



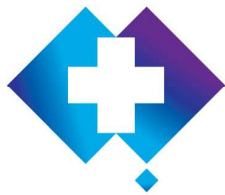
Private Healthcare Australia

Better Cover. Better Access. Better Care.



PHA Annual Hospital High Claims Report 2020

Released August 2020



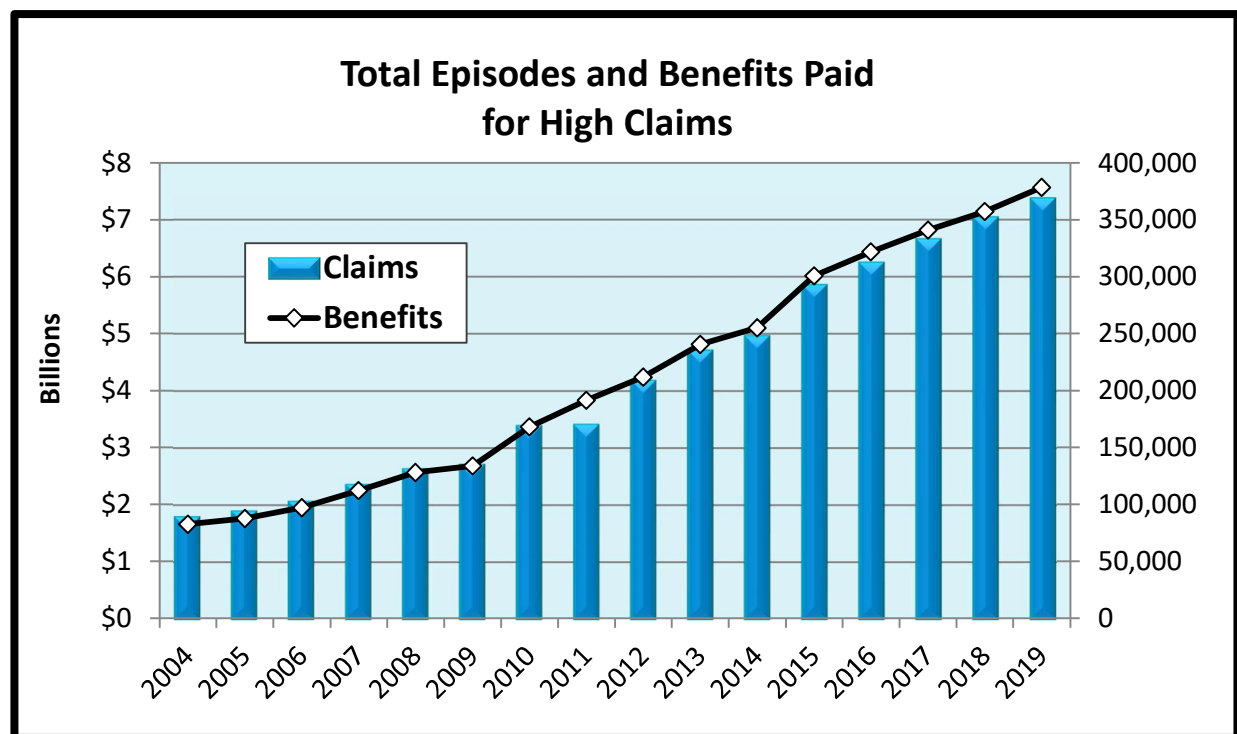
Summary

Private Healthcare Australia's Annual Hospital High Claims 2020 Report analyses the nature and magnitude of hospital treatment high claims met by Health Funds over the past 12 months ending December 2019 and is collated using data from 37 health funds, which in total represent 100% of the private health insurance industry in Australia.

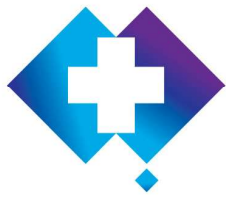
In 2019, the private health insurance sector paid out on behalf of members 367,979 hospital claims where the benefit payment for the episode of care exceeded \$10,000.

This is an increase in the number of hospital high claims on the previous reporting year of 4.8% (an additional 16,700 hospital high claims) with total hospital benefits paid exceeding \$7.57 billion (a 5.9% increase).

