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## HEALTH INSURANCE SURVEY, AUSTRALIA MARCH 1980 (PRELIMINARY)

### INQUIRIES

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### MAIN FEATURES

At March 1980 there were an estimated 3,902,500 Australian contributor units with some type of private health insurance. This represents 59.4 per cent of possible contributor units.

Compared with an estimate of 62.4 per cent obtained in a similar survey in March 1979, the above estimate is an apparent net decrease of 3.0 percentage points in the proportion of possible contributor units with some type of private health insurance. (Note. See paragraph 15 of the Explanatory notes for a brief discussion of comparisons between the two surveys).

A comparison of types of insurance reported in 1980 with the 1979 survey using the 1979 survey definitions (Table 3) shows the following apparent changes:

the proportion of possible contributor units with both Hospital and Medical cover — a net decrease of 2.8 percentage points.

the proportion of possible contributor units with only Hospital cover — a net decrease of 0.5 percentage points.

the proportion of possible contributor units with only Medical cover — a net increase of 0.9 percentage points.

Considering Hospital cover separately from Medical cover, a similar comparison between 1980 and 1979 results shows an apparent net decrease of 3.3 percentage points.

Considering Medical cover separately from Hospital cover, a similar comparison between 1980 and 1979 results shows an apparent net decrease of only 1.9 percentage points.

### EXPLANATORY NOTES

#### Introduction

In March 1980 a survey was conducted throughout Australia to obtain information about levels of health insurance cover in the Australian community. Interviews were carried out over a period of two weeks commencing 10 March.

2. This publication contains only a summary of the more important results of the survey. More detailed estimates will be published shortly. The estimates shown are preliminary and are subject to revision.

#### Scope and coverage

3. The survey was conducted as part of the regular population survey, which is based on a multi-stage area sample of private dwellings (about 30,000 houses, flats, etc.) and non-private dwellings (hotels, motels, etc.) and covers about two-thirds of one percent of the population of Australia. Certain groups of persons, such as occupants of non-private dwellings (e.g. hospitals, motels, hotels), diplomatic personnel and persons from overseas touring or holidaying in Australia, were excluded from the survey.

#### Survey method

4. The information about health insurance was obtained from the head of the contributor unit (see paragraphs 5-7 for definitions) within each selected dwelling by carefully chosen and specially trained interviewers. If the head of the contributor unit was not available for interview another responsible adult could answer on his or her behalf. Thus all insurance data relate to the insurance status of the head of the contributor unit.

#### Definitions

5. *Private health insurance* — cover provided by insurance organisations to reimburse all or part of the cost of hospital, medical, or ancillary health services.

6. *Contributor unit* — In the tables of this publication the term *Contributor unit* refers to:

(a) an individual or a family who has taken out private health insurance

or

(b) uninsured persons who, for purposes of comparison with the insured, have been grouped into potential contributor units on the basis of household composition.

7. *Contribution rate* — contributor units were classified according to their private health insurance contribution rate (i.e. single or family). Potential contributor units (i.e. the uninsured), were classified to these categories, but on the basis of household

composition, (i.e. households containing one person to single; households with more than one person to family).

8. *Dependants* – persons in a contributor unit who are eligible to be accepted as dependants for the purposes of private health insurance. Any contributor unit therefore has only one non-dependent member, i.e. the head of the contributor unit. Dependents include:

- (a) for married couples, the wife
- (b) all children under 15 years of age
- (c) unmarried full-time students between 15 and 25 years of age without dependants of their own and who are living with their parents.

9. *Head of contributor unit* – the non-dependent member of the contributor unit.

10. *Type of health insurance*

- (a) *Medical cover* – health insurance cover provided by insurance organisations to reimburse 100 per cent, 75 per cent or some other proportion of the schedule fee for medical services, other than the Commonwealth benefit.
  - (b) *Hospital cover* – health insurance cover provided by insurance organisations to cover the cost of accommodation in shared wards of public hospitals or towards the cost of single rooms in public hospitals or accommodation in private hospitals.
  - (c) *Ancillary cover* – any cover provided by insurance organisations for health related services other than medical or hospital cover (e.g. physiotherapy, dental, funeral benefits, ambulance).
11. *Level of hospital cover* –
- (a) *Basic private cover* – insures people for a reimbursement of \$50 per day for treatment by a doctor of their choice in a public hospital ward, or treatment by a doctor of their choice in a private hospital with a reimbursement of \$66 per day.
  - (b) *Higher private cover* – insures people for higher levels of reimbursement than basic private hospital cover.

