

MEDIA RELEASE**HCF releases highest hospital claims data for 2014**

Sydney, 11 February 2015 – Australia's largest not-for-profit private health insurer, HCF, has today released data detailing the highest hospital benefit payments made to members during 2014.

During last year, HCF funded almost 31,000 hospital admissions for which the benefit paid exceeded \$10,000, with the hospital costs of these admissions coming to \$623.5 million for the year.

Among notable claims handled by HCF:

- The highest individual claim paid was \$297,000 for a 70 year old member who was treated for a brain tumour and spent 82 days in a NSW private hospital;
- Of HCF members aged 18-30 years, the highest individual claim was \$84,000 for a 27 year old male in NSW who received treatment in a public hospital for psychiatric care;
- The highest payment for a public hospital was \$110,000 for an episode of hospital care involving 168 days for a 59 year old male;
- There were 954 admissions where the hospital costs exceeded \$50,000. Over a third of these admissions were cardiac procedures involving an Automatic Implantable Cardioverter Defibrillator (AICD). An AICD is a small device that's placed in the chest or abdomen. Doctors use the device to help treat irregular heartbeats called arrhythmias. It uses electrical pulses or shocks to help control life-threatening arrhythmias, especially those that can cause sudden cardiac arrest.

The growth in the use of devices such as the AICD is a strong example of how higher expectations, advances in medical technology and chronic disease are driving increased costs in private health. In 2004 only 7 AICD-related cardiac procedures were undertaken on HCF members per month but by 2009 the number had risen to 19. In 2014 these procedures had increased to 31 per month at a cost of more than \$50,000 for each AICD device alone without taking into account related charges for hospital stay and specialist doctors.

HCF Medical Director, Dr Andrew Cottrill, said the claims data showed an increase in the highest hospital benefits paid during the year, highlighting the rising cost of hospital care.

"The number of hospital admissions funded by HCF, and the value of the highest hospital claims paid, continue to increase year on year," he said.

"As a non-profit health insurer our priority is our members, not shareholders. HCF will always endeavour to deliver the best possible value to members, and that is reflected in the range of health cover products we offer tailored to different personal and family circumstances."

-Ends-

Issued on behalf of HCF by Sefiani Communications Group. Media inquiries to Karen Dunicliff on ph. (02) 8920 0700, mob. 0435 807 761 or kdunicliff@sefiani.com.au

About HCF

HCF is Australia's largest non-profit health insurer, currently covering more than 1.5 million Australians. To learn more about HCF go to <http://www.hcf.com.au/about-us>.

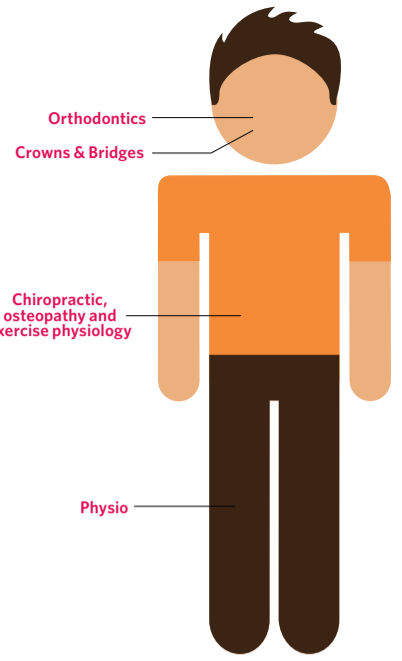


Get higher limits the longer you're with us

Your loyalty is rewarded when you're with HCF

Depending on your level of cover, your extras claim limits increase for every year you're a member, on extras like dental, orthodontics, physio and chiro, up to a maximum limit. It's another way we want you to stay happy.

See hcf.com.au/loyaltybenefits for more details. Please note that when you upgrade your cover, you'll need to serve waiting periods before you can take advantage of the increased benefits and limits.



Did you know?

In 2014, we paid over

\$2,070,000,000

in benefit payments for members' hospital and extras claims

Last year 246,303 HCF members had 495,289 hospital admissions

2015 Government rebate change

On 1 April 2014 the Australian Government changed how your rebate was calculated. The Government's contribution to an individual's private health insurance rebate will be adjusted on 1 April each year. This change will apply to all Australian private health funds. Please note: this only affects you if you currently receive a Government rebate.

