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MEDIA RELEASE

High Claims Total \$2.7 billion.

The Australian Health Insurance Association's Annual High Claims Survey – hospital claims exceeding \$10,000 - found that the number of high claims for 2009 increased by 4,000 (3.2%) and the cost of those high claims increased by \$120 million (4.7%) on the previous 12 months.

The total benefits paid for all high claims reached \$2.7 billion, representing 31% of the total cost of benefits paid for hospital treatment during 2009. The AHIA annual survey includes data collected from 35 private health funds representing 99% of the private health insurance industry. Participating funds reported 134,956 claims where the benefit payment exceeded \$10,000.

Of the 134,956 claims:

- 27 cost more than \$200,000
- 271 cost more than \$100,000
- 3,779 cost more than \$50,000
- 14,600 cost more than \$30,000
- 45,874 cost more than \$20,000
- 89,172 cost between \$10,000 and \$20,000

The highest benefit paid was \$439,626 for treatment of a patient with a developmental disorder of the bones and cartilage.

There were more than 6000 high claims for persons aged under 30 years, representing an increase of 29% on the previous year. High claims benefits paid for under 30's totalled \$110.5 million during 2009.

Of the high claims for the Under 30's:

- 8 out of the top 30 high claims involved heart procedures
- 5 out of the top 30 high claims involved spinal procedures

AHIA CEO Dr Michael Armitage said the high claims survey demonstrated the contribution Private Health Funds made to the lives of individuals as well as Australia's health care system.

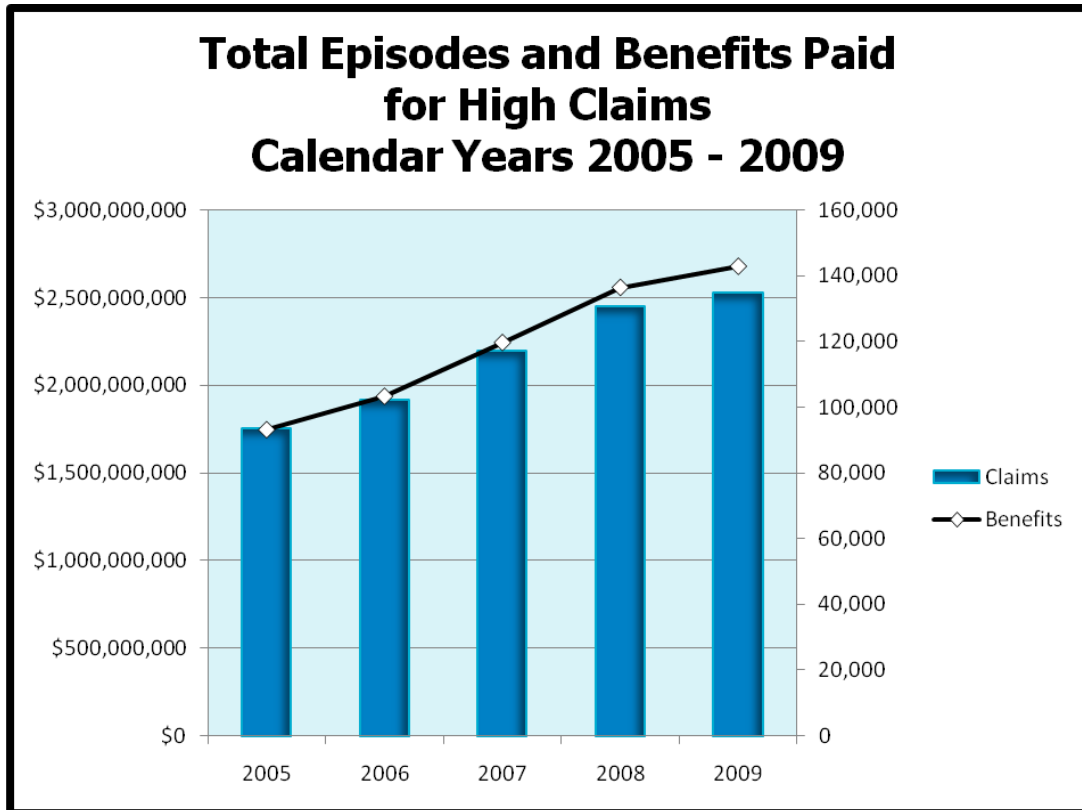
The most recent Health Payments Index, published by the AHIA, shows that Private Health Insurance payments for the 12 month period to February 2010 shows a 7.9% increase or an annual increase in payments of +\$792 million.

