



**Actuaries
Institute**

War and Peace

The impact of
veterans' health care on
Private Health Insurance

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Major conflicts involving Australian Defence Forces

World War I	1914-18	416,809 enlisted
World War II	1939-45	1,118,000 enlisted
Malaya	1948-60	} 86,480 enlisted
Korea	1950-53	
Vietnam	1965-73	
Gulf War	1990-91	
Afghanistan	2001-14	
Iraq	2003-09	
East Timor	2006-13	
ISIL	2014-	

Anzac Cove, Gallipoli peninsula, Turkey site of ANZAC landing April 1915



Beersheba, Israel

site of Australian light horse charge

October 1917



John Chance

my grandfather

Enlisted 9/8/1915

Departed Port Melbourne 10/11/1915
on HMAT Asconius, 52nd Battalion
6 months in Egypt, 3 months in France

Prisoner of War for 2 years in
NW Germany

3 months in England en route to
Melbourne arrived home 25/4/1919



Veterans' health cover

Relevant legislation:

- Veterans Entitlement Act 1986
- Safety, Rehabilitation & Compensation Act 1988
- Military Rehabilitation and Compensation Act 2004

Federal Department of Veterans' Affairs (formerly Repatriation Department):

Delivery of government programs for war veterans &
Australian Defence Force: mainly pensions and health

History of Veterans' health cover

- 1920 Repatriation Act – cover for war injuries
- 1973 Free medical treatment for WWI veterans who experienced hostilities
- 1974 Free medical treatment for prisoners of war and cancer
- 1998 Free medical treatment for female WWII veterans who experienced hostilities
- 1999 Free medical treatment for WWII veterans who experienced hostilities
- 2002 Free medical treatment for post WWII veterans (mainly Vietnam) who experienced hostilities now aged 70+

Veterans' health cards

Gold card



Eligibility – WWI & WWII veterans who experienced hostilities, post WWII experienced hostilities now aged 70+, Japan Occupation Force, disability pension veterans, means tested service pensioners, war widow(er)s & dependant children

Benefits – hospital, medical, dental, optical, physio, chiro, osteo, rehab aids, podiatry, psychology care, pharmacy equivalent to top PHI



White card

Eligibility – veterans and ex-Defence force members

Benefits – treatment for service-related disabilities or illnesses and cancer, tuberculosis, mental health conditions