#### Estimation procedure

12. Estimates derived from the survey are obtained by using a complex ratio estimation procedure, which ensures that the survey estimates conform to an independently estimated distribution of the population by age and sex, rather than to the age and sex distribution within the sample itself.

#### Reliability of the estimates

13. Since the estimates are based on a sample they are subject to sampling variability (see Technical Note, page 4 for further details). Some figures in this publication are replaced by the symbol \*. These have a relative standard error greater than 30 per cent which is considered too high for most practical purposes.

14. In addition to sampling errors, the estimates are subject to non-sampling errors. These may be caused by errors in reporting (e.g. because some answers were based on memory, or because of misunderstanding or

unwillingness of respondents to reveal all details) or errors arising during processing (e.g. coding, data recording). Such errors may occur in any statistical collection whether it is a full census count or a sample survey. Every effort is made to reduce non-sampling errors in the survey to a minimum by careful design and testing of questionnaires, by intensive training and supervision of interviewers, and by efficient operating procedures.

#### Interpretation of results

15. The following factors should be considered in interpreting the estimates in this publication

- (a) The exclusion from the survey of persons who were in hospitals, nursing homes, and other health institutions may have affected the estimates.
- (b) All insurance data relate to the insurance status of the head of the contributor unit. In some cases the contribution rate reported by the head of an insured contributor unit does not relate to the composition of the contributor unit, e.g. A contributor unit composed of two or more persons may have reported having private health insurance at the single rate.
- (c) In table 3, data from the March 1960 survey have been allocated to categories as defined in the March 1979 survey to enable crude comparisons to be made (see following note).
- (d) Care should be taken when comparing 1980 survey estimates with those obtained in 1979 as the movements in figures represent the sum total of net changes of any number of factors, which could have changed at any time during the intervening period. Some of these factors include: the types and levels of health insurance, both available and taken out; the composition of contributor units; the population structure and sampling factors. It should therefore be emphasised that apparent movements in the results do not necessarily reflect the changes made to administrative arrangements for health insurance which came into effect on 1 September 1979.

#### Related publications

16. Other ABS publications which may be of interest include:

*Health Insurance Survey March 1979* (4335.0)

*Australian Health Survey 1977-78* (4311.0)

*Persons Covered by Hospital and Medical Expenditure Schemes, August 1972* (4303.0)

17. Current publications produced by the ABS are listed in *Catalogue of Publications* (1101.0) which is available free of charge from any ABS office.

#### Symbols and other usages

- .. not applicable
- \* subject to sampling variability too high for most practical purposes. (See paragraph 13)

18. Where figures have been rounded, discrepancies may occur between sums of the component items and totals. Published percentages are calculated prior to rounding of figures and therefore some discrepancy may exist between these percentages and those that could be calculated from the rounded figures.

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TABLE 1. HEALTH INSURANCE, MARCH 1980

Private health insurance	Contributor units ('000)			Proportion (%) of contributor units		
	Single rate	Family rate	Total	Single rate	Family rate	Total
Insured	1,312.1	2,590.4	3,902.5	45.5	70.2	59.4
Uninsured (a)	1,570.4	1,097.8	2,668.2	54.5	29.8	40.6
<b>Total</b>	<b>2,882.5</b>	<b>3,688.3</b>	<b>6,570.7</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

(a) Some of these have access to special health benefits such as those available to pensioners, veterans, etc.