Hospital high claims represented 48% of total hospital benefits (+1% increase on the previous year) paid out by health insurers on behalf of members for hospital treatments during 2019.



The industry 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 an 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.

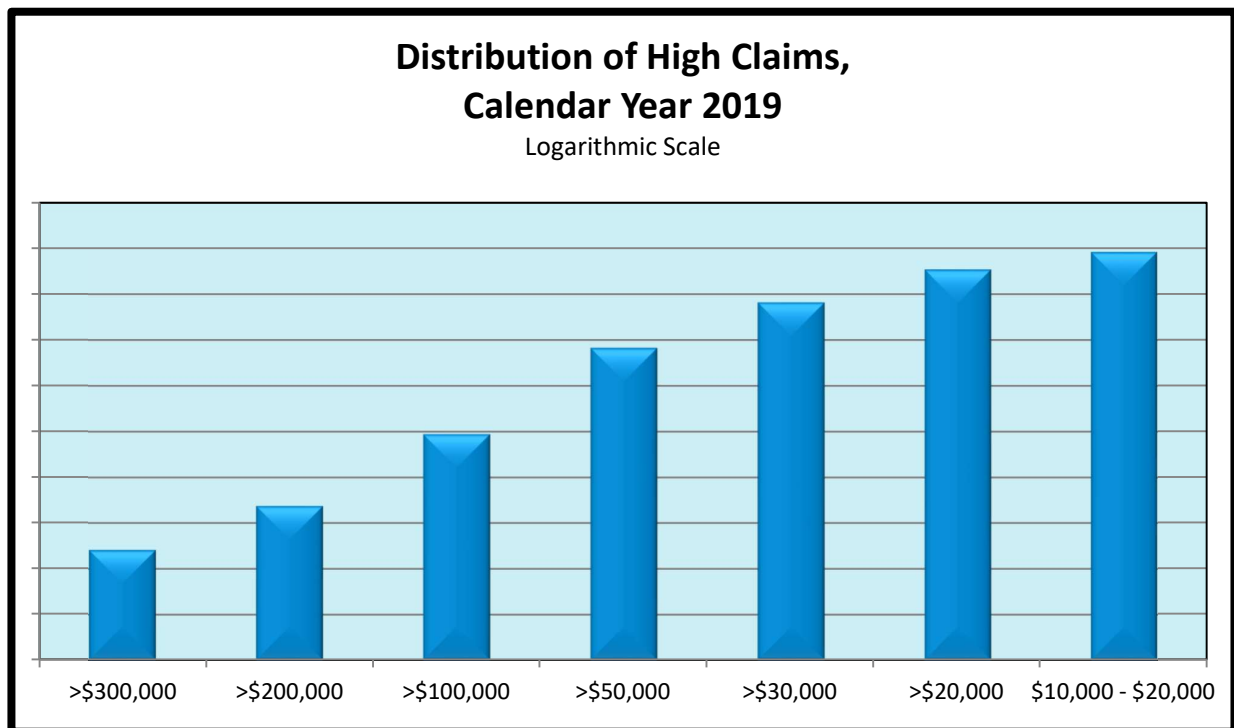


High Claims

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

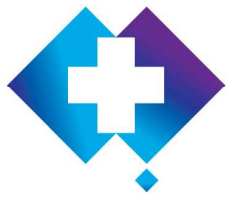
Of the 367,979 claims:

- 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



Hospital claims for which the benefit payment was over \$10,000 accounted for 8.2% of all hospital episodes in 2019 (+0.4% from 2018). Assuming each of these people were hospitalised once, then for the 367,979 high claims, they represent 3.3% of the total insured population (+0.2% increase from 2018).

The total cost of all hospital high claims for 2019 has increased by 5.9% from the previous year to over \$7.57 billion, which represents 48% of the total cost to industry for hospital treatments in 2019.