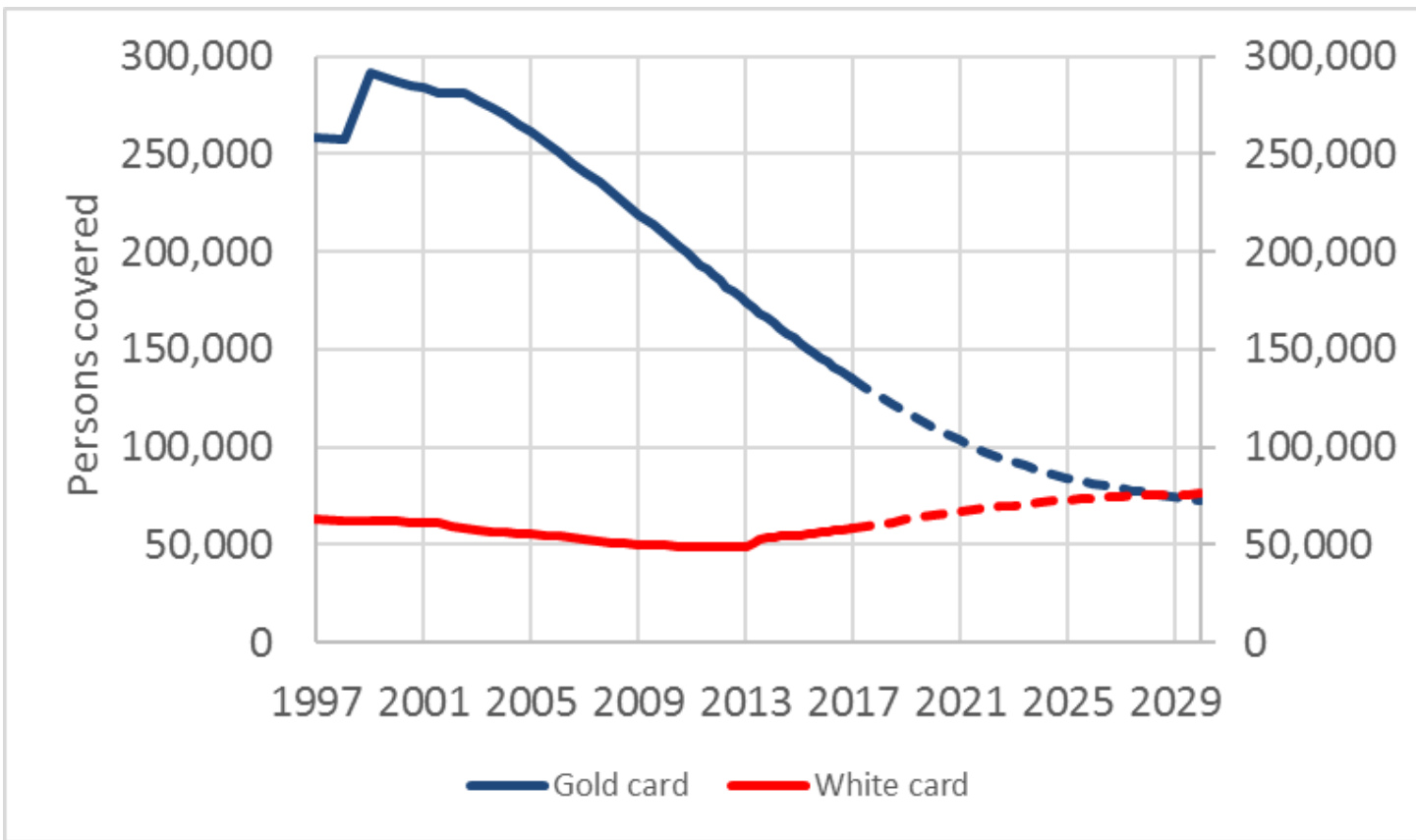


Orange card

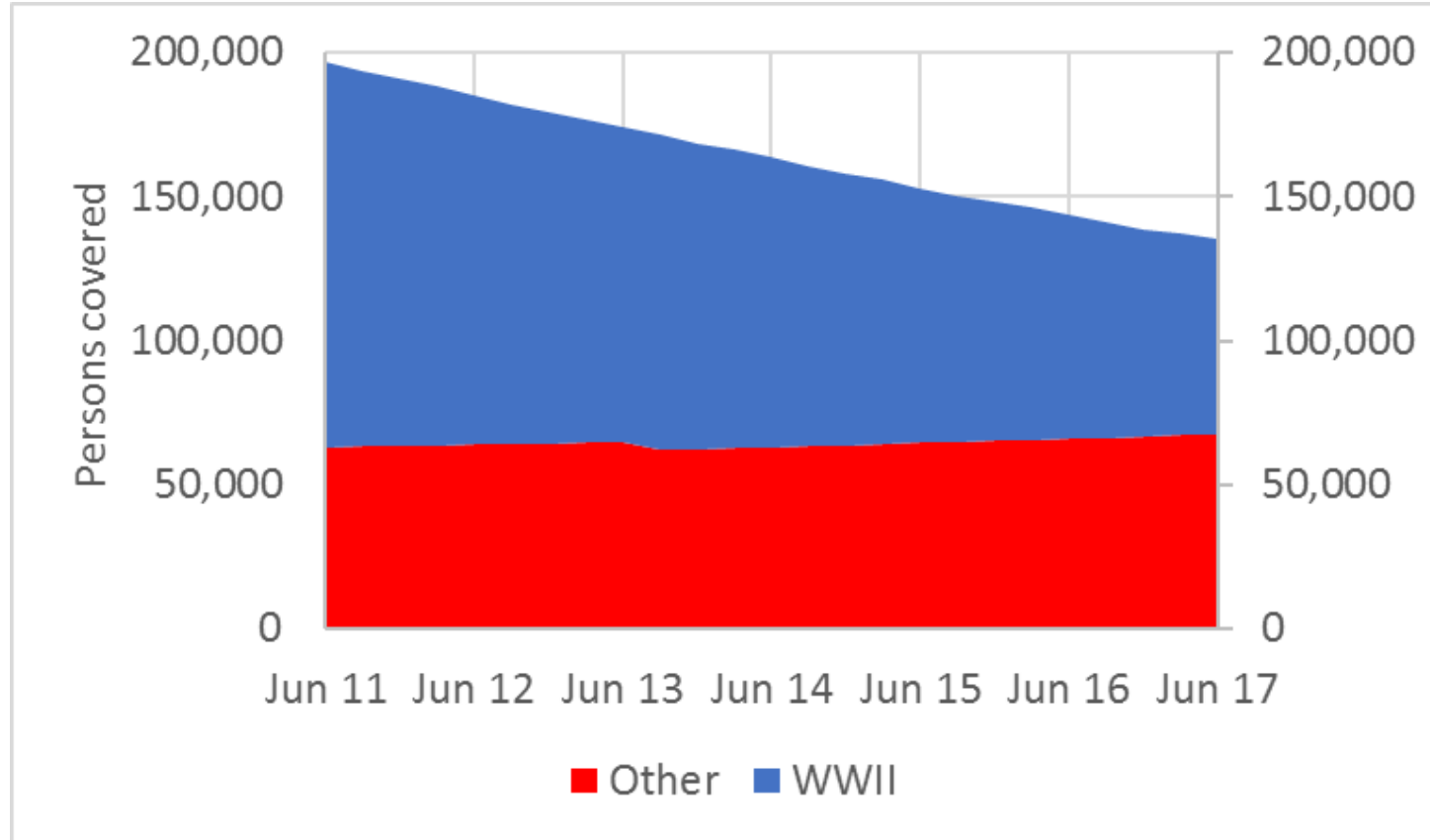
Eligibility – Commonwealth & Allied veterans from WWII with Australian residency 10+ years

Benefits – pharmaceutical benefits (as per PBS concession)

