Accelerated Innovation

November 2025



Private Health Insurance

2025 Innovation Report

ACCELERATED INNOVATION
CONSULTING & ADVISORY

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Accelerated Innovation

Accelerated Innovation is a boutique management consultancy that helps Australia's private health insurers and partners innovate with purpose, clarity and speed.

We work with leadership teams across the PHI ecosystem to identify where innovation will make the greatest difference, design practical pathways to act, and build the confidence and capability to deliver. Our approach combines deep sector insight with hands on experience inside complex organisations, ensuring strategies translate into measurable impact rather than shelfware.

Through our proprietary frameworks, Innovation COMPASS™ and PHI FACTORS™, we help health funds cut through complexity, align around what matters most, and create the momentum required for meaningful change. Our work spans strategy design, innovation capability uplift, proposition design, and leadership programs that connect ideas to execution.

Each year, we publish the *PHI Innovation Report* to track how Australia's private health insurers are evolving, responding to system challenges and building the foundations for long term relevance. The 2025 edition continues this mission, offering data driven insights, case studies and scenarios that highlight the organisations shaping the future of private healthcare.

Accelerated Innovation exists to help health leaders get things done, to move beyond ideas and deliver outcomes that improve member experience, system sustainability and the health of our communities.

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Introduction

Australia's private health insurance sector is at a turning point. The pace of change has accelerated, and innovation is now the primary determinant of long-term relevance and competitiveness. The 2025 PHI Innovation Report explores how leading funds are responding to financial pressure, an ageing population, and rising expectations for value and experience.

Using the PHI FACTORS™ framework, this report assesses how Medibank, Bupa, HBF, HCF, and nib are performing across seven drivers of transformation. These include financial sustainability, ageing and population health, consumer trust and expectations, technology and digital transformation, organisational sustainability, relationships and power, and staying well.

The findings show a sector that is evolving from fragmented innovation toward structured systems that connect strategy, delivery, and outcomes. Innovation is becoming less about projects and more about performance. The funds that succeed will be those that can balance efficiency, empathy, and execution while proving their role in creating a more sustainable health system.

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About

Definition

This report assesses the performance of Australia's top health insurers against key system and industry challenges through the lens of innovation.

Purpose

The report assesses and ranks Australia's leading health insurers through our PHI FACTORS™ framework, to help insurers and health leaders understand the forces reshaping the private health insurance industry, and to provide a lens to assess how Australia's top insurers are responding.

Companies

The report assesses Australia's largest five health insurers, representing approximately 80% of the market:

- Medibank Private (Medibank)
- Bupa ANZ Insurance (Bupa)
- The Hospitals Contribution Fund of Australia (HCF)
- nib Holdings (nib)
- Hospital Benefit Fund (HBF)

Scoring & Ranking

Innovation performance was assessed using a consistent scoring and ranking process based on publicly reported 2025 evidence.

Limitations

Other factors not covered in this report, that may influence the assessed companies' innovation scores and ranking include:

- Company sensitive information.
- Release dates of public materials (e.g. annual reports).
- Amount of publicly available information through annual reports and media releases.

Disclosure

Accelerated Innovation have completed consulting work for Bupa, nib, HCF and other insurance and healthcare organisations in 2024 and 2025. None of the information shared or collected during these engagements has been used for the development of this report.