Dr Armitage said PHI Funds would inject an additional \$1 billion into Australia's health care system in 2010 bringing total expenditure on private health treatments to more than \$12 billion.

* The Annual AHIA High Claims Survey (CY 2009) is attached.



6TH ANNUAL AHIA HIGH CLAIMS SURVEY



March 2010



Summary

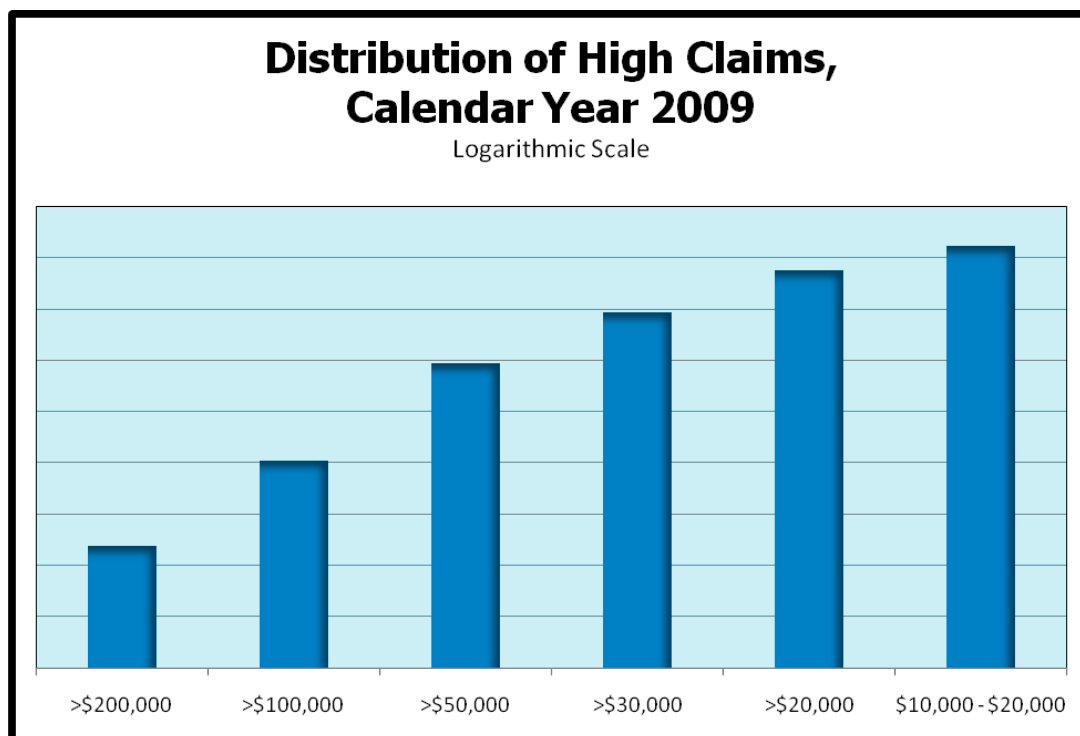
The AHIA Annual High Claims Survey Report is collated using survey data from 35 Australian health funds which in total represent 99.0% of the private health insurance industry.

The participating funds returned 134,956 claims where the benefit payment for the episode of care was more than \$10,000. This is an increase in number of High Claims on the previous reporting year of 3.2%.

