



Big payouts soar as funds eye budget

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THE number of high-cost claims — those worth more than \$10,000 — paid out by private health funds rose 11.6 per cent last year, while the cost of the claims rose by 18 per cent.

As speculation mounts that the private health insurance rebate may be pegged back for wealthy families in the federal budget on May 12, the annual high claims survey conducted by the health insurers' peak body found funds paid \$2.6 billion in such high-cost claims last year, representing one-third of benefits paid for hospital treatment.

The highest single benefit paid was \$630,400 for a 65-year-old man who needed intensive care for abdominal sepsis following surgery, Australian Health Insurance Association chief executive Michael Armitage reveals. The patient required the equivalent of more than one year in a private hospital, although it is not clear whether the 369 bed days were in one stretch. The second most expensive claim, \$364,860, was for a 64-year-old man who needed colorectal surgery. He was in a private hospital for more than four months (140 bed days).

Concerns are rising among some insurers that the federal Government plans to scale back the cost of the 30 per cent rebate on private health fund premiums, with one option said to be means-testing eligibility so wealthy families are excluded.

This week at least one fund, HBF, warned that such a move would lift premiums.

"If you start to lose people in the business it certainly places so much more pressure back on the public health system," HBF managing director Rob Bransby told ABC Online. "[If] there's also less people in the system, obviously premiums will continue to rise, so the biggest concern for me is, if this is implemented, some Australians will see increases in their premiums [of] between 43 [per cent] and 67 per cent straight away."

The AHIA survey, compiled from responses received from 34 nationally registered health funds representing 97 per cent of the industry, reveals 130,829 high-cost claims. Twelve were for more than \$200,000.

The biggest share of the high claims (62 per cent, or 80,674) were for amounts from \$10,000 to \$20,000. The next biggest (20 per cent, or 26,175) was for amounts from \$20,000 to \$30,000.

A breakdown by patient age showed that children under four accounted for the single largest cost burden, averaging just more than \$35,000, much higher than the average range for other age groups of \$15,000 to \$22,000. The AHIA says this reflects the high costs associated with caring for newborn babies.

Armitage says the payouts figures show the "contribution private health insurance made to the lives of individuals, as well as Australia's broader health system".

He says private health funds will put an

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extra \$950 million into the health system this year, pushing the total spending figure for private care to more than \$11 billion.

The 130,829 claims costing more than \$10,000 represented 4.4 per cent of all hospital episodes last year, up 0.2 percentage points from the previous year. In the unlikely event that each claim was for a different patient, together they would account for nearly 1.4 per cent of the total pool of people holding private health insurance.

The highest claim for a case relating to cancer was for \$192,396 for the treatment of a 75-year-old male patient with a malignant rectal tumour.

But other patients with diseases less often associated in the public mind with expensive treatments also generated some of the highest claims. One was on behalf of a 45-year-old woman with an unspecified depressive episode who accounted for 69 bed days in a private hospital. Her claim cost the

unidentified fund \$100,655.

A patient with type 2 diabetes — a condition thought to affect more than one million Australians, although many of these cases are undiagnosed — needed care that cost her health fund \$120,983. The 72-year-old woman had a foot ulcer due to multiple causes.

Most of the 80 high-cost cases outlined by the AHIA involved people over 60.

One 30-year-old woman generated a claim worth \$180,594 for the treatment of an unspecified neurological condition, which required 58 bed days in a private hospital.

Eight patients in their 20s or 30s received health fund rebates ranging from \$57,262 to \$88,070 for the treatment of depressive or schizo-affective conditions.

The youngest patient singled out in the breakdown was a newborn boy who needed 102 days' treatment in a private hospital, costing the fund nearly \$200,000.