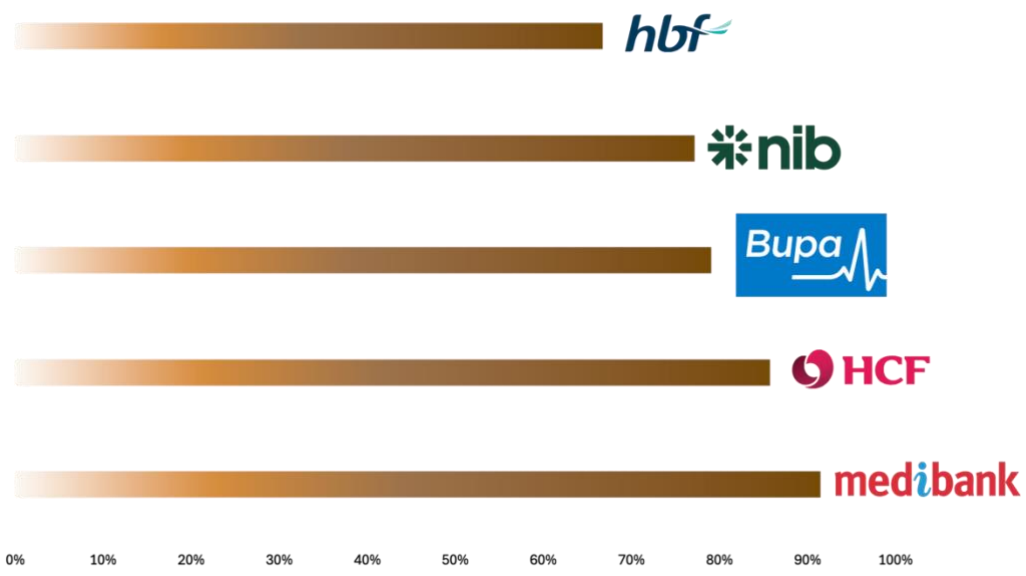
At a Glance

Australia's Most Innovative Health Insurer

Medibank is Australia's Most Innovative Health Insurer for 2025.

Innovation Rankings

Medibank scored the highest Innovation Index, followed by HCF, Bupa, nib, and HBF.



Rank	Insurer	Innovation Index	Key Strength
1	Medibank	91%	Scale, prevention, digital, home care
2	HCF	86%	Affordability, trust, No Gap, digital service
3	Bupa	79%	Integrated care, digital GP, prevention
4	nib	77%	AI at scale, home pathways, digital ecosystem
5	HBF	67%	No Gap services, digital modernisation

How to read these rankings

Each insurer was assessed across the PHI FACTORS using only publicly reported FY25 evidence. For every FACTOR, insurers were ranked from 1 to 5 based on the strength, scale and recency of innovation activity. Rankings convert to a fixed points model (5,4,3,2,1), meaning each FACTOR contains 15 total points.

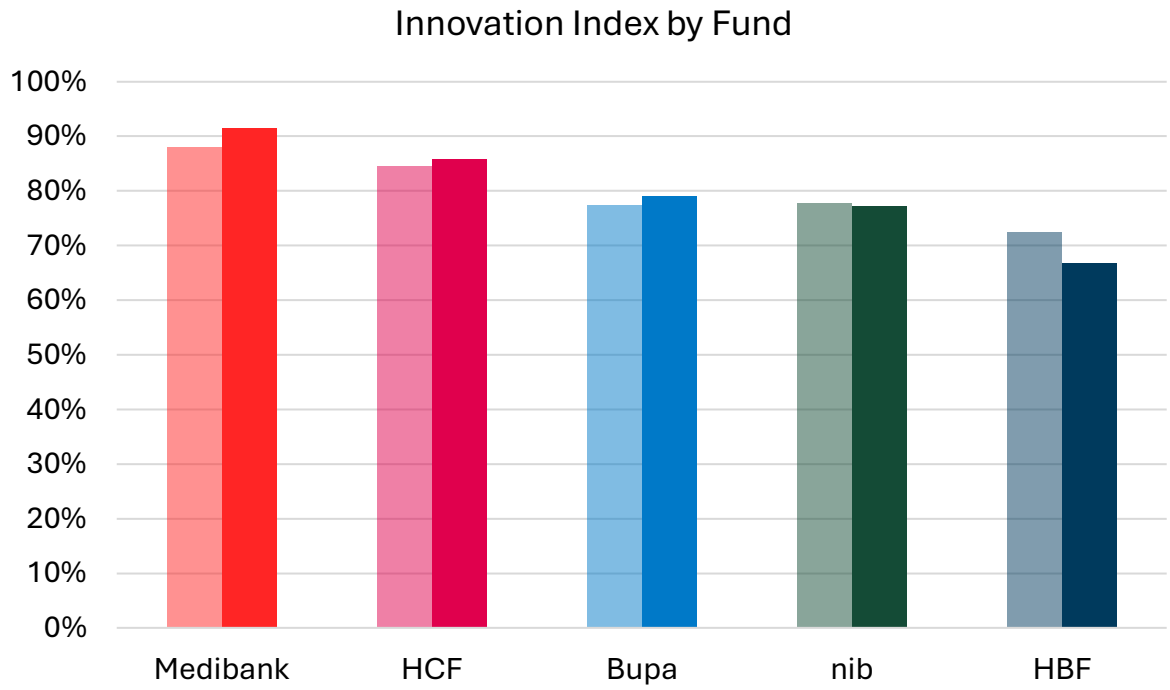
Across the seven PHI FACTORS, the entire Index contains 105 points. Each insurer receives a share of these 105 points, based on how well they performed relative to the sector. Their final Innovation Index result is presented as a percentage of the total 105 points, making performance easy to compare across insurers and year-on-year.

