

Quarterly statistical summary: June 2019

This statistical supplement sets out key health insurance statistics for lives covered, claims and premiums over the previous quarter and 12 month period, together with commentary on changes and underlying trends.

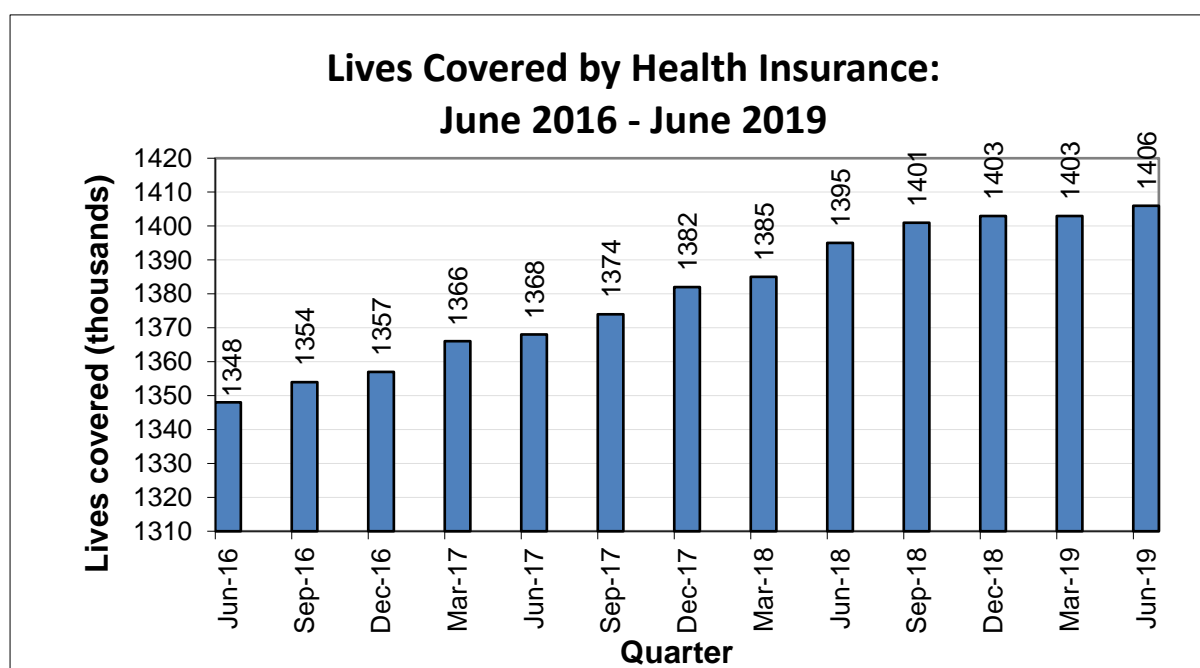
Headline changes

- △ Lives covered up 3900 for the quarter (0.3 percent); up 11,700 or 0.8 percent for the year to 1.406 million;
- △ Premium income of \$419 million for the quarter, up \$10 million (2.5 percent) on March quarter; annual premium \$1.622 billion, up \$139 million (9.4 percent) on June 2018 year;
- △ Claims paid for quarter of \$343 million, up 3.7 percent on previous June 2018 quarter; annual claims paid for June 2019 year of \$1.335 billion up \$93 million (7.5 percent) on June 2018 year claims.

Lives covered

The June quarter saw a further rise in terms of lives covered after a flat March quarter. On an annual basis, lives covered have increased by 11,700 or 0.8 percent for the year ending June 2019.

The continued growth in employment levels has helped increase PHI uptake, with an increase in the number of people opting for health insurance cover which is partly funded by their employer.



Changes in lives covered by age-group

The table below gives a breakdown of the changes in lives covered over the past year by age group.

Age	Jun 2018	Jun 2019	Change	Percent
0–4	61,145	60,816	-329	-0.5%
5–9	84,359	83,955	-404	-0.5%
10–14	86,973	88,104	1,131	1.3%
15–19	84,822	84,987	165	0.2%
20–24	77,922	77,662	-260	-0.3%
25–29	81,868	84,442	2,574	3.1%
30–34	94,469	97,554	3,085	3.3%
35–39	101,561	105,168	3,607	3.6%
40–44	107,772	107,959	187	0.2%
45–49	121,216	121,003	-213	-0.2%
50–54	118,443	117,996	-447	-0.4%
55–59	115,280	115,755	475	0.4%
60–64	94,671	95,315	644	0.7%
65–69	68,368	68,257	-111	-0.2%
70–74	44,414	45,272	858	1.9%
75–79	26,585	27,203	618	2.3%
80–84	13,982	14,230	248	1.8%
85–89	7,601	7,398	-203	-2.7%
90+	3,316	3,363	47	1.4%
Totals	1,394,768	1,406,439	11,671	0.8%

Over the past year, it is the working-age population which has accounted for the lion's share of the growth in PHI coverage. The 25-44 year age groups accounted for around 9000 lives covered out of the 11,700, as interest continues to grow in employer-subsidised health insurance for staff. The year saw numbers boosted by both general employment growth, as well as growth in the availability of employer-subsidised health insurance as part of a broader focus on wellness in the workplace.

The year has also seen an increase in the number of older New Zealanders with health insurance, as the population ages and older New Zealanders maintain their health insurance – largely in acknowledgement of the increasing difficulty in accessing public-funded healthcare such as elective surgery. The number of people aged 65 and over with health insurance grew by almost 1500 or 0.9 percent to 165,700 – around 22 percent of the 65+ population.

The past year has seen the public sector plagued by industrial action and funding shortfalls for DHBs. These have contributed to heightened uncertainty around future access to public health services, particularly elective surgery, cancer treatments, and potential waiting times.

Premium income

Premium income for the June 2019 quarter totalled \$419 million – up by \$10 million on the March quarter. Annual premium for the year ended 30 June 2019 was \$1.622 billion, up 9.4 percent or \$135 million on premium income for the June 2018 year.

Claims paid

Claims paid for the June 2019 quarter were \$343 million up 3.7 percent on the previous June 2018 quarter. Total claims paid for the 12 months ending 30 June 2019 were \$1.335 billion, up 7.5 percent – or \$93 million – on June 2018 year claims.

Annual claims paid have effectively doubled over the past decade, as people have accessed both a greater volume and a wider range of services and treatments through health insurance.

The higher claims growth over the past year reflects a combination of growth in lives insured, medical inflation and higher utilisation rates. On top of additional healthcare demand expected from demographic changes, there has been a noticeable increase in demand for insurance funded healthcare treatment in the past year as a result of the disruption in the public health sector and the adverse impact on people's ability to access healthcare through their DHB.

Insurers have also reported increased claims costs in the area of diagnostics and imaging, and funding for cancer treatments and drugs, including drugs not funded by Pharmac.

