episode	150	Private
8	\$64,098	F	Anorexia nervosa	144	Private
9	\$62,021	M	Severe depressive episode	125	Private
10	\$61,818	M	Severe depressive episode	168	Private
11	\$61,778	F	Severe depressive episode	144	Private
12	\$60,142	F	Severe depressive episode	84	Private
13	\$60,030	F	Severe depressive episode	128	Private
14	\$59,733	F	Recurrent depressive disorder	66	Private
15	\$59,266	F	Anorexia nervosa	153	Private
16	\$57,799	F	Recurrent depressive disorder	94	Private
17	\$57,302	F	Recurrent depressive disorder	67	Private
18	\$47,051	F	Severe depressive episode	110	Private
19	\$46,955	F	Bipolar affective disorder	112	Private
20	\$46,563	F	Residual schizophrenia	4	Private



**Table 4: Top 20 Identifiable High Claims for the treatment of Cancer**

Rank	TOTAL Benefits Paid	Gender	Description	Number of Bed Days	Hospital Type (Public/ Private/ FDS)
1	\$370,921	M	Stomach cancer	232	Private
2	\$222,443	M	Cancer of salivary glands	78	Private
3	\$171,186	F	Breast cancer	73	Private
4	\$163,466	M	Secondary liver cancer	60	Private
5	\$162,010	F	Secondary cancer of multiple sites	127	Private
6	\$149,793	M	Lung cancer	80	Private
7	\$148,657	M	Oesophageal cancer	70	Private
8	\$146,460	F	Stomach cancer	114	Private
9	\$140,683	F	Pancreatic cancer	91	Private
10	\$140,147	F	Colon cancer	72	Private
11	\$133,271	F	Colon cancer	280	Private
12	\$131,800	M	Rectal and anal cancer	187	Private
13	\$127,162	M	Oesophageal cancer	58	Private
14	\$124,992	M	Secondary cancer of bone	33	Private
15	\$123,535	F	Breast cancer	43	Private
16	\$117,874	M	Lung cancer	31	Private
17	\$117,409	F	Oesophageal cancer	40	Private
18	\$116,892	F	Chronic myeloid leukaemia	55	Private
19	\$116,136	M	Stomach cancer	103	Private
20	\$115,492	M	Pancreatic cancer	44	Private



**Table 5: Top 20 Identifiable High Claims for the treatment of Diabetes**

Rank	TOTAL Benefits Paid	Gender	Description	Number of Bed Days	Hospital Type (Public/ Private/ FDS)
1	\$119,510	M	Type 2 diabetes mellitus with hypoglycaemia	150	Private
2	\$98,069	F	Type 2 diabetes mellitus with foot ulcer due to multiple causes	190	Private
3	\$83,831	M	Type 1 diabetes mellitus with foot ulcer due to multiple causes	9	Private
4	\$78,871	M	Type 2 diabetes mellitus with foot ulcer due to multiple causes	32	Private
5	\$77,200	F	Type 2 diabetes mellitus with poor control	18	Private
6	\$74,741	F	Type 2 diabetes mellitus with foot ulcer due to multiple causes	90	Private
7	\$72,625	M	Type 2 diabetes mellitus with foot ulcer due to multiple causes	29	Public
8	\$65,932	M	Type 2 diabetes mellitus with foot ulcer due to multiple causes	124	Public
9	\$64,476	M	Type 2 diabetes mellitus with foot ulcer due to multiple causes	70	Private
10	\$63,364	F	Type 2 diabetes mellitus with foot ulcer due to multiple causes	31	Private
11	\$61,214	F	Type 2 diabetes mellitus with features of insulin resistance	24	Private
12	\$59,056	M	Type 1 diabetes mellitus with foot ulcer due to multiple causes	107	Private
13	\$57,400	M	Type 1 diabetes mellitus with foot ulcer due to multiple causes	24	Private
14	\$55,760	M	Type 2 diabetes mellitus with foot ulcer due to multiple causes	10	Private
15	\$54,953	M	Type 2 diabetes mellitus with peripheral angiopathy, with gangrene	26	Private
16	\$53,179	F	Type 1 diabetes mellitus with foot ulcer due to multiple causes	66	Private
17	\$53,096	M	Type 1 diabetes mellitus with foot ulcer due to multiple causes	65	Private
18	\$52,933	M	Type 2 DM with peripheral angiopathy with gangrene	80	Private
19	\$52,252	M	Type 2 diabetes mellitus with foot ulcer due to multiple causes	22	Private
20	\$119,510	M	Type 2 diabetes mellitus with hypoglycaemia	150	Private