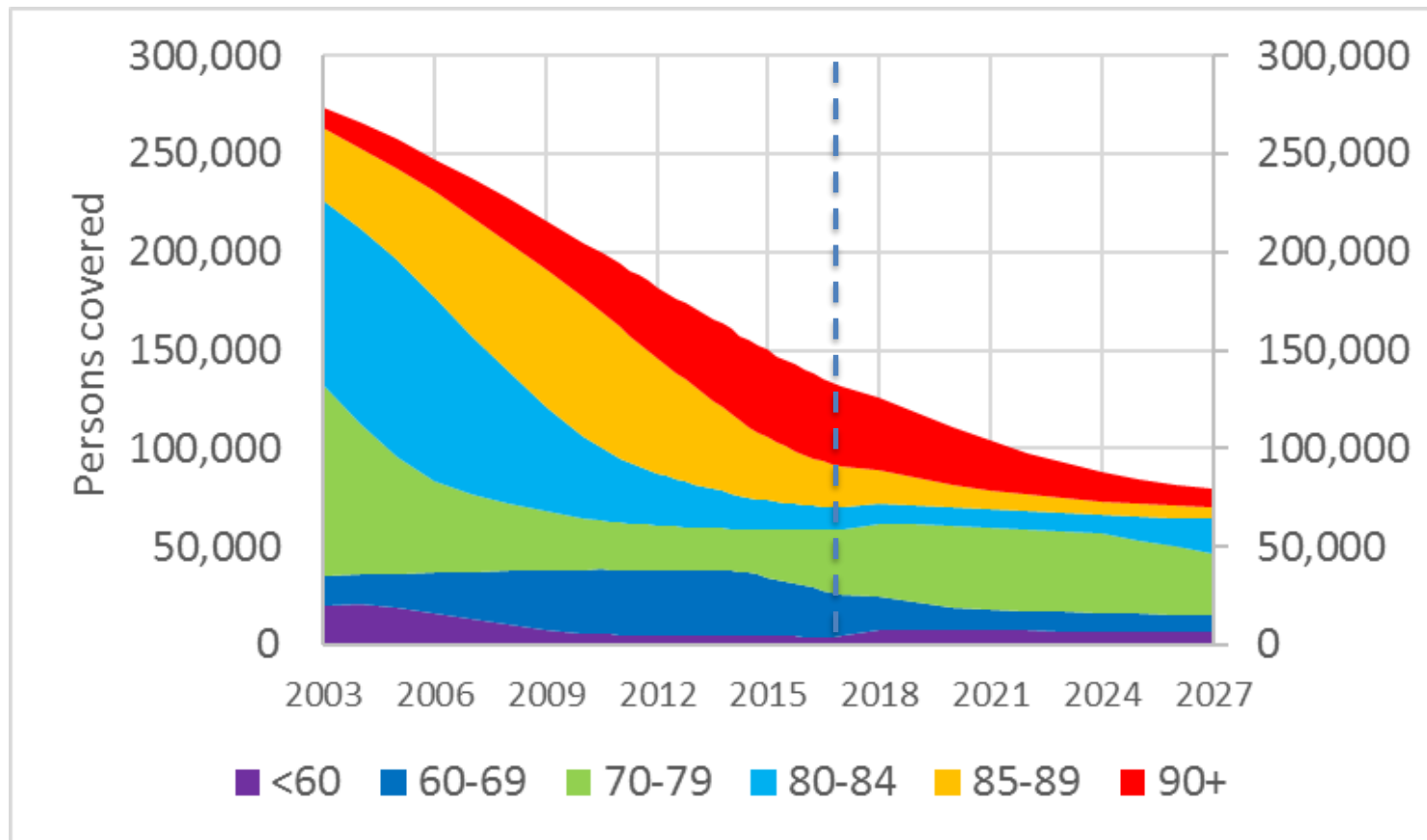
Gold and White card coverage



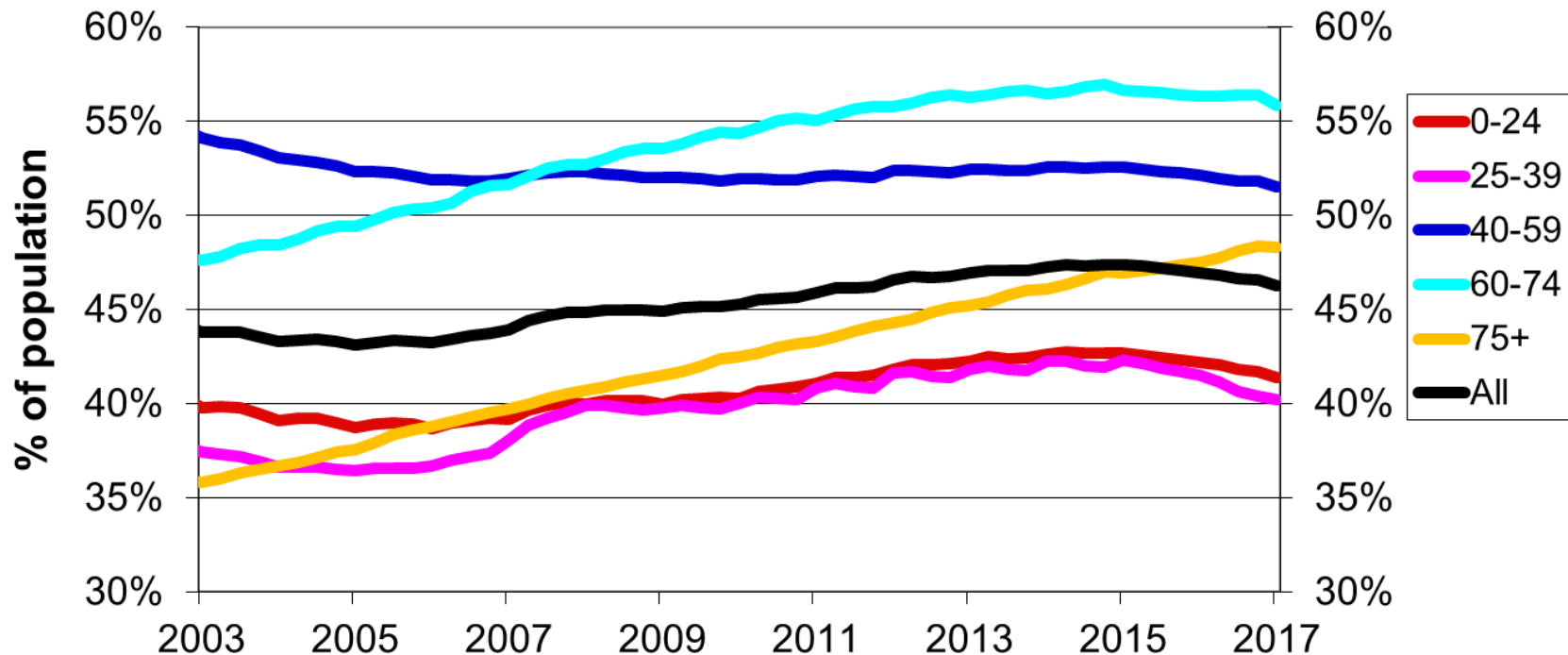
Gold card coverage by conflict



Gold card coverage by age group