TABLE 2. NUMBER OF CONTRIBUTOR UNITS BY TYPE AND LEVEL OF HEALTH INSURANCE, MARCH 1980  
CONTRIBUTOR UNITS ('000)

Level of medical cover	Level of hospital cover			Total with hospital cover	No hospital cover	All contributor units	Proportion (%)
	Basic	Higher	Not known				
<b>SINGLE RATE</b>							
100% medical cover	211.9	239.3	5.6	456.9	24.5	481.4	16.7
75% medical cover	460.6	95.3	11.4	567.2	42.2	609.4	21.1
Other levels of medical cover	11.5	3.5	*	16.0	5.6	21.6	0.7
Level of medical cover not known	24.7	10.2	25.2	60.1	4.8	64.8	2.2
<b>Total with medical cover</b>	<b>708.7</b>	<b>348.3</b>	<b>43.1</b>	<b>1,100.2</b>	<b>77.1</b>	<b>1,177.2</b>	<b>40.8</b>
No medical cover	79.2	28.6	3.5	111.2	(a)1,583.3	1,694.6	58.8
<b>All contributor units</b>	<b>787.9</b>	<b>376.9</b>	<b>46.6</b>	<b>1,211.4</b>	<b>1,660.4</b>	<b>(b)(c)2,882.5</b>	<b>100.0</b>
<b>Proportion (%)</b>	<b>27.3</b>	<b>13.1</b>	<b>1.6</b>	<b>42.0</b>	<b>57.6</b>	<b>100.0</b>	<b>..</b>
<b>FAMILY RATE</b>							
100% medical cover	451.9	603.6	9.8	1,065.4	41.2	1,106.7	30.0
75% medical cover	876.3	273.3	17.6	1,167.2	64.4	1,231.6	33.4
Other levels of medical cover	22.2	8.8	*	32.2	7.8	40.0	1.1
Level of medical cover not known	31.1	20.0	32.1	83.1	2.8	85.9	2.3
<b>Total with medical cover</b>	<b>1,381.5</b>	<b>905.7</b>	<b>60.8</b>	<b>2,348.0</b>	<b>116.2</b>	<b>2,464.2</b>	<b>66.8</b>
No medical cover	71.1	22.0	3.0	96.1	(a)1,110.0	1,206.1	32.7
<b>All contributor units</b>	<b>1,452.6</b>	<b>927.7</b>	<b>63.8</b>	<b>2,444.1</b>	<b>1,226.2</b>	<b>(b)(c)3,688.3</b>	<b>100.0</b>
<b>Proportion (%)</b>	<b>39.4</b>	<b>25.2</b>	<b>1.7</b>	<b>66.2</b>	<b>33.2</b>	<b>100.0</b>	<b>..</b>
<b>TOTAL</b>							
100% medical cover	663.8	843.0	15.5	1,522.3	65.7	1,588.0	24.2
75% medical cover	1,336.9	368.6	29.0	1,734.4	106.6	1,841.0	28.0
Other levels of medical cover	33.7	12.3	*	48.2	13.4	61.6	0.9
Level of medical cover not known	55.8	30.1	57.2	143.2	7.6	150.8	2.3
<b>Total with medical cover</b>	<b>2,090.2</b>	<b>1,254.0</b>	<b>103.9</b>	<b>3,448.1</b>	<b>193.3</b>	<b>3,641.4</b>	<b>55.4</b>
No medical cover	150.3	50.5	6.5	207.4	(a)2,693.3	2,900.7	44.1
<b>All contributor units</b>	<b>2,240.5</b>	<b>1,304.5</b>	<b>110.4</b>	<b>3,655.5</b>	<b>2,886.6</b>	<b>(b)(c)6,570.7</b>	<b>100.0</b>
<b>Proportion (%)</b>	<b>34.1</b>	<b>19.9</b>	<b>1.7</b>	<b>55.6</b>	<b>43.9</b>	<b>100.0</b>	<b>..</b>

(a) Consists of uninsured contributor units (1,570,400 single rate and 1,097,800 family rate) plus contributor units with only ancillary insurance cover (12,900 single rate and 12,200 family rate). (b) Includes insured contributor units about which details of health insurance were not known (10,700 single rate and 18,000 family rate). (c) Consists of all insured contributor units plus all uninsured contributor units as detailed in Table 1.