The highest benefit paid was \$439,626 for treatment of a patient with a developmental disorder of the bones and cartilage.

Of the 134,956 claims

- 27 cost more than \$200,000
- 271 cost more than \$100,000
- 3,779 cost more than \$50,000
- 14,600 cost more than \$30,000
- 45,874 cost more than \$20,000
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All High Claims

All High Claims over \$10,000 account for 4.3% of all Hospital episodes in CY 2009 (-0.1% from 2008). Assuming each of these people were hospitalised once, then for the 134,956 high claims they represent 1.4% of the total insured population (+0.05% from 2008).

The Total Cost of All High Claims for CY 2009 has increased by 4.7% from the previous year to almost \$2.7 billion which represents 31% of the Total Cost to Industry for Hospital Treatment during CY 2009.



High Claims for Under 30's

There were 6,019 claims that cost more than \$10,000 for persons aged < 30, an increase on the previous year of 1,350 claims (29%).

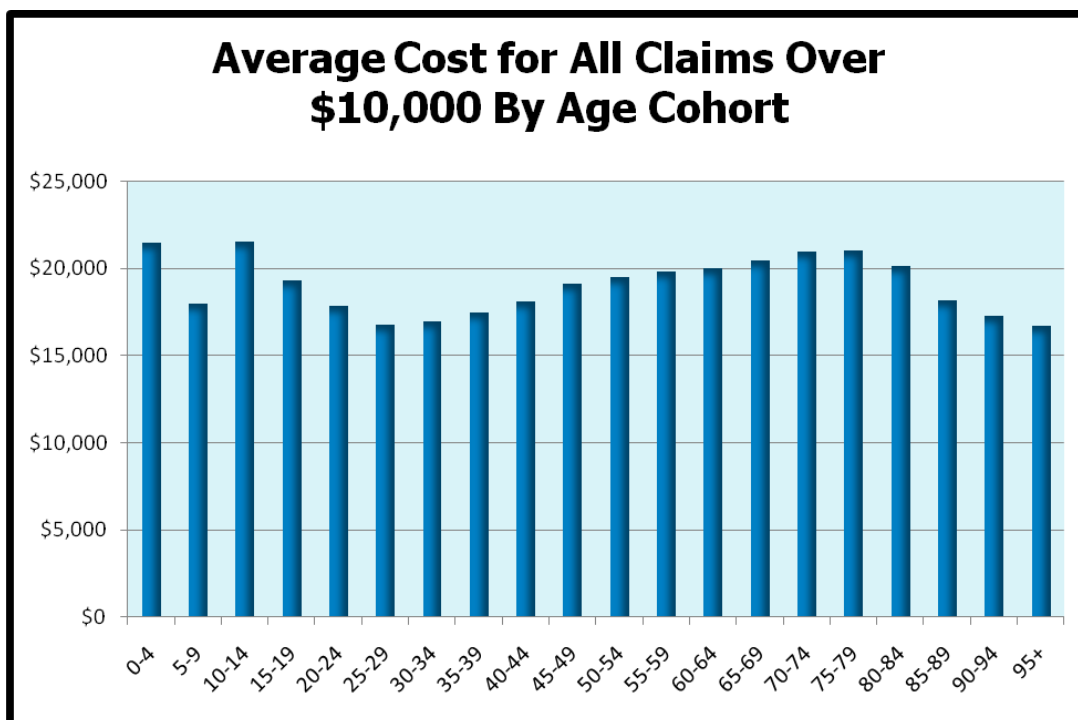
All High Claims over \$10,000 for Under 30's cost \$110.5 million for CY 2009.