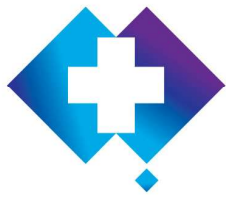


Proportion of High Claims in Selected Groups

- **Musculoskeletal System and Connective Tissue diseases (28%)**
- **Circulatory System diseases (19%)**
- **Cancers (10%)**
- **Mental and Behavioural disorders (8%)**
- **Injury, Poisoning and certain other consequences of external causes (8%)**
- **Endocrine, Nutritional and Metabolic Diseases (4%)**
- **Digestive System Diseases (4%)**
- **Pregnancy, Childbirth and Postpartum (4%)**

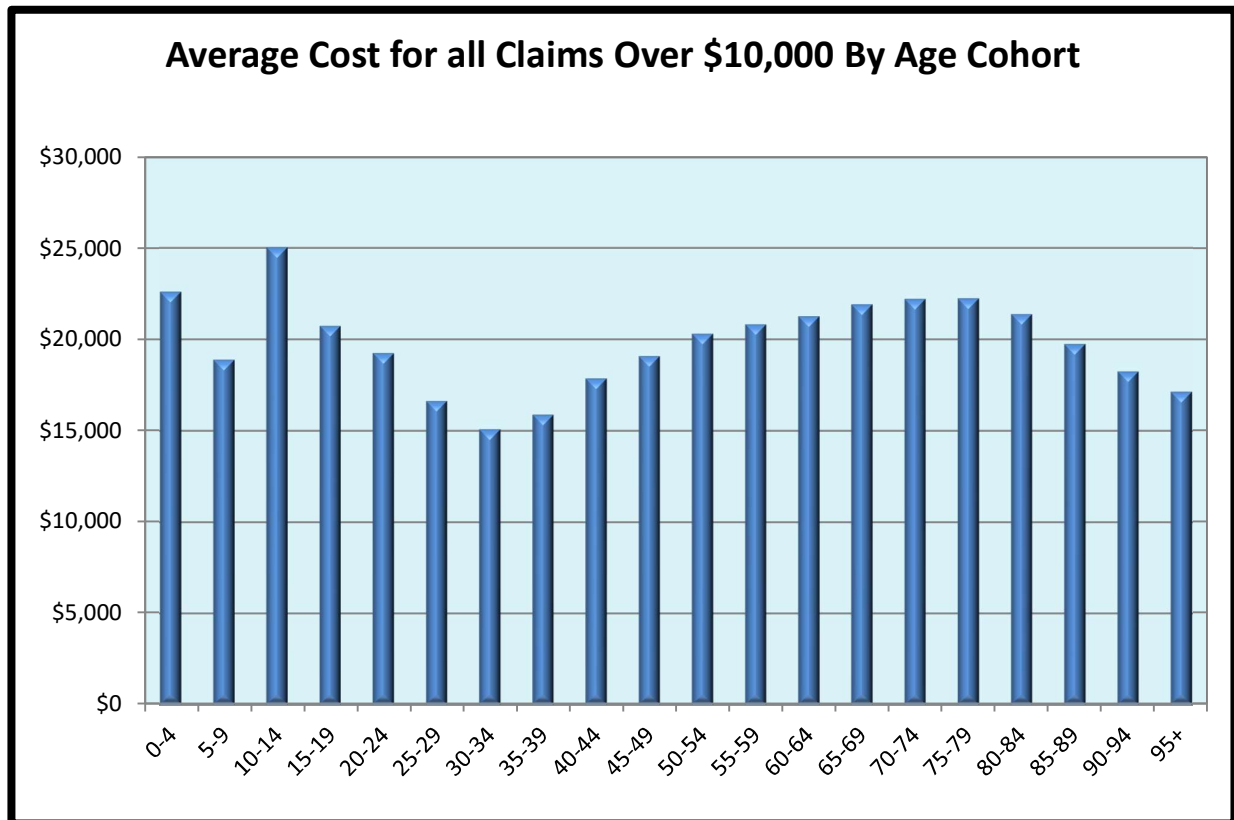
Highest Claim for Selected Groups

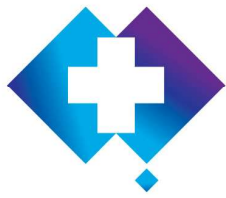
- **Cardiovascular diseases** - \$629,544 for the treatment of heart valve disease.
- **Musculoskeletal System and Connective Tissue diseases** - \$305,559 for the treatment of scoliosis (abnormal spinal curvature).
- **Cancers** – \$360,227 for lung cancer.
- **Mental Health** - \$192,658 for the treatment of recurrent depressive disorder.
- **Diabetes** - \$194,120 for the treatment of type 1 diabetes, with foot ulcer.