See below table for the list of new rebate percentages.

| Current Rebate | Rebate from 1/4/15 |
|----------------|--|
| 38.720% | As at 11 th Feb 2015 these figures are not available from the Australian Government. To find out your new rebate percentage or which rebate percentage you are eligible for based on your income and age, or for more information please go to privatehealth.gov.au |
| 33.880% | |
| 29.040% | |
| 24.200% | |
| 19.360% | |
| 14.520% | |
| 9.680% | |



When was the last time you reviewed your health cover?

As you grow older, your health cover needs can change. We're here to help you decide the right cover for your life stage.

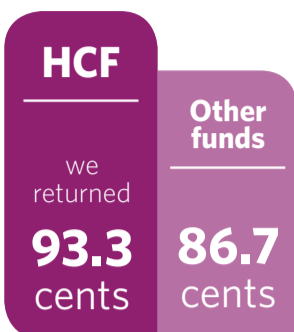
Please contact the HCF Member Information Line on **13 13 34**, visit hcf.com.au or visit one of our 53 branches and kiosks to find out more.

We work hard to keep your health cover costs down



At HCF, we're committed to giving you great health cover that's better value

In 2014 we returned 93.3 cents of every premium dollar received back to our members (as against the industry average of 86.7 cents).*



*Reference: HCF Annual Report 2014

And we make the other cents go a long way

Reserves

We are required by law to keep a reserve to pay for members' future claims needs. We top up these funds every year.

Member services and administration

In 2014 HCF had the lowest operating and management costs of any of the major health funds. And even though we run a lean operation, we'll always put our members' needs first.*

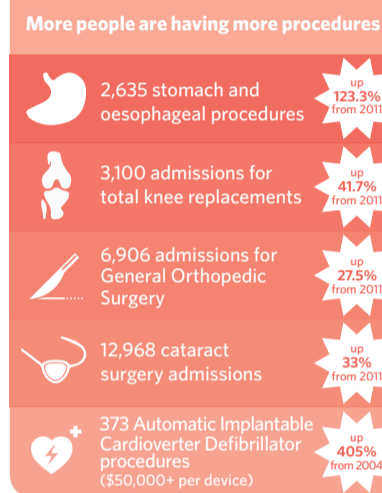
Why costs go up

Every year, more Australians use our health system. Advances in medical technology and the cost of providing more procedures are why costs continue to rise.

Here are some examples of how we supported our members*:



* Reference: HCF Annual Report 2014



The benefits of extras cover with HCF's More for you programs

Our network of participating providers means you can seek treatment from clinicians who offer fully covered services to HCF members with extras cover. There are currently over 10,000 HCF participating providers in the More for You programs. To see which program is available with your cover call us on 13 13 34 or visit our website for a list of providers in your area, and see how you can get more from HCF.

Pay nothing on a range of extras

HCF includes 100% back on certain claims on selected extras at participating providers (subject to your limits). The higher your extras cover, the more services you can claim back.

With HCF extras you get:

- More for Teeth
- More for Feet
- More for Backs
- More for Muscles
- More for Eyes
- More for Hearing

Get free access to

great health coaching with your HCF cover

It's like having your own personal health coach 24 hours a day!

My Health Guardian's online health management program can help you make the positive changes that will improve your health. Both healthy members and those with chronic conditions such as diabetes or high blood pressure can benefit from the program.

Improve your health for free

There's no charge for using My Health Guardian. It's provided to members with Hospital and/or Extras cover at no extra cost. Why not see how you or a family member can benefit?

My HealthGuardian®

HCF has your travel, pet and financial protection insurance needs covered

Travel Insurance

Did you know HCF offers members 10% discount on overseas travel and pet insurance?

Pet Insurance

You also receive further discounts for each additional pet you insure.

Cash Assist

HCF Life offers five easy, affordable ways to help you get back on your feet with Cash Assist options should sickness, accidents or unemployment strike. For more information on these products, please visit hcf.com.au

*Travel, Pet and Life insurance are respectively issued by QBE Insurance Australia Ltd, Hollard Insurance Company Pty Ltd and HCF Life Insurance Company Pty Ltd. Before purchasing these products you should consider the relevant Financial Services Guide and the Product Disclosure Statement. They can be found at hcf.com.au