

<b>Date:</b>	22 June 2001
<b>Subject</b>	Health Funds In Record Payout

Health funds in Australia paid out a record \$961 million in benefits for hospital treatment in the March quarter of 2001 - \$173 million, or 22% more than in the same period of 2000.

This payout represents an extra 65,255 hospital admissions in Australia compared with the March quarter of the previous year. Also private patient bed days increased to 1,539,795 - 150,876 more than for the previous March quarter.

Total benefits paid by funds - hospital and ancillary - reached a record \$1.4 billion in the quarter - \$255 million more than for the same quarter last year.

The Chief Executive of the Australian Health Insurance Association, Mr Russell Schneider, said the figures showed the Federal Government's health insurance incentives program - especially the 30% rebate - was already beginning to take pressure off the Australian public sector.

He predicted the increase in utilisation and benefit payments would continue to increase over the next few months as new members served out qualifying periods and began to claim.

The AHIA secretariat estimated the new membership would ultimately result in annual increases in private patient utilisation of more than 600,000 admissions a year, or about 2 million bed days.

The latest figures continue the trend of previous months, which showed an upsurge in the use of private health insurance. Annual total admissions for the 12 months ending March 2001 were 1,726,795 compared with 1,524,946 in the previous year.

Fewer patients encountered medical gaps. A total \$386 million was paid in medical "gap" payments during the year - a 42% increase on the previous year

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