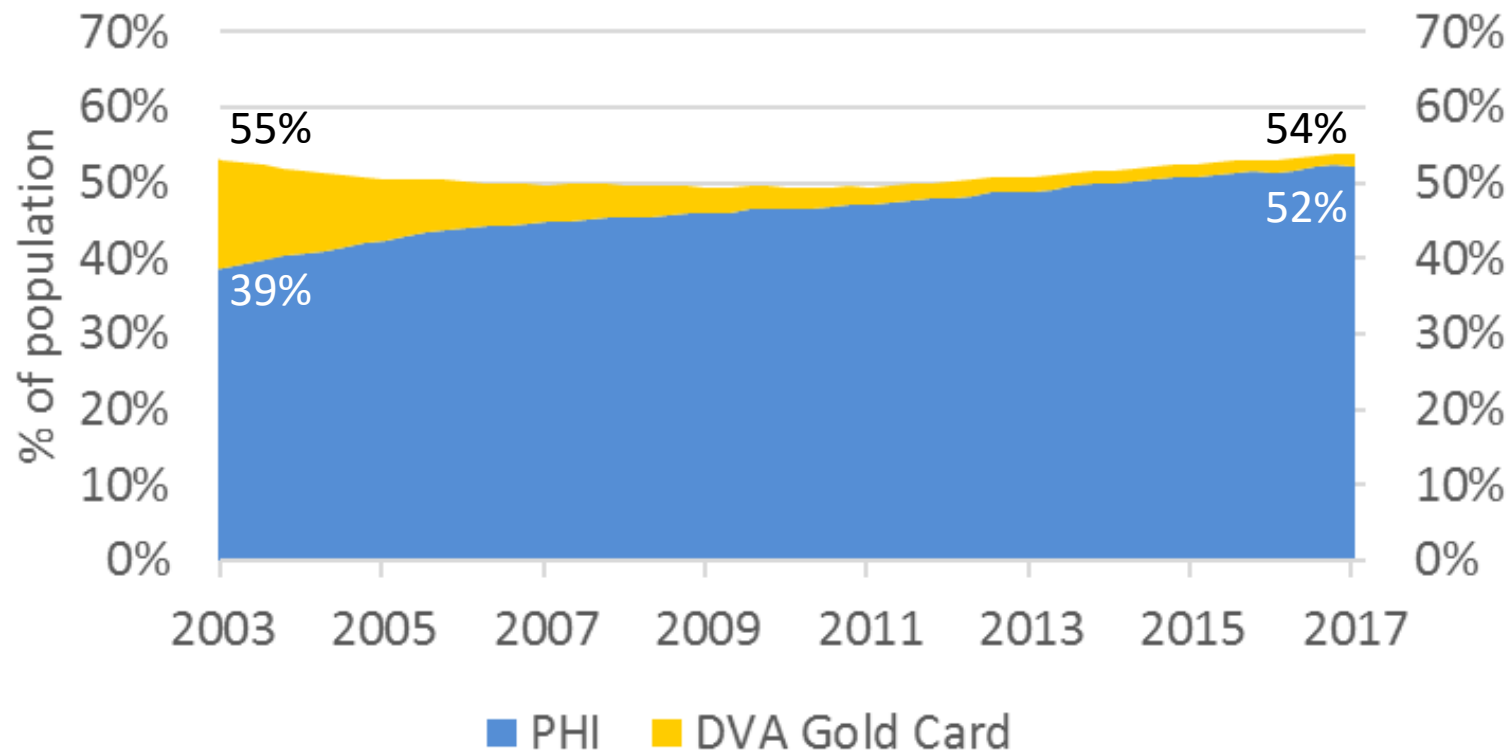


Hospital Coverage by Age Group

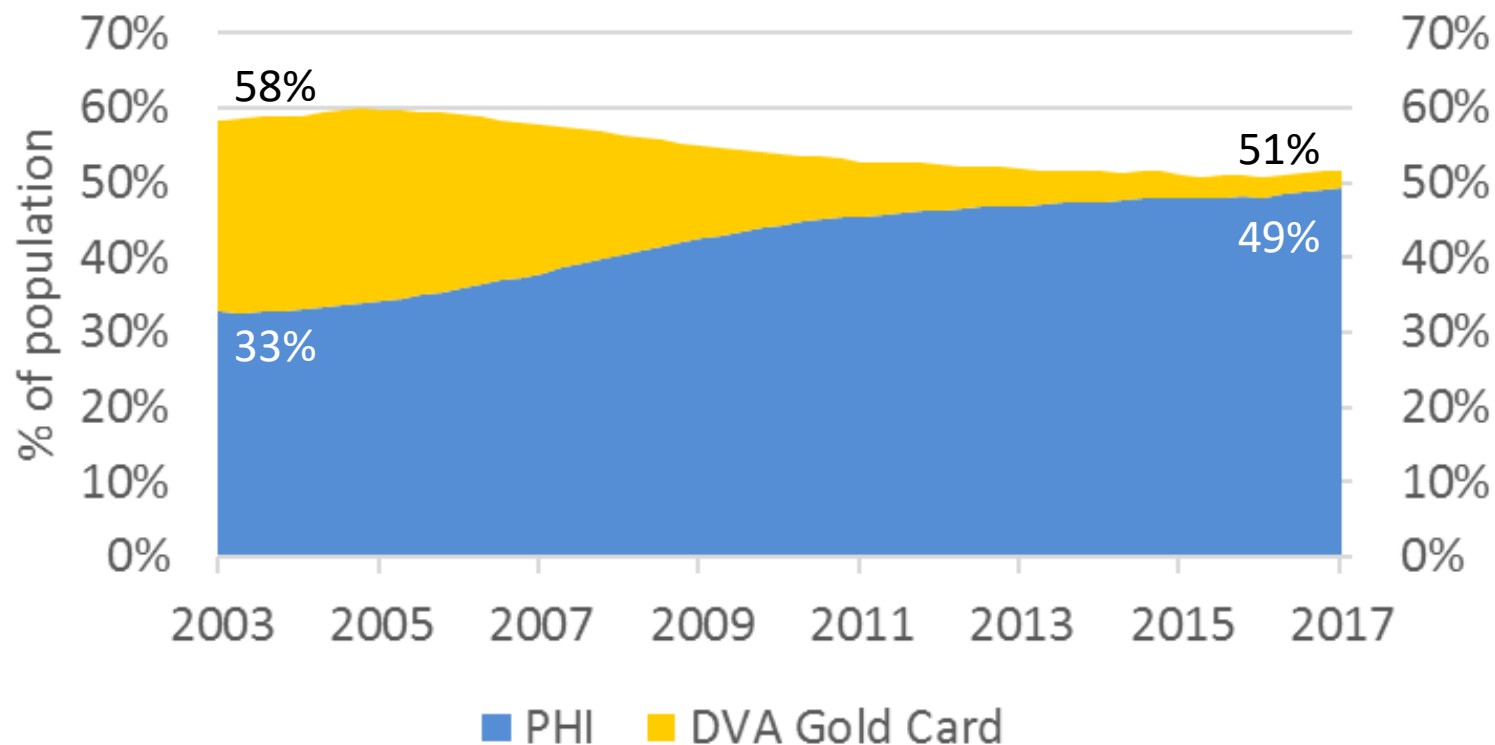


Highest growth amongst over 75 age group