Of the 6,019 claims

- The highest claim cost over \$439,000 for a developmental disorder of the bones and cartilage.
- 8 out of the Top 30 High Claims involved Heart procedures
- 5 out of the Top 30 High Claims involved Spinal procedures
- 1 out of the Top 30 High Claims involved Mental disorders

Average Cost per High Claim by Gender

It can be seen from the below chart that the average cost of high claims for each cohort were approximately similar in the calendar year 2009. Average cost per age cohort ranged from \$16,687 for those aged 95+, to \$21,449 for those aged 0-4. The higher cost per average claim for the 0-4 age cohort is most likely reflective of the high cost of neonatal care within this cohort.



Highest Claim for Selected Groups

- All Cancer Types is \$240,500 for a malignant neoplasm of the oesophagus
- All Mental Disorders is \$106,718 for anorexia nervosa
- All Diabetes Types is \$163,456 for type 1 diabetes mellitus with poor control

Tables attached show the following High Claims:

- Top 20 Identifiable High Claims for all Private Health Insurance members
- Top 30 Selected High Claims for members aged less than 30, Excluding Premature Births
- Top 5 Selected High Claims by Age Group
- Top 20 Identifiable High Claims - All Mental Disorders
- Top 20 Identifiable High Claims - All Cancer Types
- Top 20 Identifiable High Claims - All Diabetes

AHIA Annual High Claims Survey - Calendar Year 2009

Top 20 Identifiable High Claims for Private Health Insurance

Rank	TOTAL Benefits Paid	Gender	Age	Description	Number of Bed Days	Hospital Type (Public/ Private/ FDS)
1	\$439,626	M	0	Developmental disorder of bones and cartilage	161	Private
2	\$350,420	F	0	Neonatal care	164	Private
3	\$347,008	F	73	Disorder of heart valve/s	138	Private
4	\$281,669	M	0	Neonatal care	115	Private
5	\$277,289	F	0	Neonatal care	129	Private
6	\$269,972	M	69	Acute respiratory failure	94	Private
7	\$255,084	F	55	Sepsis, unspecified	203	Private
8	\$246,869	M	74	Disorder of heart valve/s	100	Private
9	\$245,192	M	80	Disorder of heart valve/s	77	Private
10	\$245,041	M	61	Coronary aneurysm	65	Private
11	\$243,876	F	69	Cancer of the brain	280	Private
12	\$241,052	F	78	Disorder of the digestive system	76	Private
13	\$240,500	M	65	Cancer of the oesophagus	104	Private
14	\$234,782	M	78	Total hip replacement	149	Private
15	\$228,032	M	75	Disorder of heart valve/s	92	Private
16	\$226,625	M	73	Mechanical complication of heart valve prosthesis	78	Private
17	\$226,267	F	77	Hypertensive heart and kidney disease	139	Private
18	\$225,622	F	55	Haemorrhaging ulcer, digestive system	101	Private
19	\$214,102	F	0	Neonatal care	87	Private
20	\$203,672	M	49	Blood condition	79	Private

AHIA Annual High Claims Survey - Calendar Year 2009
Top 30 Identifiable High Claims for PHI Members
Aged Under 30 (excludes premature births)