TABLE 3. HEALTH INSURANCE AS AT MARCH 1979 (a) AND MARCH 1980 (b)

Type of private health insurance	Persons (c) ('000)		Contributor units ('000)		Proportion (%) of contributor units	
	1979	1980	1979	1980	1979	1980
<b>Insured (d)</b>						
Hospital and medical	8,556.7	8,182.4	3,381.4	3,758.3	52.4	49.6
Hospital only	437.4	354.3	232.6	200.8	3.6	3.1
Medical only	290.9	453.1	119.6	185.7	1.9	2.8
Ancillary only	64.2	53.7	30.0	25.1	0.5	0.4
Don't know (e)	580.7	499.1	265.0	232.7	4.1	3.5
<i>Total insured</i>	<i>9,929.8</i>	<i>9,542.0</i>	<i>5,028.6</i>	<i>3,902.5</i>	<i>62.4</i>	<i>59.4</i>
Uninsured	4,274.9	4,751.1	2,423.6	3,668.2	37.6	40.6
<b>Total</b>	<b>14,204.8</b>	<b>14,293.1</b>	<b>6,452.3</b>	<b>6,570.7</b>	<b>100.0</b>	<b>100.0</b>

(a) According to Health Insurance Survey, March 1979 (Catalogue No. 4335.01). (b) Data from the Health Insurance Survey, March 1980 have been allocated to categories as defined in the March 1979 Survey. Therefore estimates in this table will not necessarily agree with those shown in the previous table. (c) These figures were derived by multiplying the estimated numbers of contributor units by the number of persons in those contributor units. The total estimated population therefore differs from the Australian population. (d) Estimates of all persons, or contributor units with hospital cover can be determined by adding the first two categories of each column. Estimates of all persons or contributor units with medical cover can be determined by adding the first and third categories of each column. (e) Contributor units with private health insurance who did not know the level of that insurance.

#### TECHNICAL NOTE

##### Reliability of the estimates

1. Since the estimates in this publication are based on information obtained from occupants of a sample of dwellings they are subject to sampling variability; that is, they may differ from the figures that would have been produced if all dwellings had been included in the survey. One measure of the likely difference is given by the *standard error*, which indicates the extent to which an estimate might have varied by chance because only a sample of dwellings was included. There are about two chances in three that a sample estimate will differ by less than one standard error from the figure that would have been obtained if all dwellings had been included, and about nineteen chances in twenty that the difference will be less than two standard errors. Another measure of the likely difference is the relative standard error, which is obtained by expressing the standard error as a percentage of the estimate.

2. Space does not allow for the separate indication of the standard error of all estimates in this publication. A table of standard errors and relative standard errors for estimates of numbers of contributor units is given below. These figures will not give a precise measure of the standard error of a particular estimate but they will provide an indication of its magnitude. An example of the calculation and use of standard errors is as follows: Table 1 shows that the estimated number of contributor units with private insurance is 3,902,500. From the table below it can be seen that the estimate has a standard error of about 13,500 and therefore there are about two chances in three that the value that would have been produced if all dwellings had been included in the survey will fall within the range 3,889,000 to 3,916,000 and about nineteen chances in twenty that the value will fall within the range 3,875,500 to 3,929,500. In Table 3, the relative standard error of an estimate of numbers of persons is approximately the same as the relative standard error of the numbers of contributor units corresponding to that estimate.

3. The size of the standard error in relation to the estimate indicates that the actual value could be greater or less (within standard error ranges) than the published figure.

4. As the standard errors in the table show, the smaller the estimate the higher is the relative standard error. Very small estimates would thus be subject to such high standard errors (relative to the size of the estimate) as to detract seriously from their value for most reasonable uses. In this publication, only estimates with relative standard errors less than 30% are considered sufficiently reliable for most purposes. Estimates with relative standard errors greater than 30% have not been shown and although figures for these components can in some cases be derived by subtraction, they should not be regarded as reliable.

5. Derivation of standard errors of percentages will be discussed in the forthcoming publication, as will determination of standard errors of differences between survey estimates.

#### STANDARD ERRORS OF ESTIMATES NUMBER OF CONTRIBUTOR UNITS

Size of estimate	Standard error	Relative standard error (per cent) (a)
2,000	650	33
2,500	720	29
3,000	800	27
4,000	920	23
5,000	1,000	20
6,000	1,100	18
10,000	1,400	14
20,000	2,000	10
50,000	2,900	5.8
100,000	3,900	3.9
200,000	5,100	2.6
300,000	6,000	2.0
500,000	7,200	1.4
1,000,000	9,100	0.9
2,000,000	11,000	0.6
5,000,000	15,000	0.3

(a) In this publication, estimates with a standard error of more than 30 per cent have not been published.