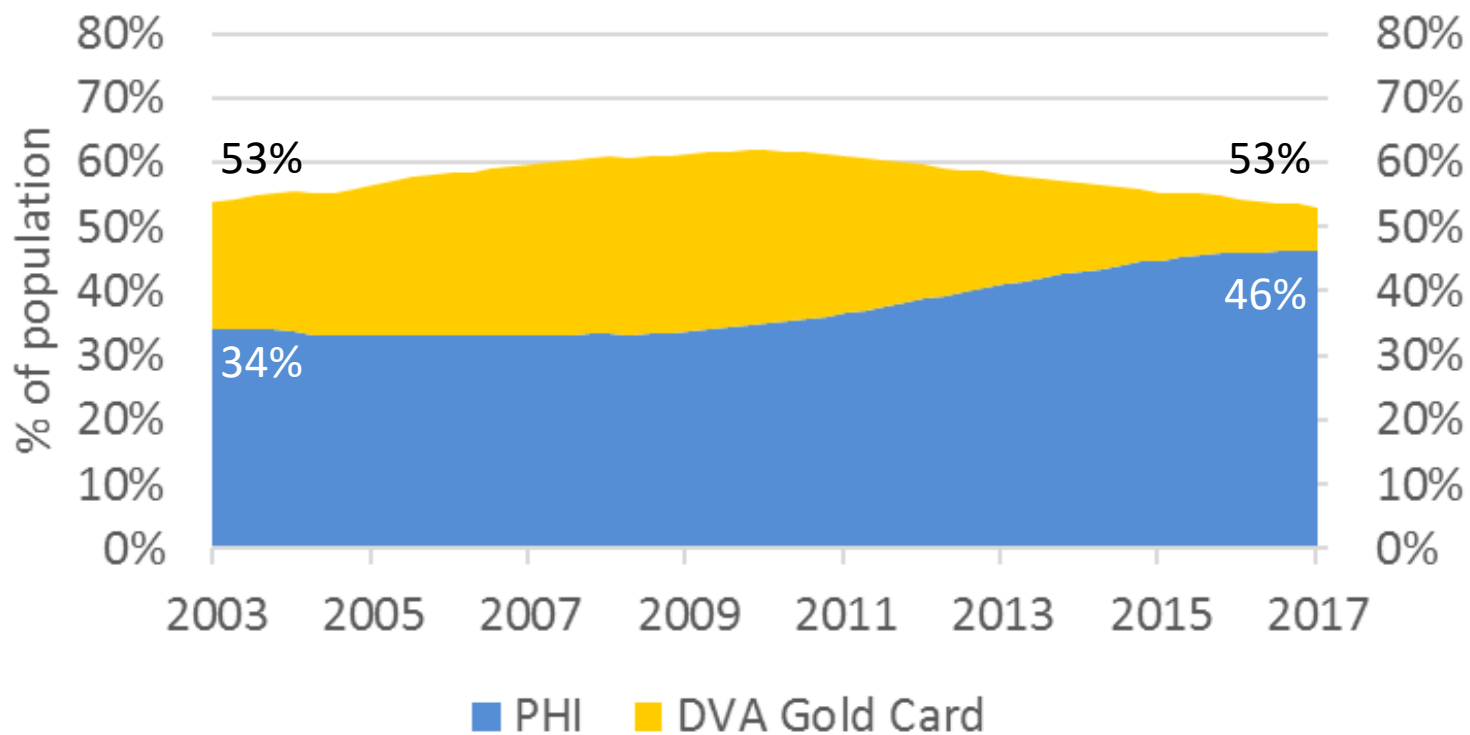
Hospital Coverage for Age 75-79



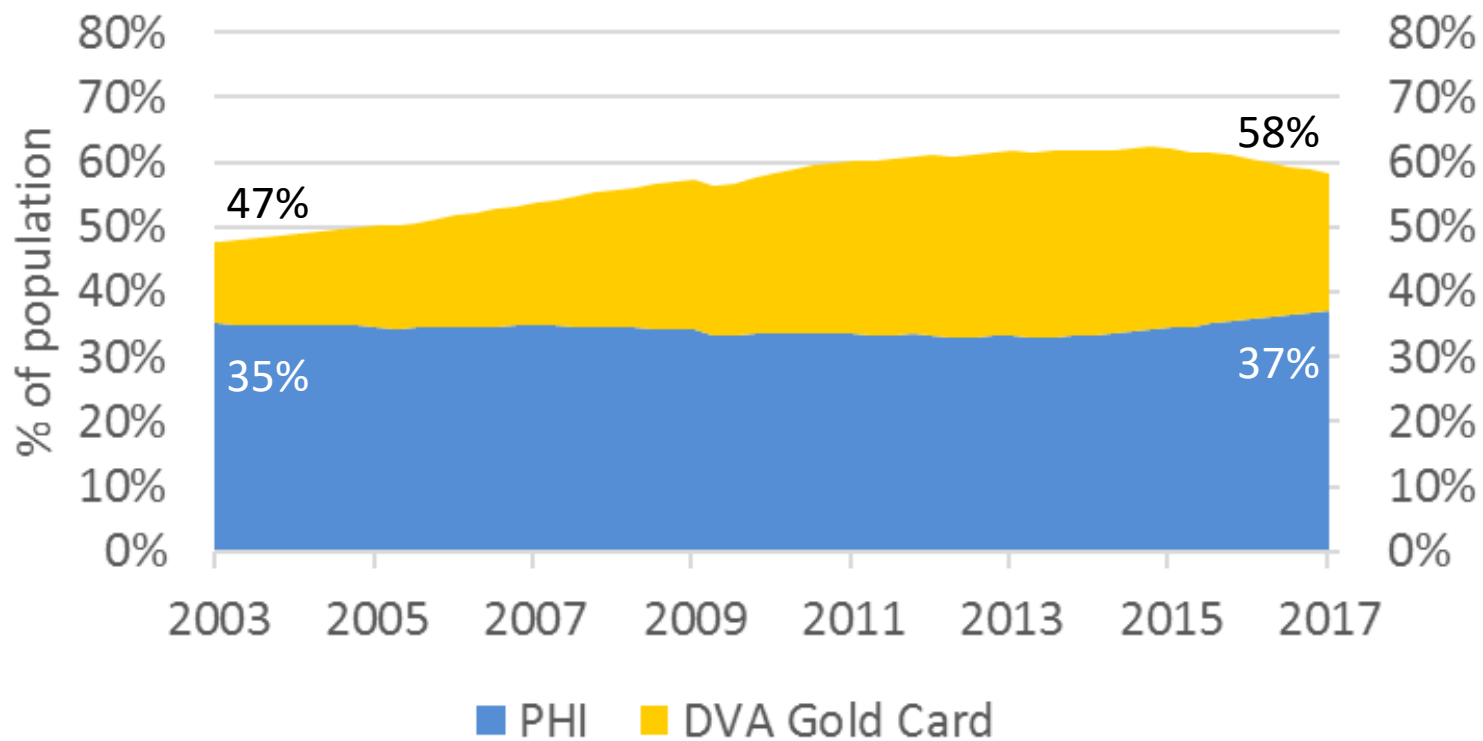
Hospital Coverage for Age 80-84



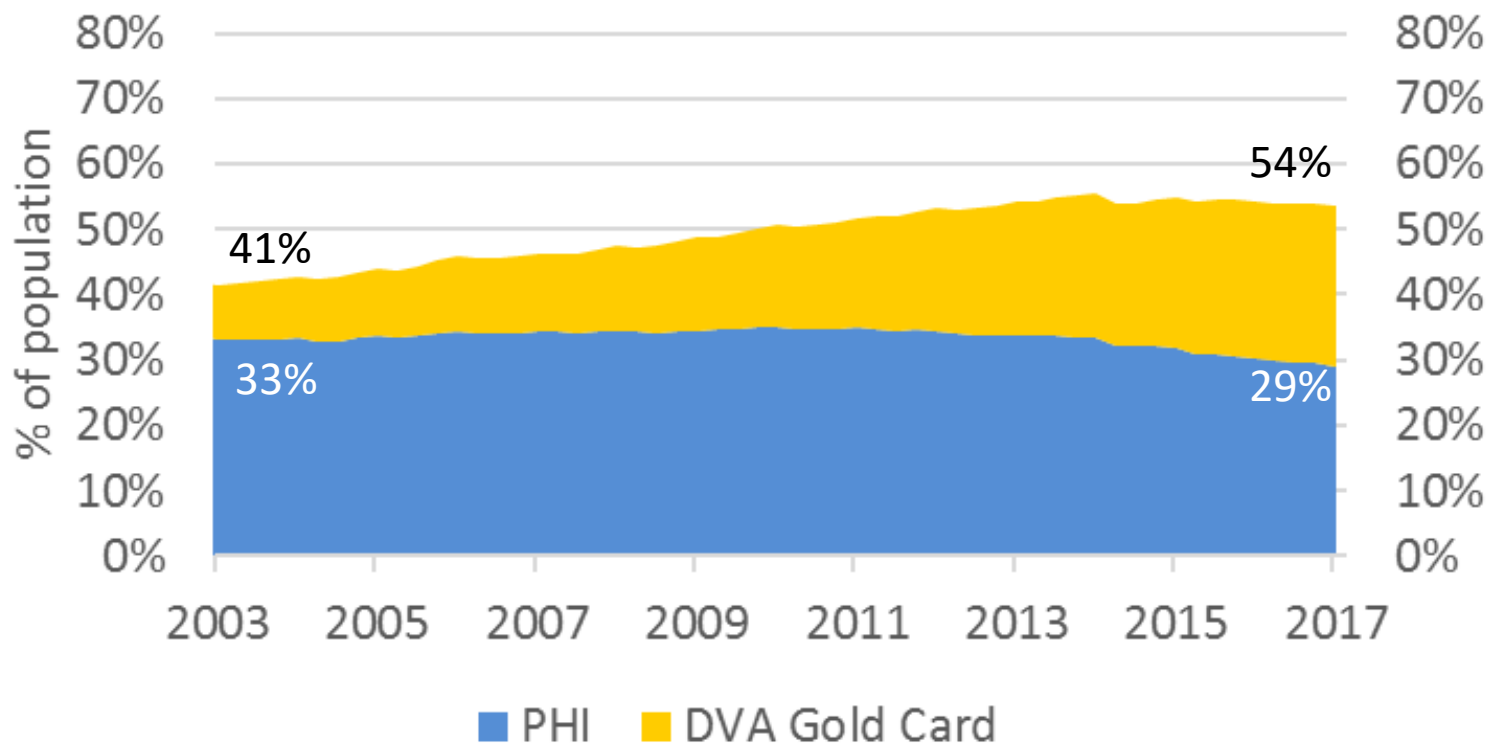
