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DENTAL HEALTH INSURANCE

IN AUSTRALIA

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Introduction

Traditionally oral health care services have been provided on a fee-for-service basis. For a long time oral health care has been considered uninsurable by carriers, as it does not fulfill conditions of insurance: unpredictability to the individual; infrequency; financial burden of catastrophic size. Nearly everyone has some dental treatment needs, which are rather frequent, and the cost is rarely of catastrophic size. It is only in recent decades that dentistry entered into private "third party" prepayment systems, known widely by the name "dental insurance". In this arrangement payment for services is made through some agency ("third party") and not directly by the beneficiary of these services. Coverage for dental expenses emerged as an area for negotiation by labour groups as additional fringe benefits.

In Australia, prepayment plans in dentistry are delivered by so called non-profit health benefits organisations (funds). The first funds offering dental plans appeared in the 1950's or earlier, but these were few, and with restricted membership (e.g. Commercial Banking Company Health Society 1955, NSW Teachers Federation Health Society 1954, Cheetham Hospital Benefits Fund 1945). A rapid growth of the number of funds offering dental plans to all Australians occurred from 1975 to 1977, subsequent to the introduction of Medibank and its concurrent limitations to private health insurance for medical and hospital services. A number of organisations ceased operations during the year 1975 mainly in anticipation of introduction of medical benefits. Other health insurance companies readily moved into ancillary insurance area, providing cover for services not otherwise covered by Medibank, or later by Medicare.

This paper intends to compile available information on development of Australian dental health insurance, and determine trends in levels of coverage of different groups of population, and in costs of dental insurance to individuals and households.

In this work two main sources of information have been used: Health Insurance Surveys conducted by the Australian Bureau of Statistics; and "Facts & Figures" compiled by Prof. PD Barnard. Details on methodology used for these surveys are given in Appendix A and B.

Conditions of Dental Insurance

Health benefits organisations in Australia offer ancillary benefits tables, in which dental plans are packaged with other ancillary covers, such as for: optical; ophthalmic; physiotherapy; pharmaceutical; chiropractic; podiatry; dietetic; psychology; aids and appliances; and ambulance services. In 1994-1995 dental benefits accounted for 52% of all health benefits paid from the ancillary tables (Private Health Insurance Administration Council 1995).

There is some variation between health funds as to the scope and level of dental services covered. Most of the funds cover all or most items of dental service listed on the Australian Dental Association Schedule of Services.

The risk of "adverse selection"(selection of high risk beneficiaries only) is usually reduced by the use of waiting periods after enrollment before any benefits become available. Waiting periods vary between 2 and 6 months for most services, and from 6 months to 2 years for more expensive, specialistic treatment, such as orthodontic, dentures, crown & bridge. The most common waiting times are respectively 2 and 12 months.

The possibility of "moral hazard" and over utilisation of services is lessened by introduction of two forms of limits: limitation of services and limitation of rebates. The most common limited service is denture replacement, usually with a limit of one for 2, 3 or 5 years of membership. Many funds offer cover for preventive services. Often funds limit consultation and examination to 1 -3 per person per year. Rebates are usually limited to a certain fixed amount for each service item, or constitute a percentage of the cost (up to 60%-90%, with 75%-85% being most common). There are limits of total sum payable per membership year, or longer period. Rebates are payable directly to the members against receipts for services rendered.

Despite an initial tendency towards group membership, at present in Australia the prevailing trend is for individual membership of dental plans. Premiums are paid by fund members directly to

funds or through agencies with provision for weekly, monthly, quarterly, half yearly or yearly payments. Premiums may be for single or family membership, and the rate for single is set at the level of 50% of the family rate.

Dental Benefits Funds in Australia

The number of funds offering dental benefits in Australia in 1976 was 46. That number has grown slowly over time reaching 60 ten years later, and 81 in 1996. Of these 63 are open membership funds, and 18 restricted membership funds. The number of open membership funds currently operating in NSW is 14, 13 in Victoria, 10 in Queensland, in South Australia 8, Western Australia 9, Tasmania 7, and the lowest number in NT -2. There have been more funds in the past but some of them ceased operations, some were joined with other funds, and others withdrew dental plans. Funds are listed by the writer according to the date of commencement of dental plans, and separately for each state. Notified also are ensuing changes to their names. Funds with an asterisk next to their names are funds with restricted membership (those, which restrict their membership on employment basis).

NSW (including ACT)

Commonwealth Bank Health Society* (Commonwealth Bank) 1951, from 1996 CBHS Health Society

NSW Teachers' Federation Health Society* (NSW Teachers) 1954

Commercial Banking Company Health Society, The * (CBCo) 1955, ceased operations in 1986

Manchester Unity of Australia 1956

Reserve Bank Health Society* (Reserve Bank) 1959

Grand United Order of Oddfellows Friendly Society of NSW, The (GUOOF) 1965, ceased 1991

Hibernian Australasian Catholic Benefit Society of NSW (Hibernians) 1965, from 1982 amalgamated with GUOOF

Phoenix Welfare Association Ltd, The* (Phoenix) 1969

Lysaght Hospital & Medical Club* (Lysaght) 1971

Manchester Unity Independent Order of Odd Fellows Friendly Society in NSW, The (MUIOOF) 1965

Local Government Employees' Medical and Hospital Club* (Local Government) 1973, from 1976 Government Employees' Medical and Hospital Club (Govt Employees), from 1988 Government Employees Health Fund Ltd (Govt Employees)

Australian Catholic Guild Friendly Society (Catholic Guild) 1975, ceased operations in 1983

Hospitals Contribution Fund of Australia, The (HCF) 1975

Independent Order of Odd Fellows of the State of NSW (IOOF) 1975, merged with GUOOF1985

NSW District, No. 85, Independent Order of Rechabites, Salford Unity, Friendly Society 1975, ceased operations in 1979

Medical Benefits Fund of Australia Ltd (MBF) 1975

Newcastle Industrial Benefits Ltd (NIB) 1975, from 1976 NIB Health Funds Ltd

Protestant Alliance Friendly Society of Australasia Grand Council of NSW (PAFS) 1975, transferred to MUIOOF in NSW

South Coast Medical Benefit Fund (South Coast) 1975, transferred to NIB Health Fund in 1976

Store Hospital and Medical Fund, The (The Store) 1975, transferred to NIB Health Fund 1981

United Ancient Order of Druids Registered Friendly Society Grand Lodge of NSW, The (Druids) 1975

Western District Medical Benefits Fund (Western District) 1975, from 1980 Western District Health Fund, from 1981 Western District Health fund Ltd

Health Insurance Commission (HIC, later Medibank Private) 1977

AMA (NSW) Health Fund Ltd* 1978, from 1980 AMA Health Fund Ltd

Illawarra Health Fund, The (Illawarra) 1987, from 1991 Australian Health Management Pty Ltd

Hibernian Australasian Catholic Benefit Society of NSW (Hibernians) 1979, transferred to MUIOOF in NSW in 1982

Cessnock District Hospital Contribution Fund (Cessnock) 1986, later 1986 CDH Benefits Fund

ACA Health Benefits Fund* (ACA , from 1991 ACA Wahroonga) 1987

FAI Health Benefits Pty Limited (FAI), registered for all states in 1987, commenced operations only in NSW in 1990

Australian Health Management Pty Ltd 1993 (Illawarra), previously registered as Illawarra Health Fund Ltd

Grand United Friendly Society (GU) 1991, previously GUOOF

National Mutual Health Insurance (National Mutual) 1991

Mutual Community Ltd (Mutual Community) 1987, transferred to Nat. Mut. Health Ins 1995

Transition Benefits Fund Pty Ltd (Transition Benefits) 1996

VICTORIA

Tramways Benefit Society 1941, from 1990 Transport Friendly Society (Transport)

Cheetham Hospital Benefits Fund* (Cheetham) 1945, ceased operations in 1991

Protestant Alliance Friendly Society of Australasia Grand Council of Victoria, The (PAFS) 1968, from 1983 Protestant Alliance Friendly Society Grand Council of Victoria, ceased in 1988

Geelong Medical and Hospital Benefits Association (Geelong) 1969

Independent Order of Odd Fellows of Victoria (IOOF of Victoria) 1971

Latrobe Valley Hospitals and Health Services Association (Latrobe Valley) 1972, later Latrobe Health Insurance (Latrobe), from 1990 Latrobe Health Services (Latrobe)

Manchester Unity Independent Order of Odd Fellows in Victoria, The 1972, in 1993 merged with ANA to form Australian Unity Friendly Society

Manchester Unity Total Care 1972

Protestant Alliance Friendly Society of Australasia Grand Council of Victoria, The (PAFS) 1972

United Ancient Order of Druids (Druids - Victoria) 1972

Ancient Order of Foresters in Victoria, Friendly Society, The (AOF in Victoria) 1973, ceased operation 1978

Australian Natives' Association (ANA) 1973, in 1993 merged with MUIOOF to form Australian Unity Friendly Association

Hibernian Australasian Catholic Benefit Society, Victoria District No.1 (Hibernians) 1973, taken over by IOOF in 1983

Hospital Benefits Association Ltd, The (HBA) 1973, from 1991 National Mutual Health Insurance Pty Ltd

Victoria District Independent Order of Rechabites (IOR) 1974, from 1990 IOR Australia Pty Ltd (IOR Australia)

Order of the Sons of Temperance National Division Friendly Society, The (OST) 1975, ceased operations 1991

Army Health Benefits Society (AHBS) 1975

Hibernians Australasian Catholic Benefit Society, Victoria District No.1, The (Hibernians) 1976, Transferred to Geelong in 1983