**Table 6: Top 5 Identifiable High Claims by 5 Year Age Cohort**

TOTAL Benefits Paid	Gender	Age	Description	Number of Bed Days	Hospital Type (Public/Private/FDS)
\$156,943	M	0-4	Extreme immaturity, 24 or more completed weeks but less than 28 c	76	Private
\$154,401	F		Atresia of oesophagus with tracheo-oesophageal fistula	151	Private
\$134,193	M		Extreme immaturity, 24 or more completed weeks but less than 28 c	86	Private
\$133,075	M		Extreme immaturity, 24 or more completed weeks but less than 28 c	90	Private
\$57,412	M		Sensorineural hearing loss, bilateral	16	Private
\$60,304	M	5-9	Cardiac arrest, unspecified	14	Public
\$56,779	F		Hearing loss unspecified	19	Private
\$54,797	M		Sensorineural hearing loss, bilateral	13	Private
\$48,699	M		Acute myeloblastic leukaemia [AML], without mention of remission	79	Public
\$36,286	M		Acute lymphoblastic leukaemia [ALL], without mention of remission	55	Public
\$73,000	M	10-14	Malignant neoplasm of long bones of lower limb	15	Public
\$60,632	F		Juvenile idiopathic scoliosis thoracolumbar	6	Private
\$60,095	F		Juvenile idiopathic scoliosis, thoracic region	7	Private
\$58,094	M		Other forms of scoliosis, thoracolumbar region	13	Public
\$57,302	F		Recurrent depressive disorder, current episode severe without psy	67	Private
\$153,813	M	15-19	Congenital stenosis of aortic valve	52	Private
\$121,082	F		Other subarachnoid haemorrhage	20	Private
\$120,271	F		Other idiopathic scoliosis - thoracic region	30	Private
\$100,066	M		Arteriovenous malform cerebral vessels	25	Private
\$93,038	F		Unspecified scoliosis, lumbar region	4	Private
\$79,497	F	20-24	Severe depressive episode without psychotic symptoms	209	Private
\$73,831	M		Mech comp ventricular intrcran shunt	78	Private
\$68,719	F		Other cardiomyopathies	16	Private
\$65,784	M		Other complications of cardiac and vascular prosthetic devices, implants and grafts	19	Private
\$62,285	M		Congenital stenosis of aortic valve	13	Private
\$165,364	F	25-29	Pneumonitis due to food and vomit	55	Private
\$108,394	M		Unspecified severe protein-energy malnutrition	158	Private
\$88,942	F		Infection and inflammatory reaction due to nervous system device,	66	Private
\$78,842	F		Sepsis due to Escherichia coli [E. Coli]	47	Private
\$77,080	M		Scoliosis, unspecified - thoracic region	18	Private
\$121,003	M	30-34	Abdominal aortic aneurysm, without mention of rupture	47	Private
\$103,555	M		Malignant neoplasm of rectum	42	Private
\$73,288	M		Scoliosis NOS thoracolumbar region	18	Private
\$70,949	F		Atrial fibrillation and flutter	15	Private
\$68,056	M		Obstructive hypertrophic cardiomyopathy	32	Private



\$122,019	M	35-39	Myasthenia gravis	56	Private
\$120,720	M		Oth postproc disrd digestive system NEC	39	Private
\$115,165	F		Pneumonia, unspecified	58	Private
\$105,805	M		Nonpyogenic meningitis	181	Private
\$102,747	M		Benign neoplasm of pancreas	39	Private
\$258,362	F	40-44	Postprocedural disorders of digestive system	91	Private
\$211,561	M		Tibial plateau fracture	438	Private
\$203,352	F		Crohn's disease	272	Private
\$141,030	F		Chronic obstructive pulmonary disease with acute lower respirator	40	Private
\$90,896	F		Oth idiopath scoliosis thoracolumbar rgn	15	Private
\$197,850	M	45-49	Other and unspecified intestinal obstruction	224	Private
\$163,243	F		Injury of stomach	39	Private
\$124,034	M		Unstable angina	27	Private
\$113,578	M		Malignant neoplasm of rectum	84	Private
\$112,828	F		Unsp scoliosis thoracolumbar region	29	Private
\$370,921	M	50-54	Malignant neoplasm of pyloric antrum	232	Private
\$205,530	M		Pneumonia unspecified	84	Private
\$181,748	M		Acute vascular disorders of intestine	106	Private
\$162,618	F		Ventricular fibrillation and flutter	19	Private
\$138,544	F		Unspecified scoliosis, thoracolumbar region	13	Private
\$264,769	F	55-59	Other postprocedural respiratory disorders	207	Private
\$222,443	M		Overlapping malg lesion major sal glands	78	Private
\$215,038	M		Guillain-Barre syndrome	71	Private
\$187,276	F		Calculus of bile duct without cholangitis or cholecystitis, witho	152	Private
\$181,748	M		Acute vascular disorders of intestine	106	Private
\$265,981	M	60-64	Thoracoabdo aortic aneurysm wo rupture	75	Private
\$212,403	F		Aortic (valve) stenosis	63	Private
\$202,290	F		Other pulmonary aspergillosis	62	Private
\$189,992	M		Attention to colostomy	64	Private
\$188,934	M		Aortic (valve) stenosis	148	Private
\$299,199	M	65-69	Acute miliary TB multiple sites	136	Private
\$260,463	F		Acute & subacute infective endocarditis	81	Private
\$205,682	F		Decubitus [pressure] ulcer, stage IV	115	Private
\$190,147	Male		Atrial fibrillation and flutter	72	Private
\$180,075	M		Acute pancreatitis, unspecified	52	Private
\$251,193	M	70-74	Abdominal aortic aneurysm ruptured	70	Private
\$244,033	F		Fracture trochanteric section femur unsp	112	Private
\$238,063	M		Wound infection following a procedure	71	Private
\$213,938	M		Other ill-defined heart diseases	58	Private
\$177,703	F		Ventral hernia without obs or gangrene	49	Private
\$265,941	M	75-79	Nonunion of fracture - pelvic region & thigh	151	Private
\$206,493	M		Staph arthritis polyarthritis lower leg	93	Private
\$198,436	M		Other spec diseases stomach & duodenum	90	Private
\$194,300	F		Aortic (valve) stenosis	100	Private
\$191,570	M		Atrial fibrillation and flutter	72	Private
\$231,950	M	80-84	Acute subendocardial MI	92	Private
\$227,982	F		Cardiomegaly	63	Private
\$209,966	F		Disorders of both mitral and aortic valves	99	Private
\$178,496	M		Dissection thoracoabdominal aorta	31	Private
\$178,223	M		Marfan's syndrome	50	Private