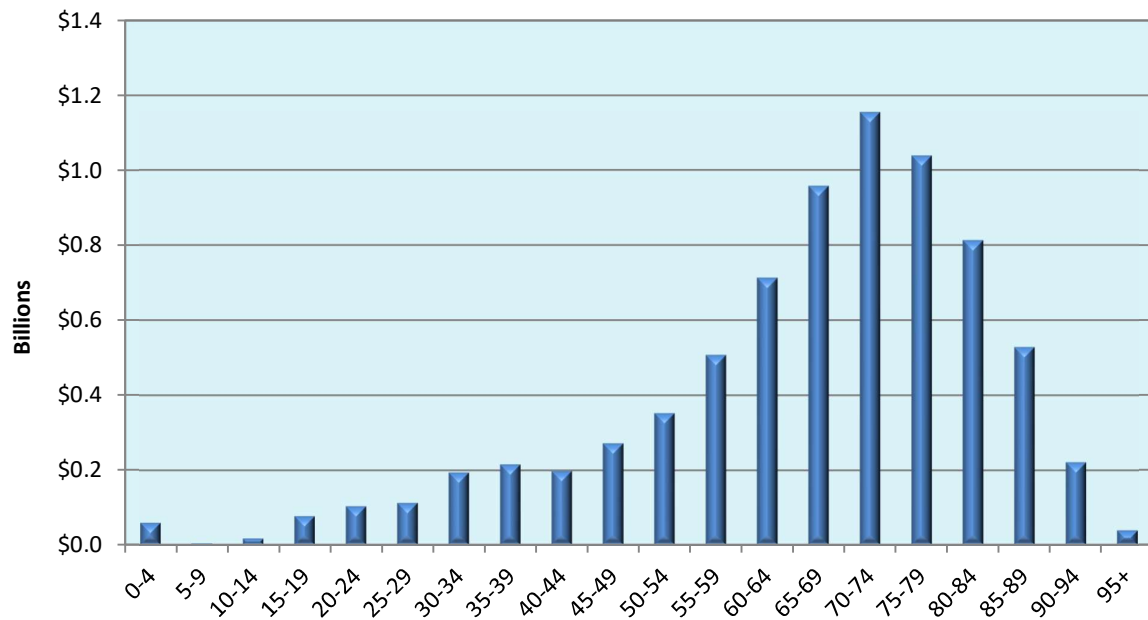
Average Cost per High Claim by Age Group

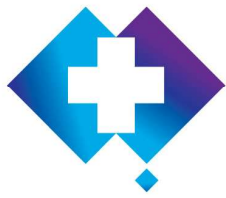
It can be seen from the below chart that the average cost of high claims for each cohort was approximately similar in 2019. Average cost per age cohort ranged from \$15,064 for those aged 30-34 to \$25,012 for those aged 10-14.