Naval Health Benefits Society (Navy) 1976

Yallourn Medical and Hospital Society, The (Yallourn) 1976

Grand United Hospital Benefit Society (Incorporating The GUOOF) in Victoria Friendly Society 1977, from 1983 merged with Total Care Friendly Society

Health Insurance Commission (Medibank Private) 1977

Mildura District Hospital and Medical Fund, The 1977, from 1983 Mildura District Hospital Fund

Total Care Health Insurance 1981, combined with Manchester Unity Total Care 1985

Health Australia 1988

Australian Unity Friendly Society (Australian Unity) 1993

QUEENSLAND

Ancient Order of Foresters Friendly Society in Queensland 1970, ceased operation in 1978

Grand United Order of Oddfellows Friendly Society, The (GUOOF) 1972

Queensland Teachers' Union Health Society* (Qld Teachers) 1972

Manchester Unity Independent Order of Oddfellows Friendly Society in Qld, The 1973, ceased Operations in 1976

Queensland District, No. 87, Independent Order of Rechabites Friendly Society, The (IOR 87) 1974

Hibernian Australasian Catholic Benefit Society, Qld District No 5 (HACBS) 1975, fund closed in 1978

Medical Benefits Fund of Australia Ltd. (MBF) 1975

Protestant Alliance Friendly Society of Australasia, in Queensland, The Grand Council (Protestant Alliance) 1975, from 1976 Amalgamated Benefits of Australia Health Insurance Fund 1976
Commonwealth Public Service (Qld) Credit Union Health Benefits Society* (CPS) 1977, from 1983 CPS Health Benefits Society
Health Insurance Commission (Medibank Private) 1977
MIM Employees Health Society* 1977
Professional & Technical Officers' Health Society (PTOHS) 1979, ceased operations 1991
Healthguard Health Benefits Fund Ltd (Healthguard) 1991

SOUTH AUSTRALIA

Albert District, No 83, Independent Order of Rechabites, Salford Unity, The (Rechabites 83) 1969, from 1993 IOR Australia Pty Ltd
South Australian District, No. 81, Independent Order of Rechabites Friendly Society, The (Rechabites 81) 1970, transferred to National Health Services Assn of Australia in 1982
Manchester Unity IOOF Friendly Society in SA (MUIOOF) 1975, later 1975 transferred to National Health Services of South Australia
Health Insurance Commission (Medibank Private) 1977
Mutual Community 1977
Mutual Hospital Association Ltd, The (Mutual Hospital) 1977, 1980 Mutual Health Assn Ltd (Mutual Health), from 1983 Mutual Health - NHSA Ltd, from 19844 Mutual Community
National Health Services Association of SA 1976, merged with Mutual Health Association Ltd to form to Mutual Health - NHSA Ltd, in 1984 Mutual Community
State Government Insurance Commission Health Pty Ltd (SGIC) 1987
SA Public Service Health Benefits Fund (SA Public Service) 1986, from 1995 Health - Partners Health Partners 1995, previously SA Public Service Health Benefits Fund

WESTERN AUSTRALIA

Government Employees' Hospital and Medical Benefits Fund Incorporated (Government Employees) 1954, from 1977 Health Insurance Fund of WA

Friendly Societies Health Services (Health Services) 1960

Australian Hospitals Contribution Fund (HCF) before 1971, later Friendly Societies Health Services (Health Services) 1960, merged with Health Insurance Fund in 1984

Goldfields Medical Fund Inc. (Goldfields) 1974

Health Insurance Commission (Medibank Private) 1977

Hospital Benefit Fund of WA Inc, The (HBF) 1977

TASMANIA

Associated Pulp & Paper Makers* Council Medical Benefits Fund (APPM Council) before 1971, from 1993 Health Care Insurance Ltd

Coats Patons Employees' Medical Benefit Association* before 1971,

Rosebery Hospital and Medical Benefits Society (Rosebery) before 1971, from 1983 Rosebery Health Benefits Society, merged with Medibank Private in 1993

Druids Friendly Society of Tasmania 1974, ceased operation 1980

Medical Benefits Fund of Australia Ltd (MBF) 1975

St. Luke's Medical and Hospital Benefits Association (St Luke's) 1975

Tasmanian Government Insurance Office Medical Benefits Plan 1975, ceased operation 1978

Health Insurance Commission (Medibank Private) 1977

Queenstown Medical Union Ancillary Medical Benefits Fund (Queenstown) 1977, from 1983 Queenstown Medical Union Health Benefits Fund Queenstown Medical Union Ancillary Medical Plan

Changes in Numbers of Insured

As a consequence of major changes in the health insurance system concurrent to introduction of Medibank in 1975, the number of families (including one person households) covered by dental insurance increased from negligible levels to the level of 40% in 1983. The decade from 1983 to 1992 showed only minor fluctuations with a declining tendency (see Table 1). In 1992 about 5% fewer families had dental insurance than 10 years earlier.

Table 1: Level of dental insurance of families by state (in %).

	NSW	Vic.	Qld	SA	WA	Tas.	NT	ACT	Australia
1983	41.4	31.2	30.5	52.4	55.7	46.5	49.1	42.3	39.7
1986	36.6	30.3	26.3	46.4	45.8	40.3	40.9	36.5	35.2
1988	38.6	32.0	26.5	46.8	45.8	44.0	40.7	41.6	36.5
1990	38.2	32.3	28.7	49.9	44.8	45.0	39.3	40.3	37.0
1992	35.9	28.9	27.5	46.3	47.1	41.4	36.9	40.1	34.8

Source: ABS, Health Insurance Surveys 1983-1992

There are significant differences in the level of coverage in various states. Traditionally the least percentage of families was insured in Queensland: just above 1/4 of all families. The highest

Table 2: Number of families with dental insurance by state (in '000).

	NSW	Vic.	Qld	SA	WA	Tas.	NT	ACT	Australia
1983	1026.5	586.4	332.2	326.7	327.8	91.6	26.9	42.3	2760.5
1986	957.4	587.5	302.0	301.0	296.6	83.3	22.7	38.3	2588.7
1988	1097.0	674.8	349.7	332.2	338.4	97.0	25.9	52.3	2967.5
1990	1112.1	700.7	413.7	366.1	361.7	102.4	18.2	53.1	3138.0
1992	1048.0	631.0	404.4	337.8	385.4	92.5	25.9	54.9	2979.9

Source: ABS, Health Insurance Surveys 1983-1992

percentage of families was insured in South Australia, and Western Australia: almost ½ of families. The greatest change occurred in NT (12%f all), the least in Victoria (2% fall).

Although in almost all states (except NT) the actual numbers of insured households increased (see Table 2), it did not happen at the same rate as the growth of the state's populations. That resulted in the decline of proportion of families insured.

Table 3: Distribution of families with dental insurance by state in (in %).

	NSW	Vic.	Qld	SA	WA	Tas.	NT	ACT	Australia
1983	37.2	21.3	12.0	11.8	11.9	3.3	1.0	1.5	100.0
1986	37.0	22.7	11.7	11.6	11.4	3.2	0.9	1.5	100.0
1988	37.0	22.7	11.8	11.2	11.4	3.2	0.9	1.8	100.0
1990	35.5	22.4	13.2	11.7	11.6	3.3	0.6	1.7	100.0
1992	35.2	21.2	13.6	11.3	12.9	3.1	0.9	1.8	100.0

Source: ABS, Health Insurance Surveys 1983-1992

Although the level of coverage in NSW is rather low, that state is the largest market for dental insurance contributing around 35% to 37% of all insured in Australia (see Tables 3 and 4). More than 50% of all Australians with dental insurance live in two most populous states: 35% in NSW and 20% in Victoria. Only 1% of them lives in NT. That proportion sustained within the decade 1983 to 1992.

Table 4: Distribution of persons with dental insurance by state (in %).

	NSW	Vic.	Qld	SA	WA	Tas.	NT	ACT	Australia
1983	36.9	21.1	12.8	11.3	12.0	3.3	1.0	1.6	100.0
1986	36.5	22.6	12.3	11.3	11.4	3.3	1.0	1.6	100.0
1988	36.8	23.0	11.9	10.8	11.6	3.2	0.9	1.8	100.0
1990	35.7	22.4	13.3	11.1	11.5	3.2	1.0	1.8	100.0
1992	35.1	21.4	14.0	10.9	12.7	3.1	0.9	1.9	100.0