Hospital Coverage for Age 85-89



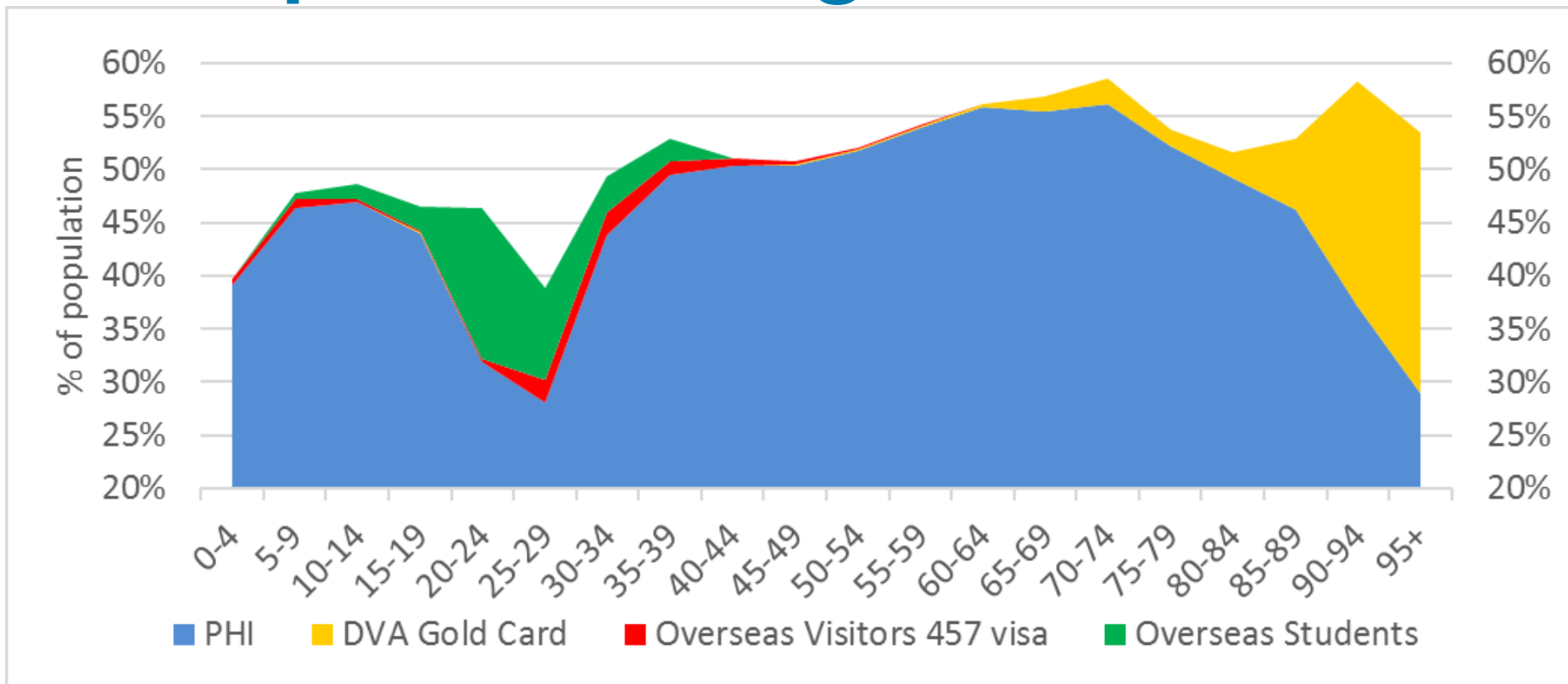
Hospital Coverage for Age 90-94



Hospital Coverage for Age 95+

