

# Annual Report

Highlights from the  
2023 Financial Year



# 97% member satisfaction

▲ 1 percentage point on 2022

**#1**

**mobile app experience**

**#1**

**for claiming experience**

As measured by Discovery Research in 2023 with 10 participating health insurers.

**83 cents**

**in every dollar received in premiums  
were paid to members through benefits**

**\$9 Million**

**of COVID-19 savings  
returned to members**

**4.8 stars**

**Peoplecare's rating  
on the App Store**

**Outstanding Young  
Business Leader 2022,  
Business Illawarra**

**was awarded to Peoplecare's Chief Risk  
Officer Brett Wright**



# Vision

To set the standard for guiding Australians to better health now and for generations to come.

# Purpose

Peoplecare puts people at the centre of health insurance. Our promise is to help our members improve their health through every stage of their lives and guide them through their healthcare options where they need us most.

# Scope

Peoplecare is a national not-for-profit health fund. We help our members access healthcare and health programs.

We also provide managed services for other insurers.



Our **5**  
true loves



Love  
making it  
easy



Love  
taking it  
personally



Love  
being on  
your side



Love  
100%  
engagement



Love finding  
healthy  
solutions

# A message from the Chairman

The 2022/23 financial year has been another successful year for Peoplecare albeit with the ongoing challenges of affordability due to the ever present and increasing cost of living pressures. Although we believe the impact of COVID-19 is waning, it is prudent for Peoplecare to invest our capital reserves wisely to ensure the returns are significant with minimal risk and in the best interests of our members.

Before we look at the last 12 months, I would like to acknowledge and thank Dr Melinda Williams for her commitment and contribution over her five-year tenure as CEO. Dr Mel navigated a path through the COVID-19 pandemic and helped Peoplecare, our employees and, most importantly, our members through a truly difficult period. Although Dr Mel will be missed, we have been most fortunate in securing Ms Louise Leaver as our new CEO. Louise is no stranger to the private health insurance industry with several years' experience in the legal profession for Medibank and AHM but also as a Director of Peoplecare for the last seven years. Louise will further strengthen our Executive team and continue the strong leadership for Peoplecare which we have enjoyed for the past 40 years.

Over the past two to three years, Peoplecare has made significant investments to minimise the financial impact of COVID-19 to the organisation and Peoplecare members. Peoplecare deferred the increase in premiums in 2020 and 2022 which provided a benefit to members of over \$5.3 million and offered additional benefits for COVID-19 related expenses totalling a further \$60,000.

There is no doubt the claims experience of members has been lower during and since COVID-19. Peoplecare has made the commitment that we would not hold surpluses because of the pandemic and accordingly returned to members a cash payment of \$5.4 million and \$9 million in 2022 totalling \$14.4 million over the last two financial years. We believe claims experience will return to pre-pandemic levels over the medium term. The Board has approved the unwind of our deferred claims liability provision in the 2023 financial year allowing Peoplecare to make a further and final total giveback to members of \$22 million which will be paid over the coming months in two instalments.

Peoplecare introduced two new products to our hospital portfolio this year being Silver Plus Grow Hospital and Bronze Plus Hospital. These new products are designed to offer a wider choice to our current and prospective members providing the most appropriate cover for their needs. We also made targeted adjustments to our product pricing to achieve our targeted position in the market by having our lowest premium increase for members in April 2023 in 22 years.

Our philosophy of 'Personal is Best' is an ongoing commitment to our members as is our focus on customer service for our Peoplecarers. As a result of these member-focused principles, our Peoplecarers have achieved our highest member satisfaction index result this year since 2012. I would personally like to commend and thank our people for their support and commitment to our members over the past 12 months.

SUMMARY OF RESULTS	2023		2022		2021	
	INCOME	\$'000	INCOME	\$'000	INCOME	\$'000
<b>Contribution Income</b>		<b>152,768</b>		<b>150,934</b>		<b>148,077</b>
Less Member Benefits Paid	83.34%	127,311	83.92%	126,656	86.31%	127,802
Less Risk Equalisation Special Account levy	-1.17%	(1,783)	-0.36%	(551)	-0.14%	(211)
Less State Ambulance Levy	1.15%	1,759	1.15%	1,733	1.16%	1,718
Less Movement in Unexpired Risk Liability	0.00%	-	0.00%	-	0.00%	-
<b>Gross Margin</b>	<b>16.68%</b>	<b>25,481</b>	<b>15.30%</b>	<b>23,095</b>	<b>12.67%</b>	<b>18,769</b>
Less Management Expenses attributable to the Health Benefits Fund	13.64%	20,834	10.75%	16,229	10.61%	15,705
<b>Net Underwriting Result</b>	<b>3.04%</b>	<b>4,647</b>	<b>4.55%</b>	<b>6,866</b>	<b>2.07%</b>	<b>3,063</b>
Add Investment and Other revenue (net of expenses)	7.89%	12,057	-1.42%	(2,146)	3.65%	5,410
<b>Net Surplus / (Deficit)</b>	<b>10.93%</b>	<b>16,704</b>	<b>3.13%</b>	<b>4,720</b>	<b>5.72%</b>	<b>8,474</b>



This year, Peoplecare has introduced a mobile-friendly Online Member Services platform, providing the same excellent member experience that our members already experience on the mobile app.