Source: ABS, Health Insurance Surveys 1983-1992

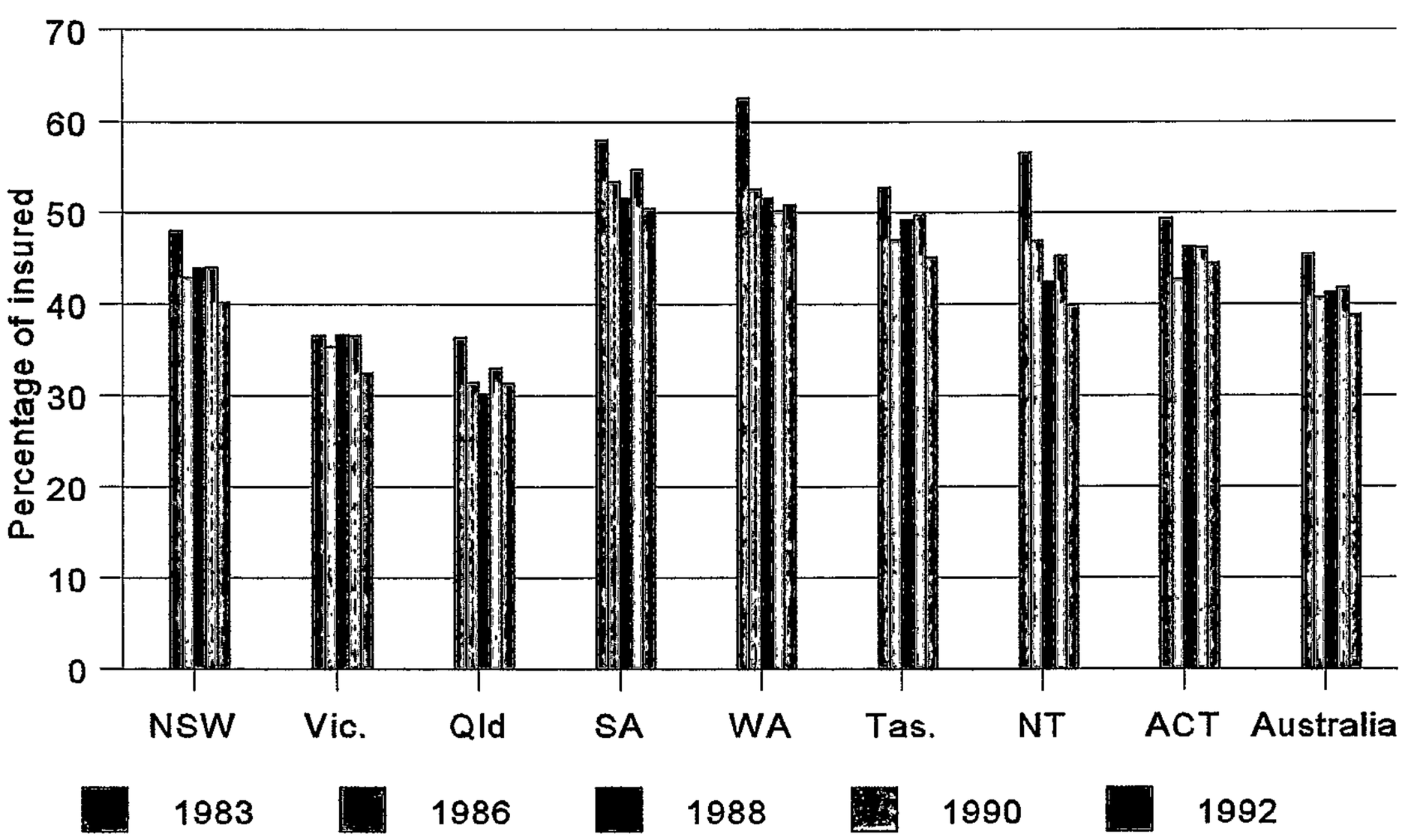
Table 5: Level of dental insurance of persons by state (in %).

	NSW	Vic.	Qld	SA	WA	Tas.	NT	ACT	Australia
1983	48.0	36.6	36.4	57.9	62.6	52.8	56.6	49.4	45.5
1986	42.9	35.4	31.5	53.4	52.6	47.0	46.9	42.8	40.8
1988	43.9	36.7	30.2	51.6	51.6	49.2	42.5	46.3	41.3
1990	44.0	36.6	33.0	54.8	50.2	49.8	45.3	46.2	41.9
1992	40.2	32.5	31.4	50.5	50.8	45.1	39.9	44.5	38.8

Source: ABS, Health Insurance Surveys 1983-1992

Similar changes have occurred in the proportion of persons with dental insurance (see Table 5 and Figure 1). It declined nationally by 7%, but at various levels in states and territories; from 4% in Victoria to 17% in Northern Territory.

Figure 1: Changes in levels of dental insurance in Australia.



The highest number of persons insured live in NSW (see Table 6). At the other extreme in Northern Territory the number of insured is so small that until recently no separate data was available for it, being usually given along with data for Queensland.

Table 6: Number of persons with dental insurance by state.

	NSW	Vic.	Qld	SA	WA	Tas.	NT	ACT	Australia
					- 000 -				
1983	2473.0	1411.9	853.5	755.2	802.0	223.0	68.5	108.6	6695.6
1986	2301.8	1424.3	779.9	714.3	722.2	211.2	61.5	98.6	6313.7
1988	2423.4	1517.0	787.7	707.6	763.5	213.7	60.7	121.6	6595.3
1990	2566.8	1612.5	957.5	794.7	829.4	227.0	69.9	129.1	7187.1
1992	2346.1	1428.2	932.8	730.0	848.8	206.8	62.6	129.0	6684.3

Source: ABS, Health Insurance Surveys 1983-1992

Numbers of insured in largest funds in Australia

NSW

MBF, HCF and Medibank Private have always been the largest funds in NSW. In 1986 these three (out of 9 operating funds at that time) provided cover for 78% of all insured in NSW(see Table 7). Later changes can not be determined due to incomplete data.

Table 7: Numbers of enrolled (covered) in largest funds in NSW.

Fund	1981	1983	1986	1988	1990
			'000		
HCF	248 (620)	266 (614)	290 (700)	-	225 (-)
MBF	397 (929)	355 (859)	307 (712)	290 (660)	-
Medibank	160 (387)	138 (332)	164 (384)	192 (447)	-
NIB	67 (180)	68 (180)	-	-	-

HCF - Hospitals Contribution Fund of Australia
MBF - Medical Benefits Fund of Australia
Medibank - Medibank Private
NIB - Newcastle Industrial Benefits Health Funds
Source: PD Barnard Facts & Figures 1981-1990

VICTORIA

From the earliest times Victoria was dominated by one fund; Hospital Benefits Association (see Table 8). 35% of population holding dental insurance was enrolled with this fund, and another 50% with three funds: Medibank Private, Australian Natives Association or Manchester Unity Independent Order of Oddfellows (see Table 8).

Table 8: Numbers of enrolled (covered) in largest funds in Victoria (in '000).

Fund	1981	1983	1986	1988	199
ANA	45 (96)	68 (135)	80 (160)	-	102 (250)
HBA	254 (579)	266 (596)	219 (504)	-	198 (450)
MUIOOF	64 (147)	37 (85)	44 (103)	-	39 (85)
Medibank	130 (332)	160 (375)	183 (451)	228 (557)	-

ANA - Australian Natives Association
HBA - Hospital Benefits Association
MUIOOF - Manchester Unity Independent Order of Oddfellows
Medibank - Medibank Private
Source: PD Barnard Facts & Figures 1981-1990

QUEENSLAND

Since 1981 Queensland has been dominated by two funds: MBF and Medibank Private (see Table 9). The data for 1988 shows that 87% of all people with dental insurance were members of MBF or Medibank Private. There was no major changes in numbers of insured in the largest funds in Queensland, except for Medibank, which increased its number of consumers.

Table 9: Numbers of enrolled (covered) in largest funds in Queensland (in '000).

Fund	1981	1983	1986	1988	1990
MBF	208 (487)	221 (546)	203 (504)	202 (468)	211 (480)
Medibank	76 (194)	81 (198)	65 (184)	91 (217)	-
MIM	5 (15)	6 (18)	6 (17)	7 (19)	8 (22)
Q T	13 (37)	13 (38)	14 (43)	16 (49)	- (50)

MBF - Medical Benefits Fund of Australia
Medibank - Medibank Private (data to 1986 Qld and NT , from 1988 Qld separately)
MIM - MIM Employees Health Society
Q T - Queensland Teachers' Union Health Society
Source: PD Barnard Facts & Figures 1981-1990

SOUTH AUSTRALIA

There were four funds offering dental plans in South Australia in 1988 (see table 10). The overwhelming majority of insured were registered in one fund - Mutual Health Association (later

Table 10: Numbers of enrolled (covered) in largest funds in South Australia (in '000).

Fund	1981	1983	1986	1988	1990
Medibank	38 (91)	40 (88)	52 (116)	54 (119)	-
Mutual	230 (585)	197 (475)	260 (699)	252 (570)	230 (494)
NHSA	92 (224)	94 (226)	-	-	=
State Gov.	=	=	=	9 (23)	50 (131)

Medibank - Medibank Private
Mutual - Mutual Health Association
NHSA - National Health Services Association of South Australia
State Gov. - State Government Insurance Commission Health Pty Ltd
Source: PD Barnard Facts & Figures 1981-1990

National Mutual). Its members constituted 80% of all insured in SA. According to data from 1996 Annual Report of Private Health Insurance Administration Council, National Mutual is still the largest fund in SA.

WESTERN AUSTRALIA

A similar situation to that from SA can be found in WA, where the largest dental benefits organisation is HBF. In 1988 this fund provided cover for 75% of all insured in WA.

Table 11: Numbers of enrolled (covered) of largest funds in Western Australia (in '000).

Fund	1981	1983	1986	1988	1990
HI Fund	15 (40)	15 (31)	13 (29)	13 (27)	13 (31)
HBF	200 (500)	230 (572)	253 (640)	185 (575)	-
Medibank	39 (91)	45 (99)	46 (105)	57 (129)	-

HI Fund - Health Insurance Fund of Australia
HBF - Hospital Benefit Fund of WA
Medibank - Medibank Private
Source: PD Barnard Facts & Figures 1981-1990

TASMANIA

In Tasmania, in 1986, almost all persons holding dental insurance were enrolled in one of three out 9 operating at that time funds: Medical Benefits Fund of Australia, Medibank Private or St Luke's.

Table 12: Numbers of enrolled (covered) of largest funds in Tasmania (in '000).

Fund	1981	1983	1986	1988	1990
MBF	66 (154)	59 (137)	66 (150)	-	50 (114)
St. Luke's	19 (48)	17 (42)	14 (35)	16 (38)	15 (-)
Medibank	17 (37)	18 (39)	17 (38)	21 (47)	-

MBF - Medical Benefits Fund of Australia
St. Luke's - St. Luke's Medical and Hospital Benefits Association
Medibank - Medibank Private
Source: PD Barnard Facts & Figures 1981-1990

Socio - Demographic Characteristics of Insured

Factors such as income, age or family type are strong predictors of whether people have private dental insurance, and these variables are included in the ABS Health Insurance Surveys. In early surveys country of birth was considered as a variable, but that was later discontinued. In 1988, 1990 and 1992 surveys included is another variable: health care concession cards entitlement.

