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**PRESIDENT**  
Mr Richard Bowden  
**CHIEF EXECUTIVE**  
Hon Dr Michael Armitage

Caring for Older Australians  
Productivity Commission  
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To Whom It May Concern,

The Australian Health Insurance Association (AHIA) thanks the Productivity Commission for the opportunity to make a submission to the issues paper: Caring for Older Australians.

The AHIA is the peak body for the Australian Private Health Insurance Industry. The AHIA represents 21 health funds, which provide healthcare benefits to over 11 million Australians representing 93 per cent of those Australians with private health insurance).

Whilst not directly related to your terms of reference, the AHIA notes the opportunity to provide information which we believe may be of relevance.

Accessible healthcare is an important component of caring for elderly Australians. The private health insurance industry provides hospital cover for 1.4 million people over the age of 65 years. This represents 54% of the entire over 65 years of age population in Australia. Health funds also provide general treatment cover 1.1 million people aged 65 or more for services such as dental, optometry, physiotherapy, chiropractic etc.

Health funds provided benefits for 1.2 million hospital admissions which in total represented 4 million bed days in both public and private hospitals.

Total health fund benefit payouts for hospital admissions on behalf of those over 65 was \$4 billion in the 12 months to March 2010. This increased by \$585 million (14.6%) over the previous 12 month period.

The following table provides a breakdown by 5 year age cohort for members over 65 years of age for both hospital and allied health services which you may find useful.

**Annual Benefits Paid for Privately Insured Members Aged 65 Years or More  
Year Ending March 2010**

<b>Age Cohort</b>	<b>Hospital Benefits</b>	<b>General Treatment Benefits</b>	<b>Total Benefits</b>
65-69	\$839,973,211	\$177,633,677	\$1,017,606,888
70-74	\$830,660,956	\$115,774,798	\$946,435,754
75-79	\$828,039,556	\$77,345,695	\$905,385,251
80-84	\$707,965,476	\$49,624,368	\$757,589,843
85-89	\$418,125,306	\$20,327,959	\$438,453,265
90-94	\$240,375,737	\$6,060,202	\$246,435,939
95+	\$158,729,154	\$1,497,212	\$160,226,365
<b>Total 65+</b>	<b>\$4,023,869,395</b>	<b>\$448,263,911</b>	<b>\$4,472,133,306</b>

If I can be of any further assistance in providing you with health care data or modelling of the data from any source, please feel free to contact me.

Yours sincerely

**HON DR MICHAEL ARMITAGE**  
**CHIEF EXECUTIVE OFFICER**

21 July 2010