In March 2023, you may have noticed Peoplecare's new advertising campaign highlighting our logo and branding refresh. It is important we remain current in today's competitive environment, and we believe these changes will further enhance our position in the market.

Peoplecare Eyes and Teeth continue to serve our Illawarra-based members well providing more than \$380,000 in discounts for our members over the past 12 months. We are also proud of our Peoplecare Eyes and Teeth team receiving 98% compliance rating from its external infection control audit conducted by Prime Practice. It should be noted the national average score for this type of audit is 70% so a compliance result of 98% is an outstanding result.

Peoplecare has continued to focus on, and improve, our risk management framework, our organisational culture, systems capability, regulatory engagement, project management and cyber security maturity. All of this would not be achieved without the support and engagement of our people and for this, I remain grateful.

The financial performance of Peoplecare is detailed in the pages of the Annual Report but I am pleased to advise that we have again achieved a positive result due to the diligence and investment management by our Finance and Executive teams. Our regulator APRA is introducing new capital management standards over the next 12 months and Peoplecare will remain in a strong financial position.

It has been my pleasure and a privilege to serve on the Board of Peoplecare for the last nine years and as Chair for the past six years. My time with Peoplecare will come to an end at the Annual General Meeting in November this year as part of our commitment to ensure we have a relevant and refreshed Board. Michael Oertel has been appointed as the incoming Chair and will assume that role at the completion of the AGM.

In closing, I would like to acknowledge and thank my fellow Directors for their continued support and assistance over the last 12 months and during my tenure as Chair over the last six years. Further, I would like to thank the Executive team and all Peoplecarers for their commitment and efforts over the last 12 months and wish the organisation continued success in the future.



**Glenn Lennell GAICD**  
**Chairman Peoplecare Board**  
**11 September 2023**  
**Wollongong**



# A message from the CEO

I would like to begin by thanking Dr Melinda Williams and congratulate her on her retirement after five successful years as Peoplecare CEO. I also extend that thanks and appreciation to Board Chair Glenn Lennell who will retire at this year's Annual General Meeting after nine years on the Board, including six years in the role of Chair. Both individuals have done an exceptional job leading Peoplecare through a pandemic and industry change.

It is from their efforts and the dedication of our Peoplecarers that we remain in a strong, stable financial position this financial year while continuing to implement initiatives to benefit our members.

Most notably, Peoplecare continued its COVID-19 commitment to return claims savings to members, with members receiving their share of \$9 million in November 2022 and a further \$8 million in September 2023.

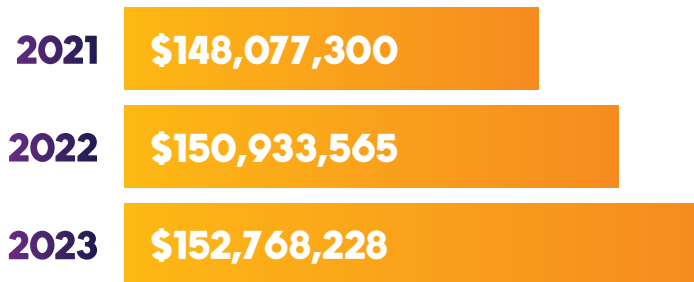
In addition, we introduced two new hospital products to ensure that we have cover options for members that are suitable for each stage of life. Members were upgraded from our closed Bronze Hospital to the new Bronze Plus Hospital cover at no additional charge earlier this year.

These initiatives align to our three key strategic priorities for the next year already underway. Firstly, we are focused on growing our membership sustainably. We continue to review our pricing to ensure we offer competitive premiums across our product range and we have coupled this with a brand refresh, advertising and a renewed approach to sales.