Age.

Constantly increasing life span of Australians resulted in changes of age groups used in consecutive surveys of the Australian Bureau of Statistics. The oldest group described in 1988 survey was group over 70 years, while the survey in 1990 introduced the group over 75.

Table 13: Number of families with dental insurance by the age of head of family.

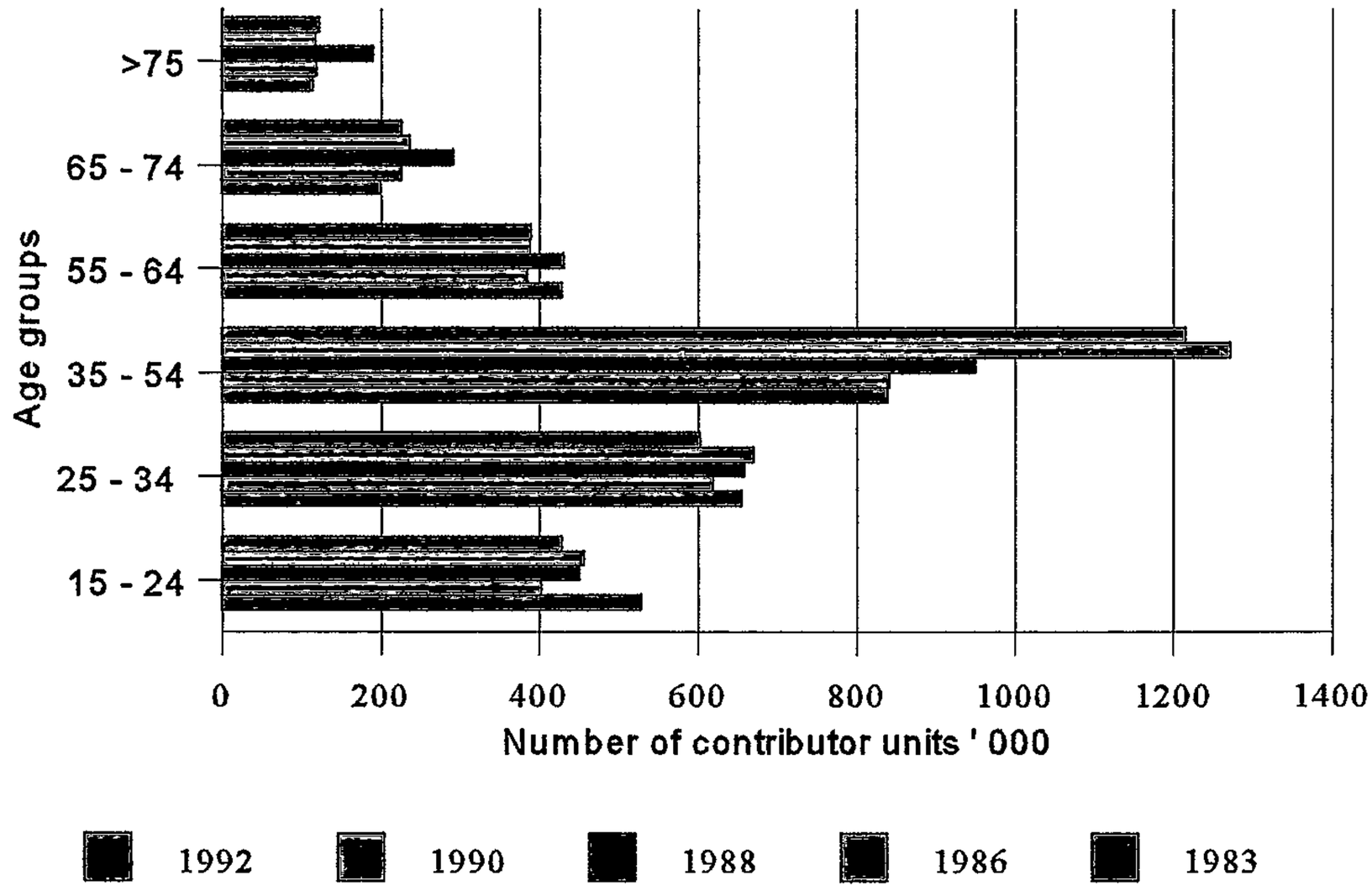
	15-24	25-34	35-54	55-64	65-74	>75	All ages
				-000-			
			(35-49)	(50-59)	(60-69)	(>70)	
1983	527.5	654.5	837.7	427.5	199.2	114.1	2760.5
			(35-49)	(50-59)	(60-69)	(>70)	
1986	401.8	617.8	839.8	385.0	226.0	118.3	2588.7
			(35-49)	(50-59)	(60-69)	(>70)	
1988	449.9	657.7	949.7	430.2	226.0	189.8	2967.5
1990	455.8	668.8	1271.0	388.5	236.3	117.7	3138.0
1992	427.1	601.8	1215.2	389.3	225.0	121.6	2979.9

Source: ABS, Health Insurance Surveys 1983-1992

The largest number of insured is found among middle aged people, between 35 and 54 years (see Table 13 and Figure 2). The actual number of people having dental insurance decreases

rapidly in older age groups, and is the lowest in the over 75 years group.

Figure 2: Number of families with dental insurance by the age of head of family.



Source: ABS, Health Insurance Surveys 1983-1992

At the beginning of the decade 1983 to 1992 the middle aged group constituted 30% of all insured and 40% at the end of that decade (see Table 14). That was the only group that has grown in that period of time. All the other groups either declined or remained of the same proportion.

Table 14: Distribution of families with dental insurance by age of head of family (in %).

	15-24	25-34	35-54	55-64	65-74	>75	All ages
			(35-49)	(50-59)	(60-69)	(>70)	
1983	19.1	23.7	30.3	15.6	7.2	4.1	100.0
			(35-49)	(50-59)	(60-69)	(>70)	
1986	15.5	23.9	32.4	14.9	8.7	4.6	100.0
			(35-49)	(50-59)	(60-69)	(>70)	
1988	15.2	22.2	32.0	14.5	9.8	6.3	100.0
1990	14.6	21.3	40.5	12.4	7.5	3.7	100.0
1992	14.3	20.2	40.8	13.1	7.5	4.1	100.0

Source: ABS, Health Insurance Surveys 1983-1992

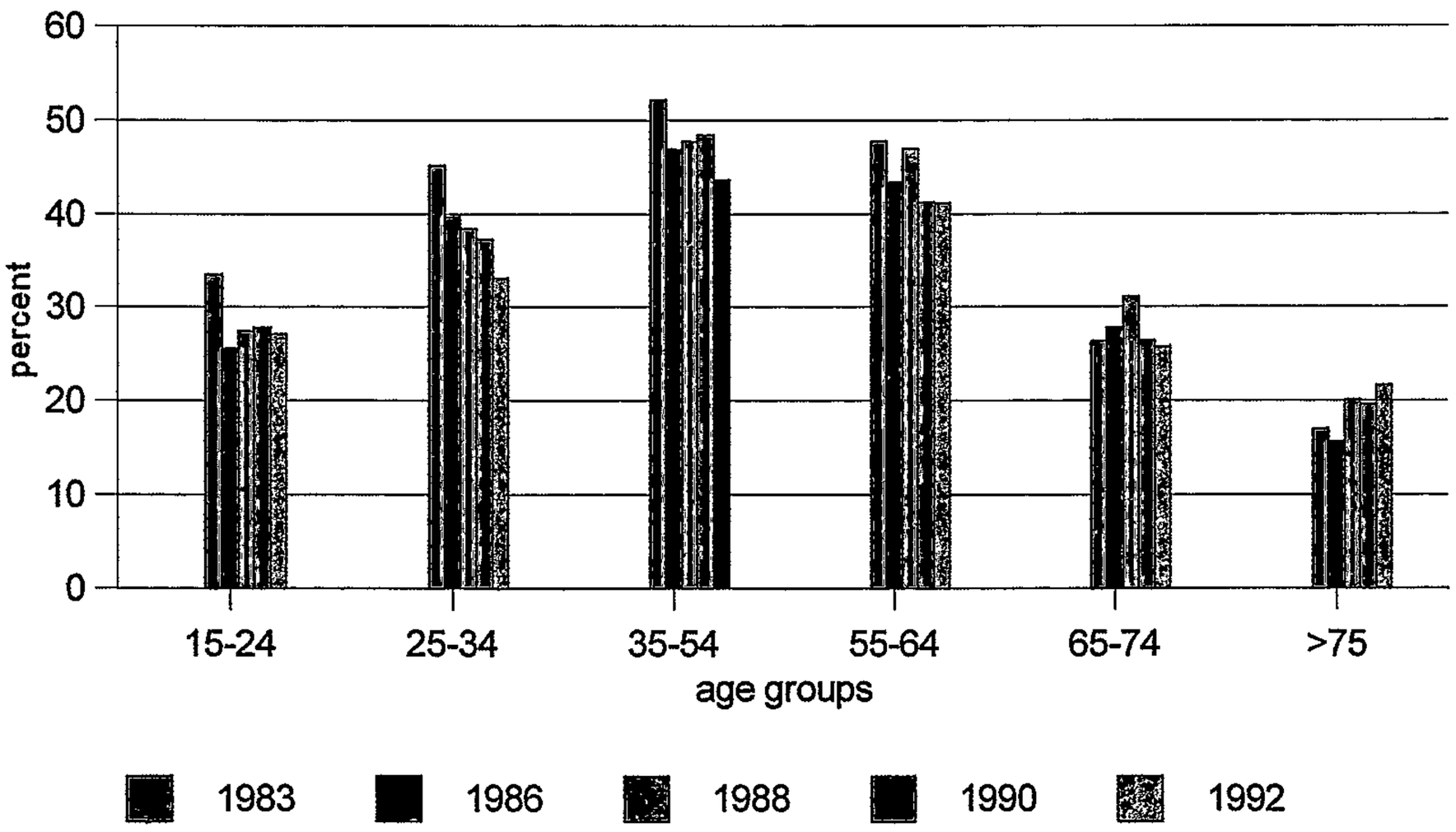
Table 15: Percentage of families with dental insurance by age of head of family (in %).