\$180,080	M	85-89	Scoliosis NOS thoracolumbar region	45	Private
\$178,024	M		Calculus of gallbladder with acute cholecystitis, without mention	65	Private
\$152,174	M		Aortic (valve) stenosis	58	Private
\$107,125	M		Acute pancreatitis, unspecified	54	Private
\$105,724	M		Abdo aortic aneurysm wo rupture	36	Private
\$109,335	F	90-94	Infection and inflammatory reaction due to internal joint prosthesis	87	Public
\$99,037	F		Person awaiting admission to adequate facility elsewhere	950	Public
\$85,850	F		Diverticulum of oesophagus acquired	76	Private
\$84,762	F		Malignant neoplasm of transverse colon	55	Private
\$83,199	M		Malignant neoplasm of rectum	62	Private
\$110,749	F	95+	Person awaiting admission to adequate facility elsewhere	1090	Public
\$61,618	M		Person awaiting admission to adequate facility elsewhere	589	Public
\$44,730	F		Person awaiting admission to adequate facility elsewhere	425	Public
\$44,121	M		Abdo aortic aneurysm wo rupture	4	Private
\$43,895	F		Atherosclerosis of arteries of extremities with gangrene	51	Private



**Table 7: Top 30 Identifiable High Claims for Private Health Insurance Members Aged Under 30**

Rank	TOTAL Benefits Paid	Gender	Description	Number of Bed Days	Hospital Type (Public/ Private/ FDS)
1	\$165,364	F	Lung inflammation following inhalation of food and vomit	55	Private
2	\$154,401	F	Congenital defect of oesophagus	151	Private
3	\$153,813	M	Disorder of heart valve/s	52	Private
4	\$134,948	M	Incomplete lung development	74	Private
5	\$121,082	F	Brain haemorrhage	20	Private
6	\$120,271	F	Scoliosis, unknown cause	30	Private
7	\$108,394	M	Malnutrition	158	Private
8	\$100,066	M	Abnormal connection of blood vessels of brain	25	Private
9	\$93,038	F	Scoliosis, unspecified	4	Private
10	\$90,300	F	Lymphangioma (malformation of lymphatic system)	33	Private
11	\$88,942	F	Infection and inflammatory reaction due to nervous system device	66	Private
12	\$88,282	M	Acute lung infection	47	Private
13	\$84,797	F	Conduction disorder	10	Private
14	\$82,252	M	Disorder of heart valve/s	25	Private
15	\$82,004	F	Care of premature infant	51	Private
16	\$79,884	F	Incomplete heart development	149	Public
17	\$79,497	F	Severe depressive episode	209	Private
18	\$78,842	F	Sepsis due to Escherichia coli [E. Coli]	47	Private
19	\$77,468	M	Incomplete development of spine	9	Private
20	\$77,080	M	Scoliosis, unspecified	18	Private
21	\$76,162	M	Heart disorder	4	Private
22	\$74,657	F	Intestinal obstruction	60	Private
23	\$74,211	M	Care of premature infant	40	Private
24	\$73,831	M	Mechanical complications of shunt	78	Private
25	\$73,000	M	Bone cancer (leg)	15	Public
26	\$72,208	F	Recurrent depressive disorder	155	Public
27	\$72,050	M	Complications of cardiac prosthetic	177	Public
28	\$72,015	M	Care involving use of rehabilitation procedure, unspecified	233	Public
29	\$69,440	F	Care of premature infant	40	Private
30	\$69,439	M	Cystic fibrosis	125	Public