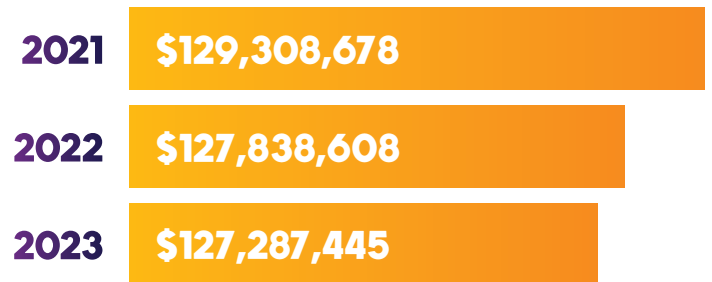
Our second priority is to maintain our strong compliance reputation and to ensure our cyber security measures safeguard our members' data in an increasingly challenging threat environment. We recently implemented multi-factor authentication for our digital member services as part of our ongoing commitment to uplift our cyber security maturity in the face of rapid change.

## Performance Highlights

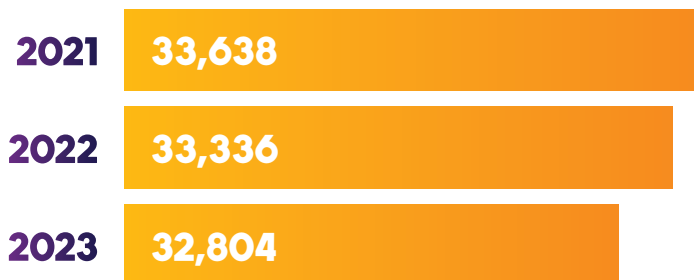
### Contribution Income



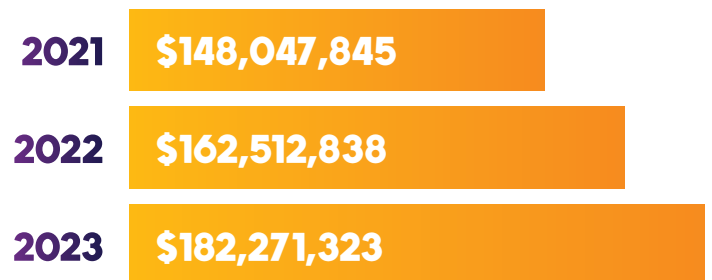
### Benefits Paid



### Memberships



### Total Assets



Our third key priority is to strengthen our organisational culture, ensuring that our talented Peoplecarers are aligned with our performance priorities, while continuing to do what we do best – keeping our members at the centre of all that we do. We actively monitor employee engagement, make improvements based on their feedback and prioritise the well-being of our Peoplecarers.

To close, I would like to thank our dedicated Peoplecarers and Board for their exceptional efforts over the past year and their focus on serving our members.

Most importantly, I want to take the opportunity to thank our members for trusting us with their health insurance. Our ethos will not change. As a not-for-profit health fund, your health and well-being are at the centre of all that we do now and into the future.



**Louise Leaver LLB (HONS), BSC (PSYC), GAICD**  
**Chief Executive Officer (Appointed 27 March 2023)**

**11 September 2023**

**Wollongong**



# Where our benefits go

HOSPITAL	2023 FY	2022 FY
Heart and Vascular	\$13,989,436	\$12,710,516
Joint Replacements	\$9,208,772	\$8,058,493
Hospital Psychiatric Services	\$5,483,028	\$5,936,539
Gastrointestinal Endoscopy	\$5,354,023	\$4,627,636
Bone, Joint and Muscle	\$4,631,568	\$4,307,141
Digestive System	\$4,067,162	\$4,948,180
Rehabilitation	\$3,406,245	\$3,275,860
Pregnancy and Birth	\$2,694,166	\$2,975,299
Back, Neck and Spine	\$2,347,360	\$2,551,019
Cataracts	\$2,881,561	\$2,604,603
All Others	\$33,853,738	\$31,177,927
<b>Total</b>	<b>\$87,917,058</b>	<b>\$83,173,213</b>

EXTRAS	2023 FY	2022 FY
Dental	\$15,700,450	\$14,754,074
Optical	\$6,456,915	\$6,336,761
Physiotherapy	\$1,759,627	\$1,743,742
Chiropractic	\$1,533,837	\$1,545,289
Massage	\$1,387,227	\$1,218,154
Ambulance	\$1,029,547	\$1,061,334
Pharmacy	\$662,652	\$491,140
Health Aids and Wellness	\$642,992	\$603,440
Health Management Programs	\$538,896	\$476,090
Hearing Aids	\$452,616	\$447,191
All Others	\$625,003	\$607,770
<b>Total</b>	<b>\$30,789,763</b>	<b>\$29,284,983</b>



**32,804**  
Memberships



**69,056**  
People covered



**91.3%**  
Member retention



**54,623**  
Phone calls received



**335**  
Babies born



**35,500**  
Hospital episodes



**\$104,148**  
Most expensive hospital claim



**295 days**  
Longest hospital stay



**96.8%**  
Peoplecare Eyes and Teeth satisfaction rate