	15-24	25-34	35-54	55-64	65-74	>75	All ages
			(35-49)	(50-59)	(60-69)	(>70)	
1983	33.5	45.1	52.1	47.7	26.4	17.0	39.7
			(35-49)	(50-59)	(60-69)	(>70)	
1986	25.6	39.7	46.9	43.4	27.8	15.7	35.1
			(35-49)	(50-59)	(60-69)	(>70)	
1988	27.4	38.4	47.7	47.0	31.1	20.1	36.5
1990	27.8	37.3	48.4	41.2	26.5	19.7	36.9
1992	27.1	33.1	43.7	41.1	25.8	21.7	34.8

Source: ABS, Health Insurance Surveys 1983-1992

The level of private dental insurance varies significantly across the age groups: 40% to 50% of the population aged 35 to 64 holds dental insurance, one third of those 25 to 34 years, one quarter of 15-24 and 65-74 year olds, and only one in five in the oldest group >75 years (see Table 15 and Figure 3). Over the 1983 to 1992 decade the proportion of people holding dental insurance decreased in all age groups, except the oldest group, which increased by almost 5%.

3: Proportion of people having dental insurance according to age groups.



Source: ABS, Health Insurance Surveys 1983-1992

Income

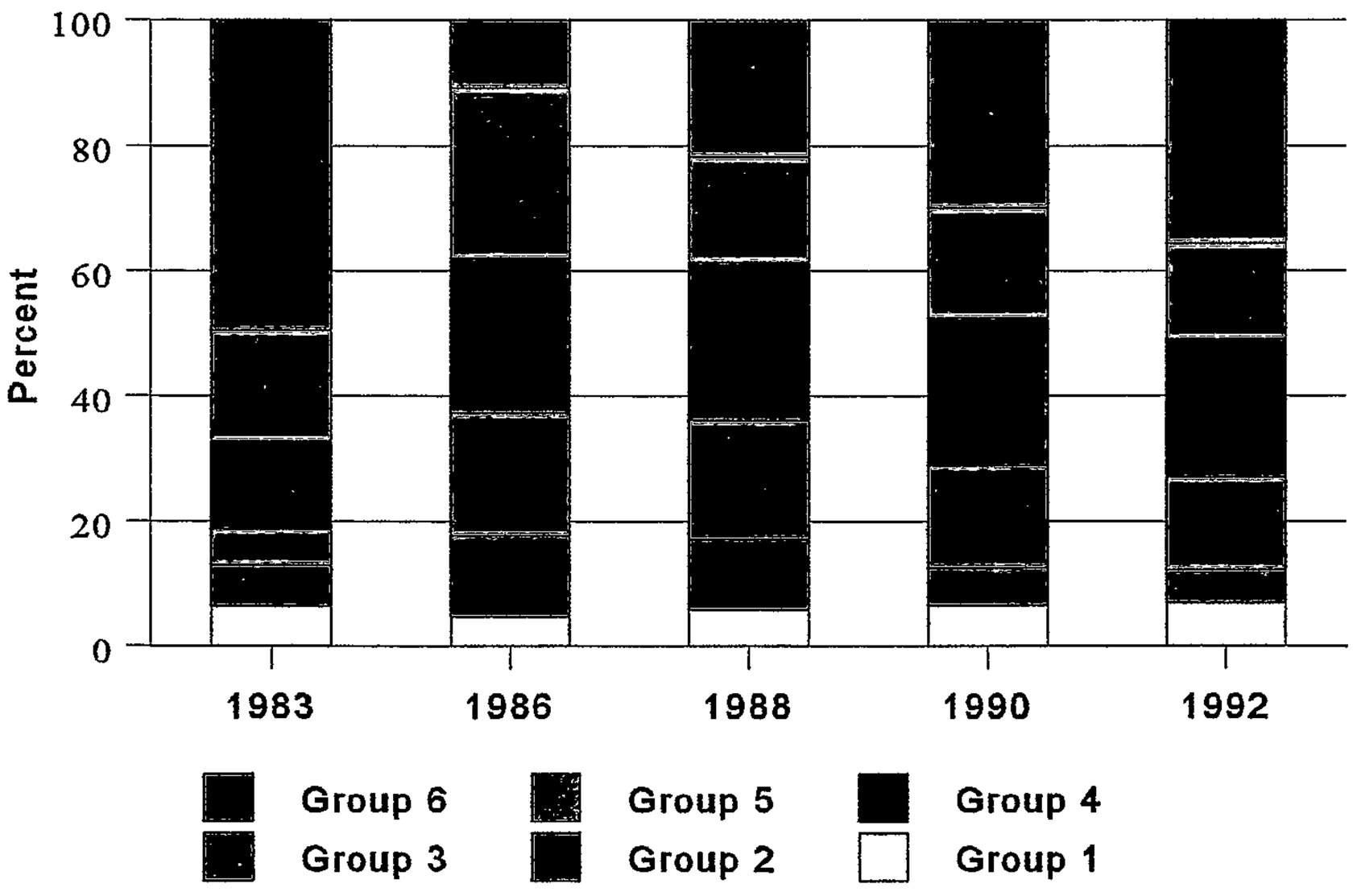
Changes of income that occured over the ten years period of time from 1983 to 1992 are reflected in different income groups used in consecutive surveys of the Australian Bureau of Statistics. These groups are summerised in Table 16:

Table 16: Income groups as used in ABS Health Insurance Surveys 1983 to 1992.

	Group 1	Group 2	Group 3	Group 4	Group 5	Group 6
1983	<112	112-150	151-190	191-245	246-300	>300
1986	<150	151-250	251-350	351-500	501-800	>800
1988	<126	126-250	251-400	401-600	601-800	>800
1990	<160	160-239	240-399	400-599	600-799	>800
1992	<160	160-239	240-399	400-599	600-799	>800

Income is the strongest predisposing factor to holding private insurance: within the decade 1983 to 1992 40%-60% of all insured were people from two highest income groups (groups 5 and 6),

Figure 4: Proportion of insured according to gross weekly income.



Source: ABS, Health Insurance Surveys 1983-1992

as shown in Table 17 and Figure 4. In the same period of time the lowest two income groups constituted only around 6% of all insured.

Table 17: Percentage of families with dental insurance by gross weekly income ($AU).

	<160	160-239	240-399	400-599	600-799	>800
			-% -			
	(<112)	(112-150)	(151-190)	(191-245)	(246-300)	
1983	5.9	6.1	5.3	13.0	16.5	46.0
	(<150)	(151-250)	(251-350)	(351-500)	(501-800)	
1986	4.2	11.5	17.4	22.1	24.1	9.6
	(<126)	(126-250)	(251-400)	(401-600)	(601-800)	
1988	5.5	10.5	17.9	23.8	15.9	20.4
1990	6.1	5.7	15.2	22.2	16.5	28.0
1992	6.6	5.0	13.9	20.8	14.5	33.5

Source: ABS, Health Insurance Surveys 1983-1992

Percentage of families with dental insurance increases with increasing income (see Table 18). In 1992 families with the highest weekly income were three times more likely to have dental insurance than those with lowest income, compared to fivefold difference ten years earlier. Only 27% of families with highest income are not insured, while in the lowest income group 78% of families do not have dental insurance.

Table 18: Percentage of families with dental insurance in each income group.

	Group 1	Group 2	Group 3	Group 4	Group 5	Group 6
1983	11.4	19.1	32.9	42.0	45.3	58.6
1986	13.3	22.2	37.3	48.3	58.5	65.1
1988	21.8	28.6	41.9	59.5	67.3	77.5
1990	23.1	28.6	36.6	52.7	62.9	74.5
1992	22.1	26.1	31.4	47.1	57.6	72.6

Source: ABS, Health Insurance Surveys 1983-1992

Family type

In the ABS surveys the term "contributor unit" applies to families and the individual members or groups of members of families. Four types of contributor units are described:

1) Contributor only (Single person)

2) Contributor and dependent children (Single parent with dependent children)

3) Contributor and partner only (Couple)

4) Contributor, partner and dependent children (Couple with dependent children).

Table 19: Number of families with dental insurance by composition of family ('000).

	Contributor only	Contributor and dependent children	Contributor and partner only	Contributor, partner and dep. children	All families
1983	963.6	56.6	694.3	1046.1	2760.5
1986	849.9	60.2	689.4	689.1	2588.7
1988	1173.2	62.4	775.0	956.9	2967.5
1990	1241.3	91.8	740.6	1064.4	3138.0
1992	1244.7	88.9	704.5	941.8	2979.9

Source: ABS, Health Insurance Surveys 1983-1992

During the decade 1983 to 1992 the largest group of insured was that of single persons (see Table 19). The smallest group was that of families composed of single parent and child (children).