Rank	TOTAL Benefits Paid	Gender	Age	Description	Number of Bed Days	Hospital Type (Public/Private/ FDS)
1	\$439,626	M	0	Developmental disorder of the bones and cartilage	161	Private
2	\$139,120	F	30	Disease of spinal nerves	4	Private
3	\$133,379	M	25	Colorectal surgery	229	Public
4	\$130,578	M	21	Neurology	452	Public
5	\$127,101	M	28	Bird flu	54	Private
6	\$126,950	M	28	Bird flu	47	Private
7	\$126,392	F	0	Paediatric surgery	11	Private
8	\$124,259	F	30	Major neurological condition	49	Private
9	\$107,469	F	0	Botulism	26	Private
10	\$91,990	F	26	Staphylococcus	148	Private
11	\$84,352	M	27	Neurological condition affecting muscle control	38	Private
12	\$83,546	M	21	Acute inflammation of the brain	34	Private
13	\$76,090	F	1	Bacterial disease, unspecified	133	Private
14	\$74,414	F	22	Stroke	29	Private
15	\$72,511	F	29	Intervertebral disc disorder, unspecified	7	Private
16	\$71,385	F	0	Repair of heart valve	16	Private
17	\$71,011	F	0	Abdominal birth defect	20	Private
18	\$68,786	M	22	Heart disease	11	Private
19	\$68,744	F	30	Management of cardiac device	1	Private
20	\$68,444	F	16	Scoliosis, unknown cause	17	Private
21	\$67,697	F	22	Tachycardia	5	Private
22	\$67,665	M	25	Schizoaffective Disorder	112	Private
23	\$67,397	M	21	Congestive heart failure	1	Private
24	\$66,133	F	12	Scoliosis, unknown cause	15	Private
25	\$65,790	M	18	Tachycardia	5	Private
26	\$65,244	M	15	Scoliosis, unspecified	26	Private
27	\$64,193	M	20	Implantation of a cardiac device	2	Private
28	\$62,727	M	1	Impalpable testes	210	Public
29	\$62,658	M	30	Brain haemorrhage	132	Public
30	\$61,989	M	11	Heart failure	3	Private

AHIA Annual High Claims Survey - Calendar Year 2009

Top 20 Identifiable High Claims for PHI - All Mental Health

Rank	TOTAL Benefits Paid	Gender	Age	Description	Number of Bed Days	Hospital Type (Public/Private/ FDS)
1	\$106,718	F	47	Anorexia nervosa	54	Private
2	\$82,247	M	43	Other bipolar affective disorders	54	Private
3	\$80,258	M	59	Recurrent depressive disorder, current episode severe without psychotic symptoms	24	Private
4	\$77,490	F	37	Recurrent depressive disorder, current episode severe without psychotic symptoms	102	Private
5	\$73,942	F	48	Severe depressive episode with psychotic symptoms, not specified	122	Private
6	\$73,908	M	61	Recurrent depressive disorder, unspecified	153	Private
7	\$67,665	M	25	Other schizoaffective disorders	112	Private
8	\$63,501	F	36	Emotionally unstable personality disorder, borderline	144	Private
9	\$62,020	Female	37	Mixed anxiety and depressive disorder	132	Private
10	\$60,858	F	30	Schizoaffective disorder, depressive type	72	Private
11	\$58,369	F	26	Recurrent depressive disorder, current episode severe without psychotic symptoms	63	Private
12	\$58,234	F	64	Bipolar affective disorder, current episode mixed	50	Private
13	\$57,934	F	44	Severe depressive episode without psychotic symptoms, not specified as arising in the postnatal period	65	Private
14	\$57,246	F	51	Bipolar affective disorder, current episode manic with psychotic symptoms	114	Private
15	\$57,143	F	23	Anorexia nervosa	62	Private
16	\$56,980	F	78	Severe depressive episode without psychotic symptoms, not specified as arising in the postnatal period	128	Private
17	\$56,435	F	43	Severe depressive episode without psychotic symptoms	103	Private
18	\$55,508	Female	55	Depressive episode, unspecified	142	Private
19	\$54,504	F	33	Schizophrenia, unspecified	134	Private
20	\$54,140	F	41	Recurrent depressive disorder, current episode severe without psychotic symptoms	57	Private