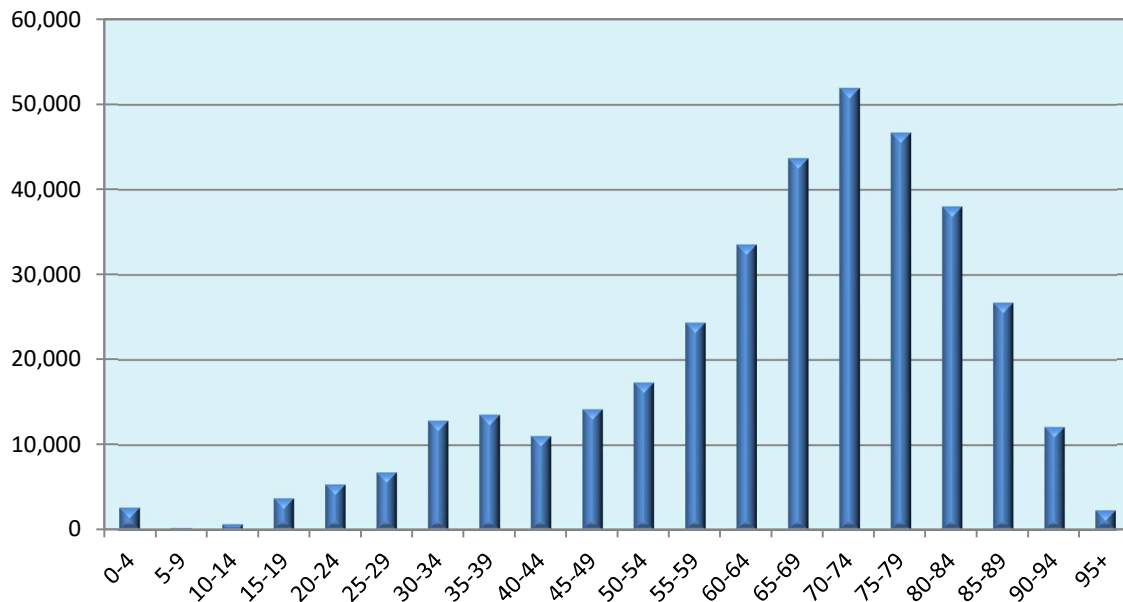


Cost for all Claims Over \$10,000 By Age Cohort





All Claims Over \$10,000 By Age Cohort

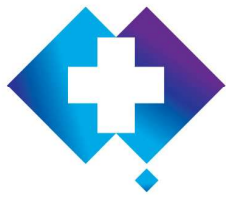


Hospital High Claims for PHI Members Aged Under 30

For PHI members aged under 30, there were 19,455 hospital claims with benefits exceeding \$10,000, an increase on the previous year of 913 hospital claims (+4.9%). Of these, 1,977 claims were for neonatal care provided to premature babies with a total cost of \$45.58 million.

Benefits for all hospital high claims over \$10,000 for under 30s cost \$374.6 million in 2019.

Of the 19,455 claims (see Table 7 for description of individual claims), the highest identifiable hospital claim for a PHI Member aged under 30 (excluding neonates) was for \$271,441 for the treatment of dilated cardiomyopathy in a teenaged male.



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 Diseases

Table 3: Top 20 Identifiable High Claims - Musculoskeletal System and Connective Tissue diseases

Table 4: Top 20 Identifiable High Claims – Mental Disorders

Table 5: Top 20 Identifiable High Claims – Cancers

Table 6: Top 20 Identifiable High Claims – Diabetes

Table 7: Top 30 Identifiable High Claims for Private Health Insurance Members Aged Under 30
(excluding neonates)

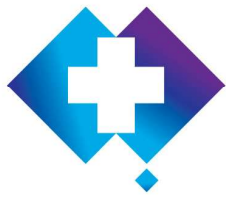


Table 1: Top 20 Identifiable Hospital High Claims for Private Health Insurance

Rank	Total Benefits Paid	Gender	Age	Description	Bed Days	Hospital Type (Public/Private/Day Surgery)
1	\$629,544	F	50-59	Heart valve disease	122	Private
2	\$540,095	M	60-69	Inflammatory heart disease	171	Private
3	\$485,392	F	70-79	Chronic obstructive lung disease	133	Private
4	\$449,903	M	NB	Pre-term birth and extremely low birth weight	121	Private
5	\$448,422	M	70-79	Heart bypass	105	Private
6	\$408,572	M	60-69	Heart bypass	90	Private
7	\$372,033	M	80-89	Sepsis	59	Private
8	\$371,578	M	50-59	Alcohol-induced acute pancreatitis	97	Private
9	\$370,225	M	80-89	Coronary heart disease	64	Private
10	\$362,767	F	NB	Extreme prematurity of infant, extremely low birth weight	117	Private
11	\$360,227	M	80-89	Lung cancer	105	Private
12	\$359,455	F	60-69	Flu with pneumonia	103	Private
13	\$354,707	M	70-79	Pneumonia	83	Private
14	\$346,797	F	NB	Extreme prematurity of infant, extremely low birth weight	117	Private
15	\$341,284	F	70-79	Oesophageal cancer	137	Private
16	\$338,562	F	70-79	Acute pancreatitis	205	Private
17	\$337,082	M	70-79	Narrowing of heart's aortic valve	74	Private
18	\$326,834	M	60-69	Chronic autoimmune, neuromuscular disease	125	Private
19	\$323,329	M	70-79	Lung cancer	186	Private
20	\$316,013	M	60-69	Coronary heart disease	104	Private