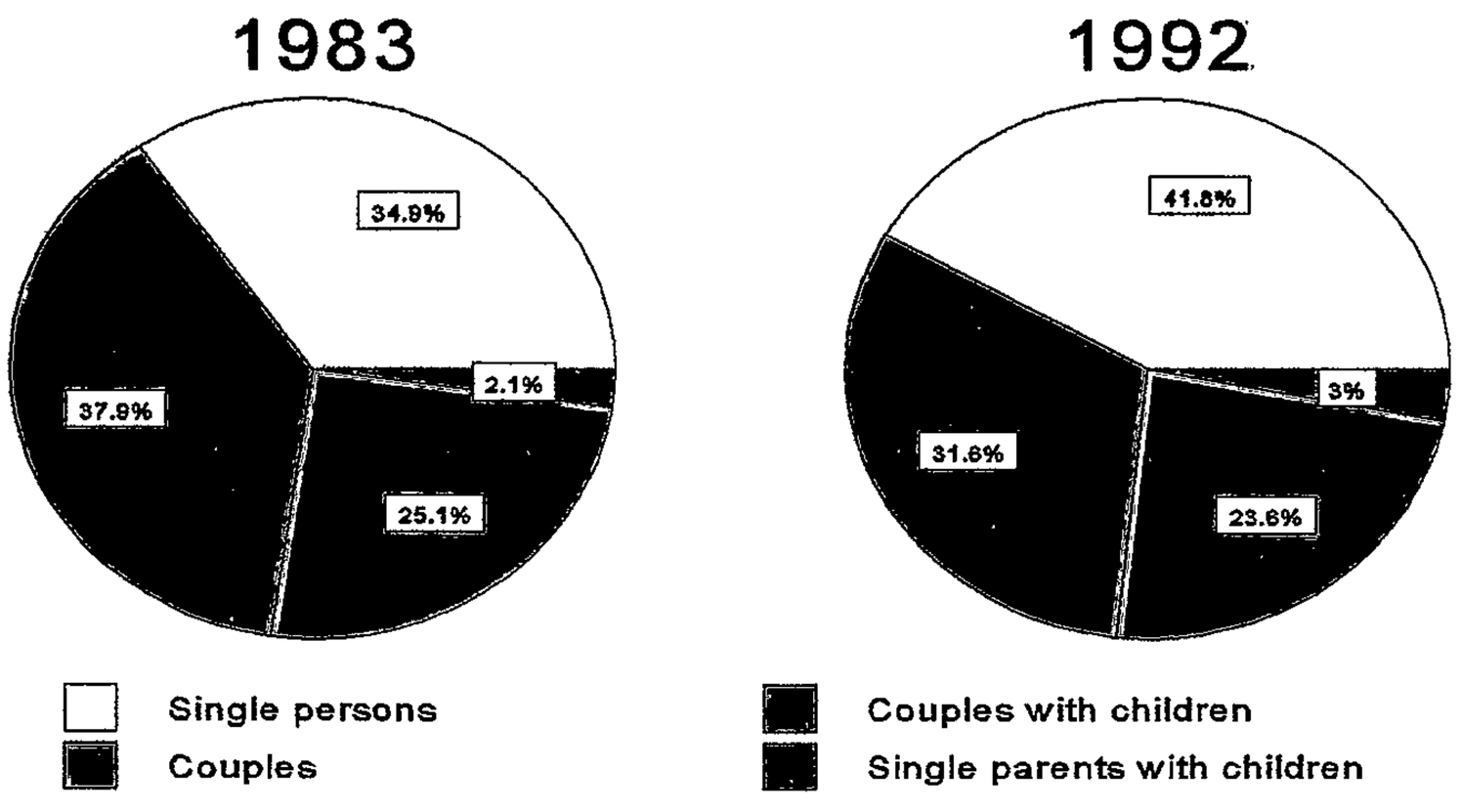
Table 20: Proportion of contributor unit with dental insurance by composition of contributor unit.

	Contributor only	Contributor and dependent children	Contributor and partner only	Contributor, partner and dep. children
		- %-		
1983	34.9	2.1	25.1	37.9
1986	32.8	2.3	26.6	26.6
1988	39.5	2.1	26.1	32.2
1990	39.6	2.9	23.6	33.9
1992	41.8	3.0	23.6	31.6

Source: ABS, Health Insurance Surveys 1983-1992

Around 40% of all insured were single persons, slightly above 30% married couples with children, 25% couples without children and only 2%-3% were single parents (see Table 20).

Figure 5: Change in percentage of families with dental insurance .



Source: ABS, Health Insurance Surveys 1983-1992

Over the decade 1983 to 1992 distribution of dental insurance according to family type showed only minor changes (see Fig 5). There was some increase in proportion of insured single persons, and some decrease in group of couples with children.

Table 21: Level of dental insurance within contributor units.

	Contributor only	Contributor and dependent children	Contributor and partner only	Contributor, partner and dep. children
		- %-		
1983	30.5	19.5	42.6	55.6
1986	25.0	18.8	39.9	35.7
1988	38.6	23.2	55.4	62.0
1990	39.0	26.4	54.6	61.6
1992	37.9	23.3	51.6	55.7

Source: ABS, Health Insurance Surveys 1983-1992

Dental insurance had more than half of the couples with dependent children and couples without children, around one third of single people and only a quarter of single parents (see Table 21).

Country of birth

According to data from 1990 Health Insurance Survey Australians born in Western Europe had the highest level of dental insurance (43%). The second highest level is found between Australian - born (39%). All the other ethnic groups had lower levels of dental insurance, with the lowest in group of those born in South-East Asia (23.5%).

Health care concession cards entitlement

Persons eligible for free public dental care are health care concession cards holders. There are two groups of concession cards: cards issued by Department of Veterans' Affairs (DVA cards), and Department of Social Security (DSS cards).

The proportion of persons with private dental insurance and holding health care cards increased from 12% in 1988 to 17% in 1992. According to data from Telephone Interview Survey 1992/1993 that level was almost 16%.

Ancillary Only Cover

Dental insurance can be purchased with hospital cover, or as only ancillary cover. Until 1983 the number of people holding only ancillary insurance was insignificant, and increased to notable level in 1986. In 1986 the level of this type of insurance was 2% to 5% in different states (see Table 22). That level increased further over next few years, reaching from 2.5% to 8.5% in 1992, with the highest value in NSW and NT, and the lowest in SA.

Table 22: Proportion of persons holding only ancillary cover (%).

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	Aust
1986	1.9	2.2	2.0	5.5	4.0	3.3	2.2	4.2	2.6
1988	2.3	2.1	2.7	7.0	5.5	3.6	5.1	6.2	3.2
1990	2.2	2.2	3.3	7.2	6.1	3.9	3.4	3.3	3.3
1992	2.4	2.6	2.9	8.5	7.3	4.5	2.4	5.6	3.6

Source: ABS, Health Insurance Surveys 1983-1992

The highest percentage of ancillary only insurance is seen in age group 25 to 34, and 35 to 54, and the lowest in group over 70 (see Table 23). The most increase in the number of insured is in the 35 to 54 years old group.

Table 23: Proportion of insured families with ancillary cover only by age of head of family (%).

	15-24	25-34	35-49	50-59	60-69	>70	Total
1986	2.7	3.4	2.9	2.3	1.6	0.8	2.5
1988	3.0	3.7	3.5	2.5	1.8	0.7	2.8
			(35-54)	(55-64)	(65-74)	(>75)	
1990	3.1	4.3	4.0	2.9	1.5	0.6	3.3
			(35-54)	(55-64)	(65-74)	(>75)	
1992	3.6	4.6	4.6	2.7	1.3	0.8	3.6

Source: ABS, Health Insurance Surveys 1983-1992

In 1992 the level of ancillary only cover was lowest in the lowest income group and was increasing with increasing income (see Table 24). Six years earlier the highest percentage was in the middle - income group.

Table 24: Proportion of families with ancillary only cover by the income group (%).

	Gr 1	Gr 2	Gr 3	Gr 4	Gr 5	Gr 6	Total
1986	1.7	2.3	3.4	3.1	3.0	1.9	2.5
1988	1.4	2.1	3.2	3.9	3.8	3.4	2.8
1990	1.7	2.3	3.2	4.0	4.5	4.0	3.3
1992	1.8	2.2	3.1	4.6	5.6	4.7	3.6

Source: ABS, Health Insurance Surveys 1983-1992

Between family type groups, from 1986 to 1992 more couples with children had ancillary only cover than any other group (see Table 25).The biggest change occurred in group formed by single parents with children: twofold increase.

Table 25: Proportion of families with ancillary only cover by type of family.

	Contributor only	Contributor and children	Contributor and partner	Couple with children
1986	2.3	2.0	2.1	3.5
1988	2.6	3.6	2.0	3.9
1990	2.9	3.1	2.7	4.5
1992	3.2	4.2	2.6	5.2

Source: ABS, Health Insurance Surveys 1983-1992

Household Income & Related Expenditure

An individual's standard of living is largely dependent on the economic resources of that person (or family). Regular income is the main means by which most individuals/ families finance their consumption, including purchase of insurance. The source of information on both income and expenditure of Australians is the series of Household Expenditure Surveys conducted by the ABS in years 1984, 1988 and 1993.

During the decade 1984 to 1993 the highest incomes were in the ACT, and in NT (see Table 26). The lowest income during the same time was notified in Tasmania. In 1984 the average family household in the ACT had 60% higher income than families in Tasmania.

Table 26: Average weekly household income ($AU).

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	Australia
1984	458.43	472.22	424.07	417.13	452.87	392.47	583.96	627.97	453.60
1988	651.93	681.43	568.90	557.79	646.74	541.31	733.65	811.85	636.04
1993	754.01	711.82	703.65	680.73	680.95	620.50	864.44	1037.39	723.26

Source: ABS, Household Expenditure Surveys 1984, 1988, 1993

From 1984 to 1993 the most increase in income of households was in Queensland (by 66%), less in the ACT (65%) and in SA (63%). At the same time the least increased income was for those living in NT (48%), WA (50%), and Victoria (50%).