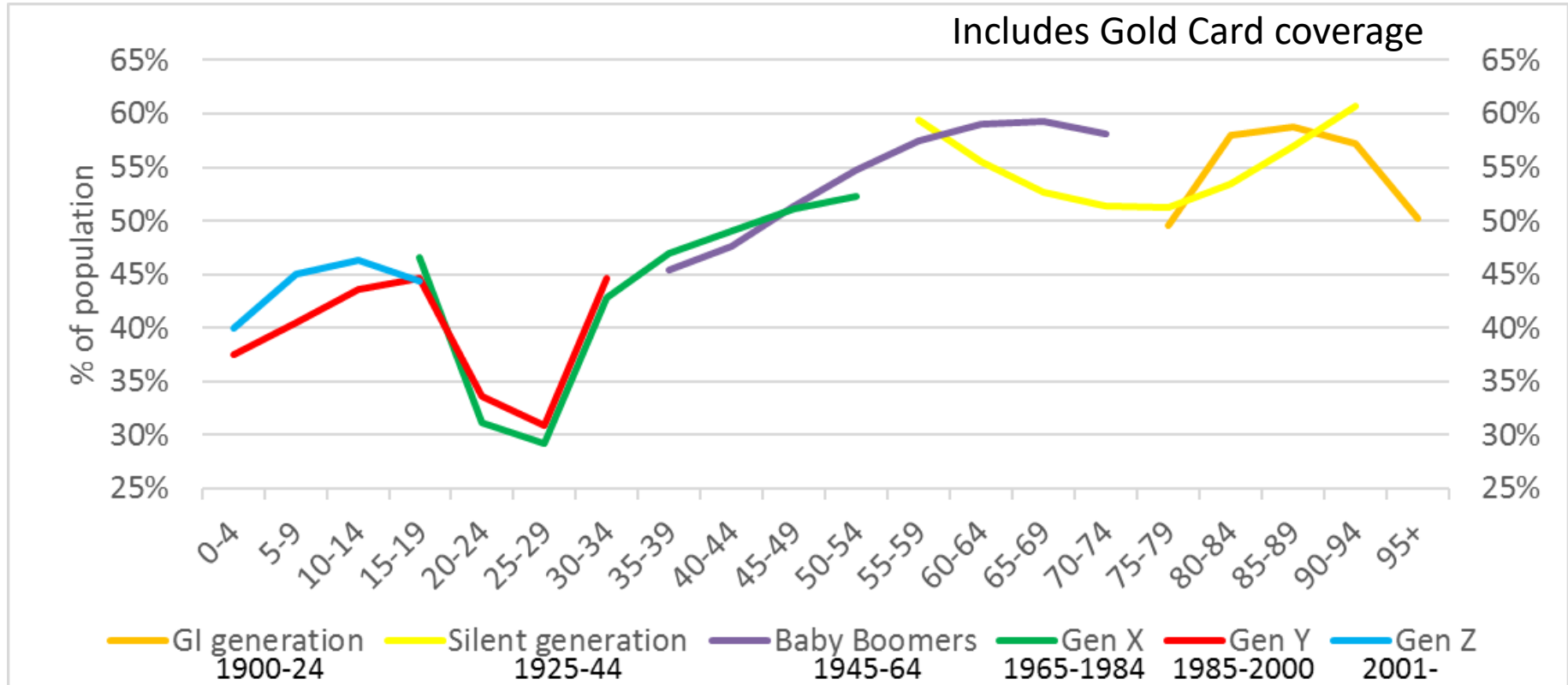


Hospital coverage – June 2017



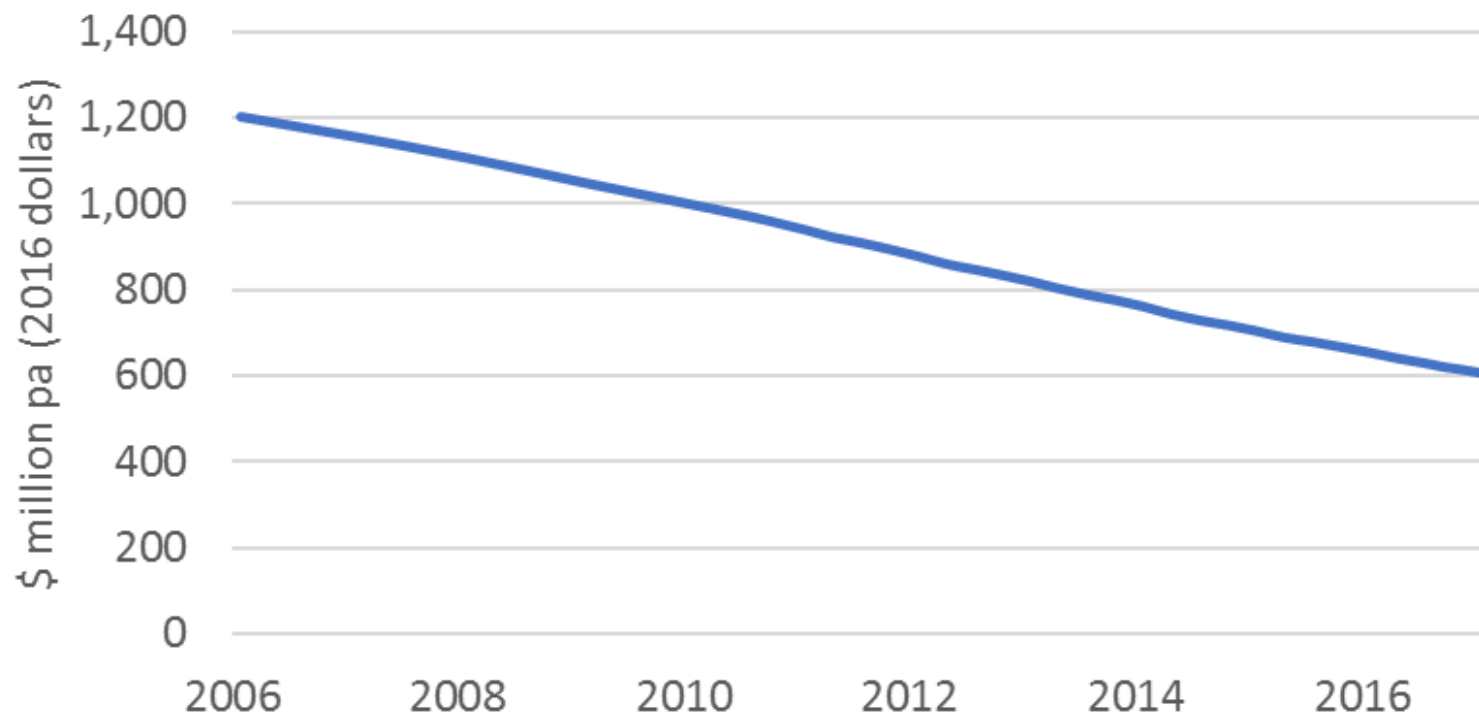
Aggregate: 46.1% PHI + 0.6% Gold card + 2.3% OSHC + 0.7% 457 visa = 49.7%