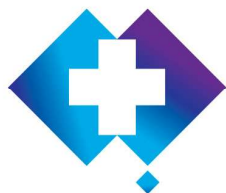


Table 2: Top 20 Identifiable High Claims for the treatment of Cardiovascular Diseases

Rank	Total Benefits Paid	Gender	Age	Description	Bed Days	Hospital Type (Public/Private/Day Surgery)
1	\$629,544	F	50-59	Heart valve disease	122	Private
2	\$540,095	M	60-69	Inflammatory heart disease	171	Private
3	\$448,422	M	70-79	Heart bypass	105	Private
4	\$408,572	M	60-69	Heart bypass	90	Private
5	\$370,225	M	80-89	Coronary heart disease	64	Private
6	\$337,082	M	70-79	Narrowing of heart's aortic valve	74	Private
7	\$316,013	M	60-69	Coronary heart disease	104	Private
8	\$302,081	M	70-79	Narrowing of heart's aortic valve	76	Private
9	\$296,064	M	70-79	Intracranial bleed	176	Private
10	\$292,176	M	80-89	Heart valve disease	57	Private
11	\$291,325	M	60-69	Heart bypass	57	Private
12	\$290,849	M	60-69	Narrowing of heart's aortic valve	116	Private
13	\$272,531	M	70-79	Heart bypass	99	Private
14	\$271,441	M	15	Heart failure	224	Public
15	\$264,892	M	60-69	Narrowing of heart's aortic valve	87	Private
16	\$261,218	M	60-69	Narrowing of heart's aortic valve	29	Private
17	\$257,471	F	70-79	Heart bypass	138	Private
18	\$243,548	M	60-69	Narrowing of heart's aortic valve	50	Private
19	\$243,226	F	80-89	Narrowing of heart's aortic valve	97	Private
20	\$240,389	M	70-79	Heart attack	75	Private

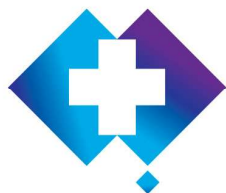


Table 3: Top 20 Identifiable High Claims for the treatment of Musculoskeletal System and Connective Tissue diseases

Rank	Total Benefits Paid	Gender	Age	Description	Bed Days	Hospital Type (Public/Private/Day Surgery)
1	\$305,559	F	70-79	Spine curvature disorder	229	Private
2	\$243,694	M	60-69	Low back pain	84	Private
3	\$211,155	F	80-89	Spine curvature disorder	42	Private
4	\$209,976	M	70-79	Spine curvature disorder	32	Private
5	\$203,266	M	50-59	Infection of ankle and foot	40	Private
6	\$201,910	F	60-69	Low back pain	19	Private
7	\$194,471	M	60-69	Unhealed broken bone in ankle and foot	64	Private
8	\$186,564	M	70-79	Hunchback	66	Private
9	\$183,398	F	80-89	Spine curvature disorder	54	Private
10	\$181,937	F	70-79	Spine curvature disorder	51	Private
11	\$178,804	F	70-79	Back pain	39	Private
12	\$178,242	F	60-69	Spine curvature disorder	14	Private
13	\$177,953	F	50-59	Spine curvature disorder	25	Private
14	\$176,756	F	80-89	Hunchback	15	Private
15	\$174,473	F	40-49	Abnormal juvenile spinal curvature	20	Private
16	\$174,099	M	50-59	Spinal osteoarthritis	41	Private
17	\$172,262	F	40-49	Spine curvature disorder	18	Private
18	\$171,680	F	60-69	Spine curvature disorder	66	Private
19	\$168,302	F	50-59	Spine curvature disorder	17	Private
20	\$167,202	F	70-79	Spine curvature disorder	15	Private