People's living standards are affected not only by the income received, but also by the size of their family, i.e. the number of people to be provided for by that income. In 1984 the highest number of persons per household was in the ACT and NT, the lowest in SA (see Table 27). Ten years later, in 1993, the highest number of persons per household was again in NT, and the lowest in Tasmania. During the decade 1984 to 1993 the average number of persons in a family decreased

in each state and territory, by around 0.2 person. The biggest drop was in Queensland (0.31), the smallest in Western Australia (0.14).

An increase in average household income coincident with a decline in number of persons in the household resulted in even higher rise of income per person (from 58% in WA to 85.5% in Qld) than per family.

Table 27: Average number of persons in the household.

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	Australia
1984	2.82	2.83	2.93	2.73	2.82	2.80	3.03	3.03	2.84
1988	2.81	2.82	2.70	2.57	2.93	2.73	2.71	2.91	2.78
1993	2.66	2.63	2.62	2.45	2.68	2.51	2.80	2.76	2.63

Source: ABS, Household Expenditure Surveys 1984, 1988, 1993

Changes occurred also in expenditure of families for health insurance, including hospital, medical and ancillary (see Table 28). While in 1984 the average weekly cost of health insurance in Australia was $6.43, it rose to $11.92 ten years later. That is an average increase by 85%. The biggest change has occurred in Tasmania and South Australia, the least change for health insurance expenses in the ACT.

Table 28: Average weekly household expenditure for health insurance ($AU).

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	Aust
1984	6.93	6.65	4.79	6.95	6.36	5.68	5.93	9.00	6.43
1988	9.39	8.63	7.03	9.35	8.85	8.21	5.71	9.00	8.68
1993	12.50	11.56	10.02	15.32	10.88	12.54	10.36	12.94	11.92
change	**80%**	**74%**	**109%**	**120%**	**71%**	**121%**	**75%**	**44%**	**85%**

Source: ABS, Household Expenditure Surveys 1984, 1988, 1993

During the decade 1984 to 1993, at the national level, the growth in cost of health insurance was 85%, comparing with 59% rise of family income. Generally in all states, except the ACT, insurance costs has risen more than income, with the difference varying from 15.5% in NSW to 63% in Tasmania. The only exception is the ACT, where income growth exceed growth of health insurance cost by 21%.

The expenditure for dental charges has also undergone changes. Average out-of-pocket weekly family expenses for dental services were $1.50 in 1984, and $2.80 ten years later (see Table 29). That means 89% increase at national level, similar to the national growth in cost of insurance. Although that data masks significant interstate differences. There was great disproportion between states and territories. The highest was rise of dental charges was in Western Australia (157%), and Tasmania (145%), the lowest in Northern Territory (45%) and the ACT (48%).

Table 29: Average weekly household expenditure for dental charges ($AU).

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	Aust
1984	1.38	1.90	1.57	1.08	1.21	0.65	1.45	2.10	1.49
1988	3.32	3.82	1.79	2.16	1.96	1.69	1.33	2.83	2.89
1993	2.98	2.97	2.60	2.47	3.11	1.59	2.11	3.11	2.82
change	**116%**	**56%**	**66%**	**129%**	**157%**	**145%**	**45%**	**48%**	**89%**

Source: ABS, Household Expenditure Surveys 1984, 1988, 1993

In some states the rise of expenditure for dental charges was greater than the growth of income. Substantial disproportion has occurred in WA, Tasmania, SA and NSW with 102%, 87%, 66% and 52% difference between change in dental charges and change in income, respectively. There was almost no difference in NT (3% difference) and no difference in Queensland. On the contrary in the ACT and NT, average income growth was higher than the increase of expenditure for dental charges (with difference 17% and 3% respectively).

Average weekly family expenditure for total health expenses increased from $14.07 in 1984 to $27.14 ten years later (see Table 30). That means an average increase of 93%. The highest

increase was in Tasmania (114%), while the lowest was in Northern Territory (62%).

Table 30: Average weekly household expenditure for total medical & health expenses ($AU).

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	Aust
1984	14.07	15.40	13.17	13.64	12.72	11.40	15.33	15.92	14.07
1988	23.12	22.84	19.44	20.28	20.10	18.26	16.21	21.91	20.27
1993	28.59	26.41	25.93	28.43	25.97	24.45	24.82	28.41	27.14
change	**103%**	**71%**	**97%**	**108%**	**104%**	**114%**	**62%**	**78%**	**93%**

Source: ABS, Household Expenditure Surveys 1984, 1988, 1993

Comparison with increase of household income shows that everywhere in Australia total health expenses increased more than income by 13% (ACT) to 56% (Tas), with an average of 34%.

Table 31: Weekly household expenditure for health insurance as a proportion of total health expenses (%).

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	Aust
1984	49.35	47.26	36.37	50.95	50.00	49.82	38.68	56.53	45.70
1988	40.61	37.78	36.16	46.10	44.03	44.96	35.22	41.07	42.82
1993	43.72	43.77	38.64	53.89	41.89	51.29	41.74	45.55	43.92

Source: ABS, Household Expenditure Surveys 1984, 1988, 1993

Expenditure for health insurance in Australia 1984 accounted for 46% of total medical and hospital expenses, and 44% ten years later, in 1993 (see Table 31). It increased in NT (3%), SA (3%), Qld (2%), and Tasmania (1.5%), but decreased in the ACT (11%), WA (8%), NSW (5.5%), and Victoria (3.5%).

During the decade 1984 to 1993, all household expenditure increased (see Table 32).

Table 32: Increase in average household expenditure for some selected items by state (in %).

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	Aust
housing	83	82	89	92	88	61	72	85	84
food	62	52	49	58	56	63	44	47	59
power	59	74	31	48	62	106	57	48	59
clothing	34	55	56	41	52	29	39	49	44
transport	65	51	64	50	47	61	36	58	59
recreation	85	76	86	109	68	90	61	71	84
insurance	**80**	**74**	**109**	**120**	**71**	**121**	**75**	**44**	**85**

Source: ABS, Household Expenditure Surveys 1984, 1988, 1993

In SA, Qld and Tasmania health insurance expense has grown most when taken as a proportion of all household expenses. In the ACT, however, insurance has grown the least comparing with other expenses.

Expenditure for health insurance constitutes only a small part of all household expenditures: from $1.07 in NT to $2.06 in SA in 1993 (see Table 33).

Table 33: Expenditure for health insurance as a part of all household expenditures (%).

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	Aust
1984	1.39	1.35	1.09	1.66	1.32	1.42	0.95	1.36	1.34
1988	1.31	1.22	1.22	1.59	1.29	1.51	0.79	1.08	1.29
1993	1.47	1.44	1.32	2.06	1.34	1.78	1.07	1.21	1.47
change	**6%**	**7%**	**21%**	**24%**	**1.5%**	**25%**	**13%**	**- 12%**	**10%**

Source: ABS, Household Expenditure Surveys 1984, 1988, 1993

The change in expenditure for health insurance was less when compared to other expenses. In all states, except for the ACT, per cent expenditure for health insurance has grown by from 1.5% in Western Australia to 24% in South Australia. In the ACT it dropped by 12%.

Changes in Premiums

According to data contained in "Facts & Figures" the cost of dental (ancillary) insurance of all Australian health benefits funds has changed tremendously over the 1981 to 1994 decade, and varied from 79% to 406% growth.

Table 34: Changes of premiums (family rate) of some funds in NSW ($AU).

Fund	1981	1983	1986	1988	1990	change $	change %
HCF	145	150	413	413	566	421	**290**
MBF	190	210	345	370	472	282	**148**
Medibank	130	158	312	365	283	273	**210**
NIB	124	125	338	364	410	286	**231**

HCF: Hospitals Contribution Fund of Australia ("Multicover")
MBF: Medical Benefits Fund of Australia (" Extra Cover")
Medibank: Medibank Private ("Extras", from 1986 "Super Extras")
NIB: Newcastle Industrial Benefits Health Funds ("Ancillary benefits")
Source: PD Barnard "Facts & Figures" 1981-1990

In NSW the growth of premiums of four largest funds varied from 148% to 290% (see Table 34). The biggest change has occurred in premiums of HCF. In 1990 its premiums were the highest in the state.

Table 35: Changes of premiums (family rate) of some funds in Victoria ($AU).

Fund	1981	1983	1986	1988	1990	change $	change %
ANA	103	103	288	288	428	325	**315**
HBA	146	153	182	334	427	281	**192**
MUIOOF	135	135	283	284	360	225	**167**
Medibank	134	158	187	254	221	192	**143**

ANA: Australian Natives Association (to 1983 "Dental Fund Table D4", from 1986 "Dent & Ancillary E2 Table")
HBA: Hospital Benefits Association (to 1983 "Ancillary Package", from 1986 "Extra Cover Schedule")
MUIOOF.: Manchester Unity Independent Order of Oddfellows ("Ancillary Benefit Fund")
Medibank: Medibank Private (to 1983 "Extras", from 1986 "Super Extras")
Source: PD Barnard "Facts & Figures" 1981-1990

The largest funds in Victoria has increased its premiums by 143% to 315%, with the highest noted in Australian Natives Association (see Table 35).

Table 36: Changes of premiums (family rate) of some funds in Queensland ($AU).

