

14 November 2017

The Manager  
Company Announcements  
Australia Securities Exchange Limited  
Level 4, Bridge Street  
SYDNEY NSW 2000

**Presentation to UBS Australasia Conference – November 2017**

Attached presentation delivered by nib at the UBS Australasia Conference (14 November 2017).

Yours sincerely,



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# UBS Australasia Conference

**14 November 2017**

**Mark Fitzgibbon  
Managing Director & Chief Executive Officer**

**nib**

# An inconvenient truth

Healthcare spending across the entire OECD continues to grow at a per annum rate of

**GDP plus 2%**

– it has for more than

**50 years.**

A perfectly efficient system both allocative and technical will see nominal per capita spending increase

**4-6%.**

Australia currently spends in excess of \$170 billion per annum on health, with The Commonwealth funding more than

**\$74.4 billion.**

Overall our nation's health spending has been increasing annually at

**6.99%**

(2006-2016 nominal 10 year CAGR).

Health spending today accounts for

**more than 10%**

of Australia's GDP.



# Real questions



How are we going to pay for it given our heavy reliance on taxation and an accelerating welfare dependency ratio?

What level of inefficiency are we prepared to tolerate both allocative (e.g. unwarranted variation, avoidable hospitalisation) and technical (e.g. price variation, high transactional costs)?

How can we generally give consumers a greater sense of value (bang for buck) given taxation and premiums will inevitably increase?

# PHI Value Proposition

## Financial Protection

- Complying health insurance product ■
- Critical illness (trauma) ■
- Health savings and funding products ■

## Connectivity

- Hospital agreements (HPPA) ■
- Doctor agreements (MediGap) ■
- First Choice ancillary network ■
- Public hospital agreements ■
- Out of hospital settings (including home) ■
- First Choice GP network (including telemedicine) ■

## Empowerment

- Information and data
  - Health literacy ■
  - Treatment options ■
  - Provider choice ■
  - Biometric ■
- System navigation and automation (including find, book, pay) ■
- Care co-ordination and support (including disease management) ■



# Empowerment

**On a routine basis  
we help them**

- Find and book a provider (including telemedicine).
- Make a claim and pay a provider “card not present”.
- Share their provider experiences.
- Generally improve their health literacy especially as it relates to any personal priority and form communities of common interest.
- Collect and manage their healthcare records.
- Access special deals for healthcare services, goods and devices.

**In addition, and when  
they need surgical or  
specialist treatment,  
we help them**

- Understand treatment options.
- Confirm their eligibility for cover.
- Choose a specialist.
- Prepare for treatment both before and after.

**Plus if they have a  
chronic condition,  
we help them**

- Better monitor and manage their condition especially at home and with devices (IOT).
- Manage episodes when they flare in settings more conducive to effective treatment.

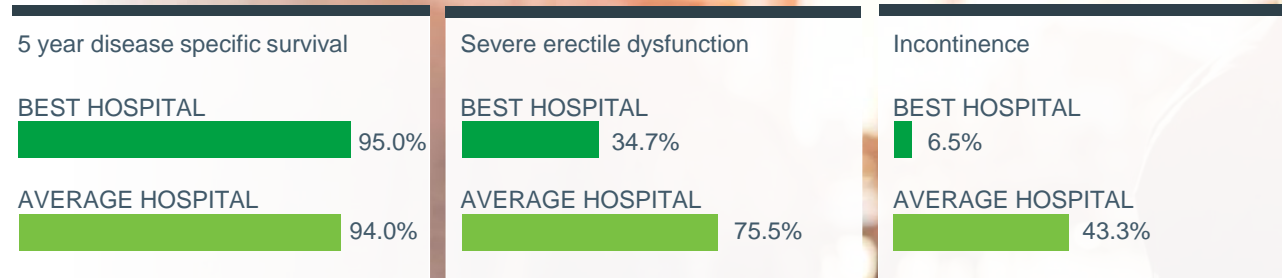
# Empowerment



## Variation in health outcomes is a world-wide problem

Outcome customer measurement and transparency is key to driving down variation.

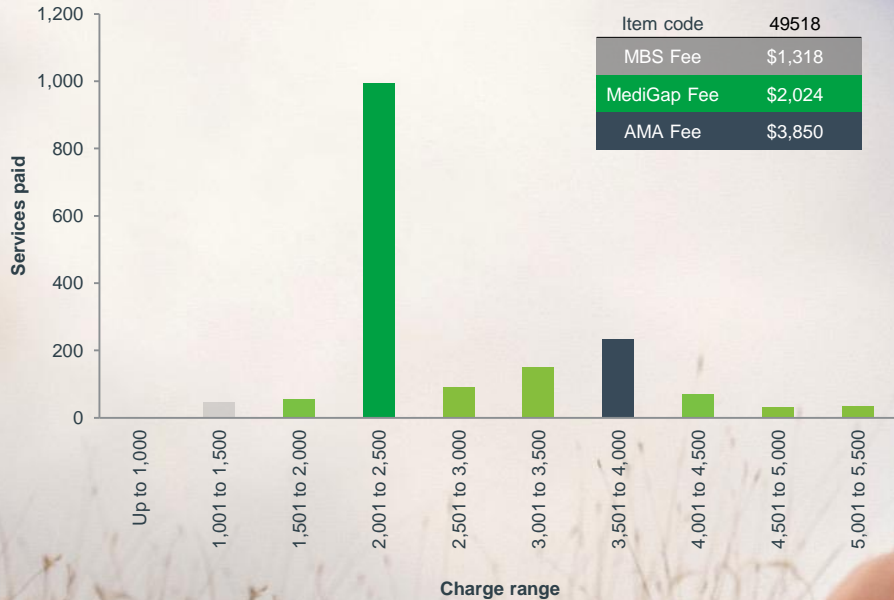
Measuring multiple outcomes | Prostate cancer care in Germany



Source: ICHOM

## Cost variations

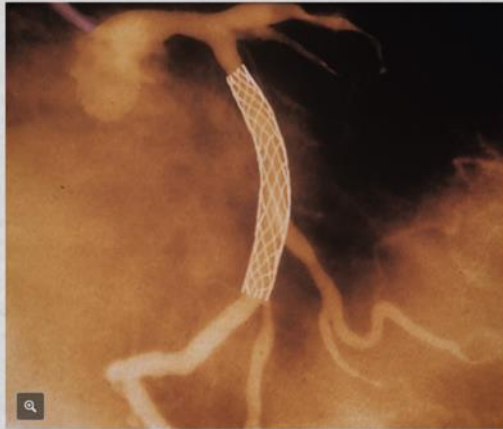
### Knee replacements (CY16)





HEALTH

## 'Unbelievable': Heart Stents Fail to Ease Chest Pain



A procedure used to relieve chest pain in hundreds of thousands of heart patients each year is useless for many of them, researchers reported on Wednesday.

Their study focused on the insertion of stents, tiny wire cages, to open blocked arteries. The devices are lifesaving when used to open arteries in patients in the throes of a heart attack.

But they are most often used in patients who have a blocked artery and chest pain that occurs, for example, walking up a hill or going up stairs. Sometimes patients get stents when they have no pain at all, just blockages.

A new study has found that while stents can be lifesaving in opening arteries in patients having a heart attack, the devices are ineffective in relieving chest pain. GJLP, CNRI, via Science Source

Heart disease is still the leading cause of death in the U.S. — 700,000 people have heart attacks each year. Stents are actually

# PHI can do so much more