AHIA Annual High Claims Survey - Calendar Year 2009

Top 20 Identifiable High Claims for PHI - All Cancer Types

Rank	TOTAL Benefits Paid	Gender	Age	Description	Number of Bed Days	Hospital Type (Public/Private/ FDS)
1	\$240,500	M	65	Malignant neoplasm of the oesophagus, unspecified	104	Private
2	\$177,646	M	78	Malignant neoplasm of sigmoid colon	82	Private
3	\$163,694	M	64	Malignant neoplasm of retroperitoneum	124	Private
4	\$159,397	M	87	Acute myeloid leukaemia, without mention of remission	132	Private
5	\$157,318	M	77	Large cell (diffuse) non-Hodgkin lymphoma	55	Private
6	\$154,091	M	52	Mesothelioma of pleura	51	Private
7	\$137,016	F	59	B-cell lymphoma, unspecified	233	Private
8	\$133,215	F	80	Overlapping malignant lesion of colon	58	Private
9	\$131,568	F	69	Malignant neoplasm of vagina	69	Private
10	\$125,883	M	79	Malignant neoplasm of rectum	133	Private
11	\$124,620	M	54	Malignant neoplasm of cardia	86	Private
12	\$124,114	M	46	Benign neoplasm of colon, unspecified	45	Private
13	\$120,350	M	70	Secondary malignant neoplasm of liver	46	Private
14	\$114,934	F	78	Benign neoplasm of craniofacial bones	148	Private
15	\$113,557	F	59	Large cell (diffuse) non-Hodgkin lymphoma	84	Private
16	\$113,402	M	55	Malignant neoplasm of pelvic bones, sacrum and coccyx	62	Private
17	\$109,537	F	75	Malignant neoplasm of ampulla of Vater	77	Private
18	\$108,702	F	45	Malignant neoplasm of ovary	175	Private
19	\$108,124	F	60	Malignant neoplasm of rectum	170	Private
20	\$103,514	M	68	Multiple myeloma, without mention of remission	25	Private

AHIA Annual High Claims Survey - Calendar Year 2009

Top 20 Identifiable High Claims for PHI - Diabetes

Rank	TOTAL Benefits Paid	Gender	Age	Description	Number of Bed Days	Hospital Type (Public/ Private/ FDS)
1	\$163,456	M	47	Type 1 diabetes mellitus with poor control	37	Private
2	\$116,055	M	66	Type 2 diabetes with peripheral angiopathy - no gangrene	94	Private
3	\$84,135	M	84	Type 2 diabetes mellitus with foot ulcer due to multiple causes	45	Private
4	\$82,186	M	69	Type 2 diabetes mellitus with diabetic ischaemic cardiomyopathy	38	Private
5	\$80,045	F	79	Type 2 diabetes with other specified complication	76	Private
6	\$80,008	M	50	Type 2 diabetes mellitus with other specified complication	48	Private
7	\$78,323	M	70	Type 2 diabetes mellitus with foot ulcer due to multiple causes	135	Private
8	\$78,055	M	73	Type 2 diabetes mellitus with multiple microvascular complications	127	Private
9	\$73,355	M	72	Type 1 diabetes mellitus with other specified complication	26	Private
10	\$73,081	M	66	Type 2 diabetes with peripheral angiopathy - no gangrene	14	Private
11	\$70,919	M	65	Type 2 diabetes mellitus with other specified renal complication	36	Private
12	\$70,142	M	82	Type 2 diabetes with foot ulcer due to multiple causes	51	Private
13	\$67,595	M	70	Type 2 diabetes mellitus with foot ulcer due to multiple causes	76	Private
14	\$67,024	M	72	Type 2 diabetes mellitus with diabetic ischaemic cardiomyopathy	1	Private
15	\$64,596	M	62	Type 2 diabetes mellitus with foot ulcer due to multiple causes	41	Private
16	\$63,312	F	68	Type 1 diabetes mellitus with ketoacidosis, without coma	35	Private
17	\$63,161	M	84	Type 2 diabetes mellitus with foot ulcer due to multiple causes	54	Private
18	\$61,502	M	80	Type 2 diabetes mellitus with foot ulcer due to multiple causes	152	Public
19	\$59,443	M	78	Type 2 diabetes mellitus with foot ulcer due to multiple causes	86	Private
20	\$59,199	M	76	Type 2 diabetes mellitus with established diabetic nephropathy	73	Private