Fund	1981	1983	1986	1988	1990	change$	change%
MBF	170	195	365	365	453	283	**166**
Medibank	140	158	191	254	254	239	**171**
QTeachers	166	182	315	362	445	279	**168**
MIM	126	192	224	343	374	248	**197**

MBF: Medical Benefits Fund of Australia (to 1983 "Extra Cover", from 1986 "Extracover Table Z")
Medibank: Medibank Private data to 1986 Qld and NT , from 1988 Qld separately (to 1983 "Extras", from 1986 "Super Extras")
MIM: MIM Employees Health Society ("Supplementary Medicals")
Q Teachers: Queensland Teachers Union Health Society (to 1983 "Ancillary Fund", 1986"Ancillary Table A", from 1988 "Ancillary Covers")
Source: PD Barnard "Facts & Figures" 1981-1990

Changes in premiums of the biggest funds in Queensland are below 200% (see Table 36). Differences between funds in this state are not as great as in other states.

Two largest funds of South Australia increased their premiums by about 250% (see Table 37).

Table 37: Changes of premiums (family rate) of some funds in South Australia ($AU).

Fund	1981	1983	1986	1988	1990	change $	change%
Medibank	115	157	134	226	322	283	**246**
Mutual	132	160	282	352	460	328	**248**

Medibank: Medibank Private (to 1983"Extras", from 1986 "Super Extras")
Mutual: Mutual Health Association (to 1983 "Extended Benefits", from 1986 "Extras")
Source: PD Barnard "Facts & Figures" 1981-1990

Premiums of funds in Western Australia changed within 10 years period of time by 230% to 400% (see Table 38). The most significant change occurred in premiums of HBF, which once was the

cheapest but became the most expensive insurer in 1990.

Table 38: Changes of premiums (family rate) of some funds in Western Australia ($AU).

Fund	1981	1983	1986	1988	1990	change $	change%
HI Fund	83	83	187	312	326	243	**292**
HBF	78	130	240	305	395	317	**406**
Medibank	110	110	168	216	264	250	**227**

HI Fund: Health Insurance Fund of Australia ("Ancillary Benefits")
HBF: Hospital Benefit Fund of WA ("Ancillary Benefits")
Medibank: Medibank Private (to 1983"Extras", from 1986 "Super Extras")
Source: PD Barnard "Facts & Figures" 1981-1990

Tasmanian funds changed their prices by 80% to 215% over the period 1981 to 1990 (see Table 42).

Table 39: Changes of premiums (family rate) of some funds in Tasmania ($AU).

Fund	1981	1983	1986	1988	1990	change $	change%
MBF	182	192	240	240	327	145	**79**
St. Luke's	100	120	240	240	315	215	**215**
Medibank	96	106	154	187	211	178	**185**

MBF: Medical Benefits Fund of Australia ("Extracover")
St. Luke's: St. Luke's Medical and Hospital Benefits Association ("Ancillary Table Y")
Medibank: Medibank Private (to 1983"Extras", from 1986 "Super Extras")
Source: PD Barnard "Facts & Figures" 1981-1990

In 1990 the difference in costs of dental insurance between various funds operating within the same state fell in the range of 15% (SA) to 38% (NSW).

Summary and Conclusions

The main aim of dental insurance is to minimize direct out-of-pocket payments for obtained dental services, mainly through spreading the cost of treatment over the time.

While in an early stage of development, dental insurance in Australia was offered by organisations with membership restricted on employment basis; at present most funds are open to the public. The number of dental benefits organisations in Australia increased rapidly in the late 1970's as a consequence of the introduction of Medibank and concurrent changes to medical and hospital insurance. In the late 1980's the number of organisations was almost 70. Due to the introduction of national registration, that number decreased to 60 in 1990, and further to 49 in 1996 (running 81 funds). The largest funds with open membership in NSW are: Medical Benefits Fund; Hospitals Contribution Fund of Australia; Health Insurance Commission (Medibank Private); and NIB Health Funds, in Victoria: Medibank Private; National Mutual; Australian Unity, in Queensland: Medical Benefits Fund; and Medibank Private, in South Australia: National Mutual, in Western Australia: Hospitals Benefit Fund, in Tasmania: Medical Benefits Fund; Medibank private; and St Lukes. The biggest funds with restricted membership are: Government Employees'; NSW Teachers'; and Army Health Benefits Society.

Health benefits organisations in Australia offer dental plans packaged with other ancillary covers. Most of the funds offer cover for all or most of items included in the Australian Dental Association Schedule of Dental Services. Premiums are for single or for family membership, with the latter being set at twice the single rate. Premiums are paid by the members directly to funds or through agencies with provision for weekly, monthly, quarterly, half yearly or yearly payments. Waiting periods are usually 2 months for less costly procedures, and 12 months for more expensive items. Common are limits of certain services, such as denture replacement or consultation and examination. Rebates for each item of service are usually fixed or a percentage of the cost (60% to 90%) up to a maximum. There is a limit of total sum payable per membership year. Rebates are payable directly to the members against receipts.

The majority of people holding dental insurance are those with both hospital and ancillary cover.

The total number of families holding dental insurance declined during the decade 1983 to 1992 by 5% (from the level of almost 40% covered in 1983 to 35% in 1992). The most changed level of dental insurance coverage in Northern Territory (12%), the least in the ACT (2%).At the same time the proportion of persons covered by dental insurance decreased by 7%, with the greatest change in Western Australia (12%), and the lowest in Victoria (4%). The highest number of insured live in NSW. More than half of all insured live in two states: NSW and Victoria.

Among the age groups, the middle aged (35 to 54 years old) was the only group that increased in numbers , while others decreased or remained of the same proportion. Middle aged constituted 30% of all insured in 1983, and 40% in 1992. On the other hand, there was a decrease in the proportion of persons covered in all age groups, except the oldest group, in which coverage increased by 5%. Particularly vulnerable appeared to be people aged 25 to 34, where the decrease was the greatest; by 12%.

The level of dental insurance is strongly related to income. The majority (73%) of families with the highest income have dental insurance, compared with 22% in the lowest income group. The proportion of families with dental insurance increased in almost all income groups, with the lowest income group being the most improved: from 11% coverage in 1983 to 22% in 1992. The only group with any decrease, was the middle-low income group: by 1.5%. At the beginning of the decade 1983 to 1992 people with the highest income accounted for almost half of all holding dental insurance, while at the end of that decade constituted only one third of all insured.

Among all types of families single persons were the largest group during the decade 1983 to 1992: around 40% of all insured families, while single parents were the smallest; only 2% to 3% of all insured. These two groups showed increasing tendency (by 7% and 1%, respectively), opposite to the remaining groups of couples with, and without, children. The group consisting of couples with dependent children decreased by 6%, although that group has the highest proportion of insured (50% to 60% of all families with children during the period 1983 to 1992).

In the same period of time from 1983 to 1992, there was an increase in the number of people with only ancillary cover, particularly if they are: in the highest income group (from 2% to almost 5% of all insured); aged 35 to 54 years (by 2%); single parent (from 2% to 4% of all insured); and live in Western Australia (from 4% to 7%of all insured). In 1992 people most likely to have only ancillary cover are: in the second highest income group; aged 25 to 54; married and with children; and living in South Australia.

Private health insurance and dental charges were the most significant health care costs of the average household. Health insurance alone accounted for 40% to 50% of all health expenses in various states. At national level expenditure for health insurance as a proportion of all health expenses decreased from 46% to 44%, although there were differences between states. In NSW, Victoria, Western Australia, and the ACT it decreased, while in Queensland, South Australia, Tasmania and Northern Territory it increased.

Even when all health expenditure is considered, spending on health services is not a major part of household's budgets. The cost of private health insurance during the decade 1984 to 1993 was 1% to 2% of all household expenditure. It increased in all states; by 1.5% of the cost in 1984 (Western Australia) to 25% of the cost in 1984 (Tasmania), except for the ACT, where it decreased by 12%.

Changes in premiums for ancillary insurance in various funds during the decade 1981 to 1990 were as great as from 79% to 406%. The greatest increase in premiums was in Western Australia; an average increase of 308%. The least change occurred in Tasmania (by 160%), where the premiums for ancillary insurance in 1990 was the lowest in Australia ($284), compared with NSW which was the most expensive ($433).

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Appendix A

The 1983 to 1992 ABS Health Insurance Surveys scope and methodology:

Scope

The survey included all persons aged 15 years and over, except:

(a) members of the defence forces;

(b) certain diplomatic personnel of overseas governments;

© overseas visitors holidaying in Australia;

(d) members of non-Australian defence forces (and their dependents) stationed in Australia;

(e) all persons in non-private dwellings (hotels, motels, hospitals, etc.);

(f) visitors to private dwellings;

(g) persons staying at caravan parks.

Survey method

1. The survey was based on multi-stage area sample of private dwellings and covers about three-fifths of one per cent of the population of Australia.

2. Interviews were conducted over a period of two weeks. The information about health insurance was obtained from the occupants of selected dwellings by trained interviewers.

3. Information on health insurance arrangements was obtained for each person in the sampled population, except for dependent full-time students aged 15 to 25 years. If a person was not available for interview, another responsible adult was interviewed on his or her behalf.

Appendix B

An example of a questionnaire used to obtain information for "Facts & Figures"carried out by PD Barnard (1983 to 1996)

Dental Benefit Plans - Information to 1st October 1996

Name of organisation: .....

Date of commencing dental benefits: .....

Dental plan: Separate .....

Combined with other ancillary cover .....

Name of plan(s): ....

Number enrolled:	1994*	.....	.....	.....
	1996	.....	.....	.....
covered:	1994*	.....	.....	.....
	1996	.....	.....	.....

* Information on numbers enrolled and covered for 1 October 1994 if available

Premium (annual):

Single	.....	.....	.....
Family	.....	.....	.....

Are ADA schedule item used? Yes ..... No .....

Items of service covered: All ADA Schedule .....

Most ADA schedule ..... Limited services only .....

Complete the following if brochures not provided.

Waiting periods:.....

.....

Rebate payments: Fixed ..... Percentage ..... Combination .....

Maximum rebates: .....

Limitations: .....