

MEDIA RELEASE:

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More Australians switching to private health cover according to the latest APRA figures

The latest private health insurance figures from APRA have once again demonstrated Australians' confidence in the industry.

Cover for hospital treatment grew by more than 34,000 in the three months to December 2020, while general treatment cover for dental, optical and physio saw an even greater increase of 56,000.

"This is the second consecutive quarter of growth in private health insurance numbers," said Matthew Koce, CEO of Members Health, the peak body for not-for-profit health funds.

"According to the APRA data, well over half the Australian population have health insurance, with 13.7 million people holding some form of coverage.

"The increase in health insurance participation came with a steady rebound in benefits and claims paid by health funds, following the COVID-19 restrictions on elective surgery last year. During the December 2020 quarter, insurers paid \$3.9 billion in hospital treatment benefits, up 2.4% compared to the September 2020 quarter. During the December 2020 quarter, insurers paid \$1.4 billion in general treatment (ancillary) benefits, up 13.0% compared to the September 2020 quarter. For the full 12 months to December 2020, total health insurer benefits increased by 2.4% to well over \$22 billion.

"These figures are a vote of confidence for Australia's unique and world-leading mixed public and private health care system," said Mr Koce.

"The value and importance of the private health system in providing Australians with choice has never been more apparent. Due to factors such as COVID-19, public hospital waits have blown out to well beyond a year for many procedures and more people are turning to the private health system.

"Phones are running off the hook with new joiners looking for the peace of mind that comes with private health insurance.

"What could be more important than knowing you and your family are protected and will get the fastest available access to high quality care with doctor of choice?

"As more people turn to the private health system it also reduces pressure on public hospitals by freeing up beds for those that need them most - so it is a win-win for everyone."

Mr Koce said the APRA results signaled Australian consumers' growing trust and satisfaction with the private health care system. Members Health's latest survey of almost 15,000 member-fund customers (conducted in January 2021) showed customer satisfaction rates averaged 96% for participating health funds.

"Members Health funds have stuck by their members through every stage of this global COVID-19 pandemic crisis, committing hundreds of millions of dollars towards customer support measures," Mr Koce said.

"The fact that Members Health funds are run for people, not for profits, that they do not have to serve the interests of shareholders or overseas investors, and they return more of every

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premium dollar back to members in health benefits is clearly resonating with many Australians.”

As at June 30 2020, Members Health funds averaged annual membership growth of more than twice that of the rest of the industry.

“The alliance of Members Health funds now cover almost 4 million lives and are growing.”

Members Health is the peak industry body for an alliance of 26 health funds that are not-for-profit or part of a member-owned group, regional or community based. They all share the common ethic of putting their members’ health before profit. Our funds represent the interests of more than 3.9 million Australians.

Media Queries

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Discovery Research Member Satisfaction Survey 2021

Overall member satisfaction

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Satisfied | 97% | 98% | 97% | 98% | 98% | 98% | 97% | 97% | 98% | 98% | 97% | 97% | 96% | 96% | 94% | 96% |
| Dissatisfied | 3% | 2% | 3% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 4% | 5% | 4% | 6% | 5% |

Total Respondents: 14,999

Number of participating Members Health funds: 11

Research conducted: January 2021

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