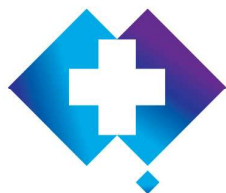


Table 4: Top 20 Identifiable High Claims for the treatment of Mental Health

Rank	Total Benefits Paid	Gender	Age	Description	Bed Days	Hospital Type (Public/Private/Day Surgery)
1	\$192,658	F	30-39	Recurrent depressive disorder	119	Private
2	\$168,280	F	40-49	Unstable personality disorder	115	Private
3	\$156,258	M	60-69	Schizophrenia with anxiety	96	Private
4	\$147,967	M	30-39	Schizophrenia	197	Public
5	\$140,991	M	70-79	Bipolar disorder	188	Public
6	\$135,414	F	10-20	Recurrent depressive disorder	186	Public
7	\$123,907	F	40-49	Post-concussion syndrome	82	Private
8	\$114,511	F	50-59	Adjustment disorders	200	Private
9	\$100,623	F	70-79	Severe depressive episode	131	Public
10	\$100,441	F	20-29	Schizophrenia with depression	61	Private
11	\$100,083	F	40-49	Bipolar disorder	69	Private
12	\$97,137	F	60-69	Severe depressive episode	241	Private
13	\$97,123	M	60-69	Dementia	126	Public
14	\$96,386	M	50-59	Severe depressive episode	131	Private
15	\$94,653	F	20-29	Bipolar disorder	56	Private
16	\$93,343	F	40-49	Schizophrenia	125	Public
17	\$92,303	F	70-79	Anxiety and depression	153	Private
18	\$92,153	F	20-29	Recurrent depressive disorder	56	Private
19	\$90,464	F	40-49	Recurrent depressive disorder	171	Private
20	\$90,253	F	70-79	Bipolar disorder	53	Private

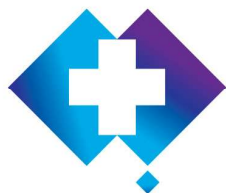


Table 5: Top 20 Identifiable High Claims for the treatment of Cancers

Rank	Total Benefits Paid	Gender	Age	Description	Bed Days	Hospital Type (Public/Private/Day Surgery)
1	\$360,227	M	80-89	Lung cancer	105	Private
2	\$341,284	F	70-79	Oesophageal cancer	137	Private
3	\$323,329	M	70-79	Lung cancer	186	Private
4	\$288,485	F	60-69	Non-Hodgkin lymphoma	353	Public
5	\$243,005	F	50-59	Heart cancer	33	Private
6	\$240,996	M	70-79	Gallbladder cancer	93	Private
7	\$218,169	M	60-69	Lung cancer	134	Private
8	\$217,780	M	80-89	Melanoma skin cancer	121	Private
9	\$213,927	M	60-69	Oesophageal cancer	153	Private
10	\$209,818	M	60-69	Secondary brain tumour	17	Private
11	\$207,161	F	70-79	Gallbladder cancer	94	Private
12	\$206,722	M	40-49	Bowel cancer	86	Private
13	\$197,169	M	60-69	Secondary bone cancer	148	Private
14	\$196,165	M	60-69	Secondary liver cancer	68	Private
15	\$192,384	M	70-79	Other benign, in situ and uncertain neoplasms	82	Private
16	\$189,445	M	70-79	Bowel cancer	62	Private
17	\$185,826	M	60-69	Other benign, in situ and uncertain neoplasms	88	Private
18	\$170,179	M	50-59	Ill-defined malignant neoplasms	154	Private
19	\$167,533	F	70-79	Pancreatic cancer	51	Private
20	\$163,973	F	40-49	Vertebral tumour	73	Private