PHI Hospital coverage – by cohort

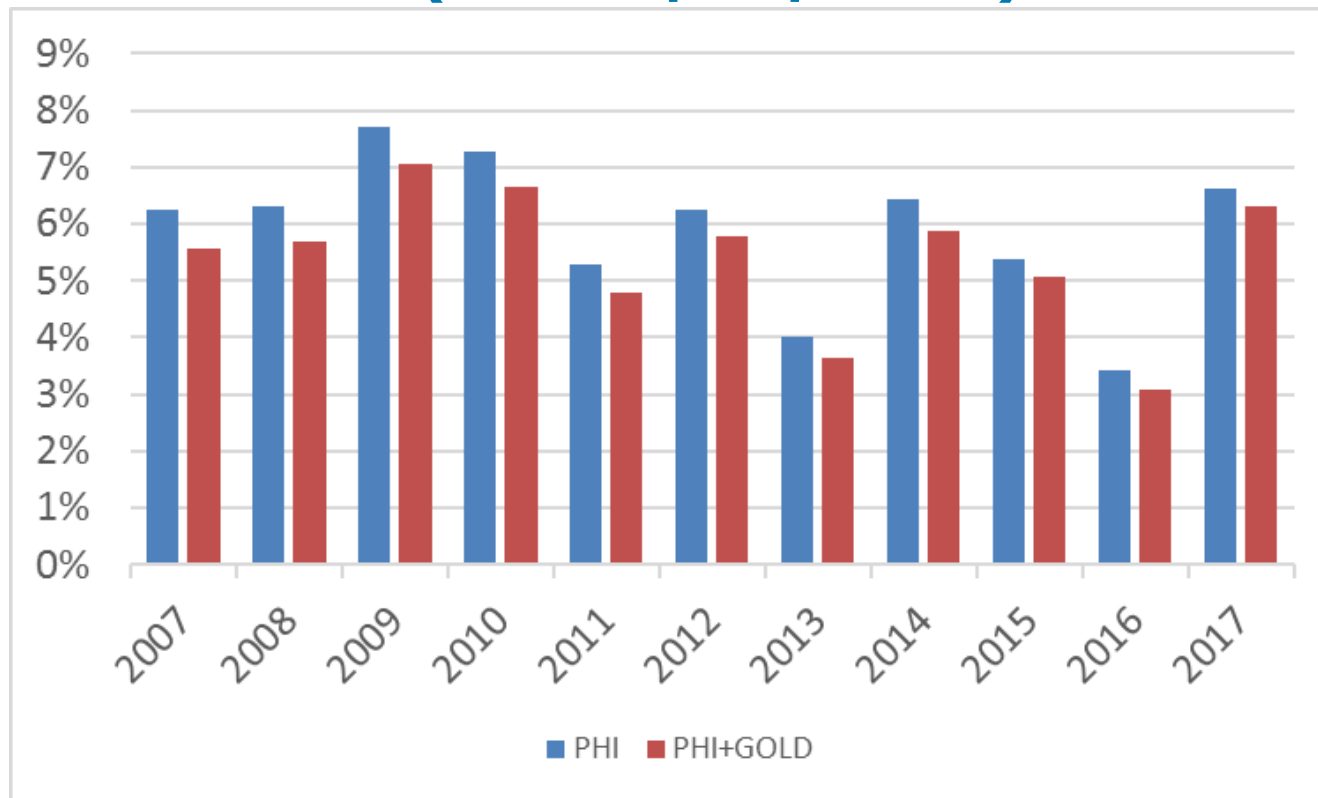


Retiring Boomers have increased cover, higher than previous generations?

Estimated Gold Card Hospital Cover Government costs

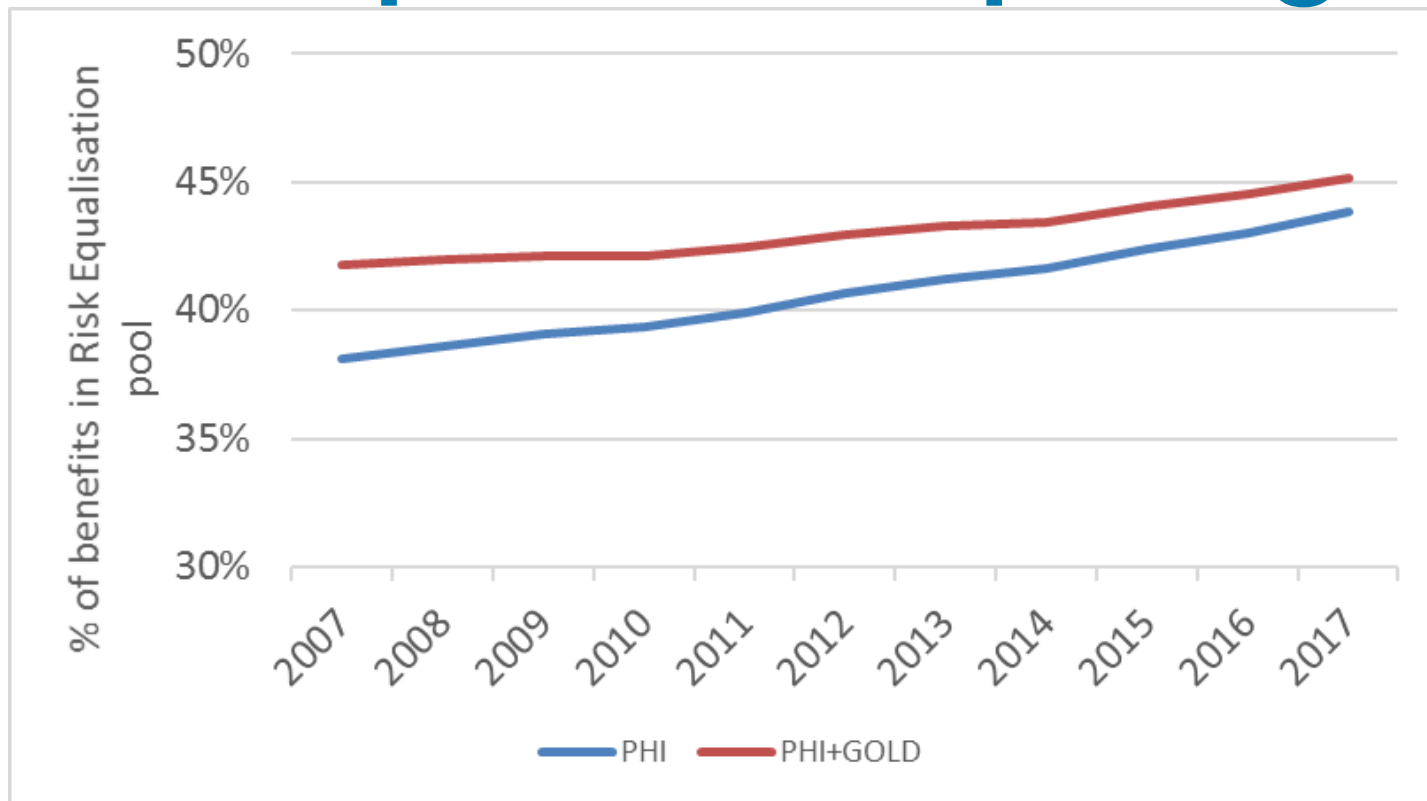


Drawing rate growth (claims per person)



PHI hospital drawing rate has grown 0.5% to 0.8% faster due to Gold Card effect ²²

Risk Equalisation pool growth



40% of the growth in the % of benefits in the Risk Equalisation pool due to Gold Cards
Baby boomers increasing coverage as they age also a significant factor

Gold card impact on PHI

Coverage by age group— recent growth in older age groups mainly due to Gold Card effect. Generational change impact of many people in these age groups in the past having an entitlement to PHI-equivalent cover under a veterans Gold Card

Trend analysis – must adjust for one-off Gold Card impact

Hospital drawing rate – Gold Card effect has added 0.5%-0.8% pa since 2007

RE pool size – Gold card effect explains 40% of growth, ageing also a factor

Gold card data available at www.dva.gov.au/about-dva/statistics-about-veteran-population

Send email to AndrewGaleConsulting@iinet.net.au if you want my paper & Gold Card data