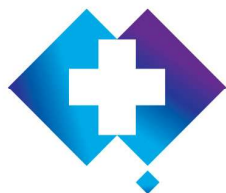


Table 6: Top 20 Identifiable High Claims for the treatment of Diabetes

Rank	Total Benefits Paid	Gender	Age	Description	Bed Days	Hospital Type (Public/Private/Day Surgery)
1	\$194,120	M	60-69	Type 1 diabetes with foot ulcer	254	Private
2	\$149,220	M	70-79	Type 2 diabetes with foot ulcer and gangrene	199	Public
3	\$137,034	M	70-79	Type 2 diabetes with foot ulcer and gangrene	74	Private
4	\$136,876	F	70-79	Balloon angioplasty, type 2 diabetes with gangrene	103	Private
5	\$131,813	M	60-69	Balloon angioplasty with multiple stents, type 2 diabetes without gangrene	45	Private
6	\$122,385	M	70-79	Balloon angioplasty with single stent, type 2 diabetes with foot ulcer and	146	Private
7	\$112,560	M	60-69	Amputation of toe and midfoot, type 2 diabetes with gangrene	79	Private
8	\$111,935	F	60-69	Amputation of toe and midfoot, type 2 diabetes with foot ulcer and gangrene	70	Private
9	\$111,491	F	70-79	Balloon angioplasty, type 2 diabetes with foot ulcer	53	Private
10	\$97,214	M	50-59	Type 1 diabetes with foot ulcer and gangrene	97	Private
11	\$93,936	M	80-89	Type 2 diabetes without gangrene	33	Private
12	\$92,684	M	60-69	Type 2 diabetes without gangrene	40	Private
13	\$89,709	M	60-69	Amputation of toe and midfoot, type 2 diabetes with foot ulcer	21	Private
14	\$89,299	F	40-49	Type 2 diabetes with hyperosmolarity	14	Private
15	\$89,054	F	80-89	Type 2 diabetes with gangrene and kidney complication	56	Private
16	\$88,614	M	60-69	Amputation above knee, type 2 diabetes with foot ulcer and gangrene	90	Private
17	\$84,876	M	80-89	Type 2 diabetes with foot ulcer	111	Private
18	\$82,717	M	60-69	Continuous long term dialysis, type 2 diabetes with foot ulcer	136	Public
19	\$82,145	M	80-89	Type 2 diabetes with foot ulcer without gangrene	75	Private
20	\$81,724	F	80-89	Surgical removal of soft tissue, bone and cartilage, type 2 diabetes with foot ulcer without gangrene	116	Private

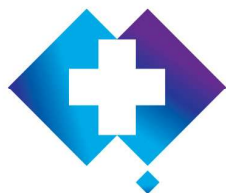
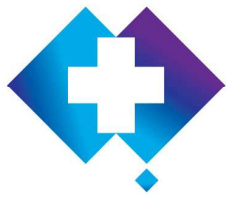


Table 7: Top 30 Identifiable High Claims for Private Health Insurance Members Aged Under 30 (excluding neonates)

Rank	Total Benefits Paid	Gender	Description	Bed Days	Hospital Type (Public/Private/Day Surgery)
1	\$271,441	M	Heart failure	224	Public
2	\$165,638	M	Inflammatory heart disease	48	Private
3	\$143,052	F	Suicidal tendencies	185	Public
4	\$136,686	M	Leukaemia	151	Private
5	\$135,414	F	Recurrent depressive disorder	186	Public
6	\$130,277	F	Congenital cardiovascular defects	16	Private
7	\$120,348	F	Spine curvature disorder	53	Private
8	\$119,095	M	Brain stem tumour	231	Public
9	\$114,986	F	Spine curvature disorder	18	Private
10	\$114,402	M	Blockage of small airways in the lungs due to a viral infection	22	Private
11	\$111,962	M	Volume depletion	181	Public
12	\$110,867	F	Sideways curvature of the spine	16	Private
13	\$105,173	F	Spine curvature disorder	14	Private
14	\$100,841	M	Back pain	12	Private
15	\$100,441	F	Schizophrenia	61	Private
16	\$99,906	M	Burns	229	Public
17	\$99,571	M	Back pain	18	Private
18	\$97,137	F	Kidney and urinary diseases	2	Private
19	\$96,596	M	Spine curvature disorder	9	Private



Rank	Total Benefits Paid	Gender	Description	Bed Days	Hospital Type (Public/Private/Day Surgery)
20	\$95,847	F	Back pain	16	Private
21	\$95,162	F	Spine curvature disorder	10	Private
22	\$94,653	F	Bipolar disorder with severe depression	56	Private
23	\$94,501	F	Tibia and ankle fracture	21	Private
24	\$93,674	M	Back pain	16	Private
25	\$92,153	F	Recurrent depressive disorder	56	Private
26	\$91,785	M	Developmental disorder of the spine	8	Private
27	\$91,539	F	Back pain	15	Private
28	\$89,194	F	Spine curvature disorder	11	Private
29	\$89,116	F	Spine curvature disorder	7	Private
30	\$89,034	F	Recurrent depressive disorder	61	Private