Only public FY25 evidence was used. Prior-year programs were included only where there was FY25 progress or impact. No assumptions, confidential information, or subjective adjustments were applied.

Innovation Index: 2024 vs 2025

Innovation performance shifted across the major funds over the past year. Medibank recorded the highest result in both periods, increasing from 88 percent to 91 percent. HCF also lifted its score, rising from 84 percent to 86 percent. Bupa increased from 77 percent to 79 percent, moving from fourth place in 2024 to third place in 2025. nib stayed close to its previous level, shifting from 78 percent to 77 percent. HBF recorded the largest movement, decreasing from 72 percent to 67 percent.

Fund	2024 Score	2025 Score	Movement
Medibank	88%	91%	▲ +3%
HCF	84%	86%	▲ +2%
Bupa	77%	79%	▲ +2%
nib	78%	77%	▼ -1%
HBF	72%	67%	▼ -5%



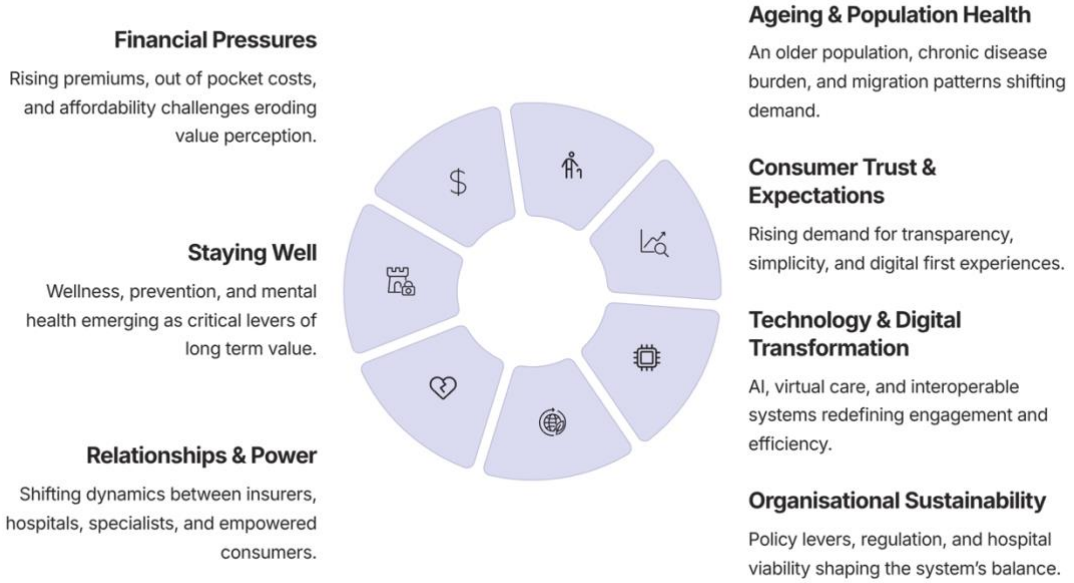
The chart compares each fund's Innovation Index across 2024 (transparent columns) and 2025 (solid columns).

PHI FACTORS™

PHI FACTORS™ is a practical framework designed to help insurers and health leaders understand the forces shaping the private health insurance industry. These seven drivers capture the pressures, opportunities, and expectations facing funds today, and provide a lens to assess how Australia's top insurers are responding. Like the factors in a complex equation, each one influences the industry's trajectory. Together, they define the conditions for sustainable growth, innovation, and member value.

The PHI FACTORS™ are:

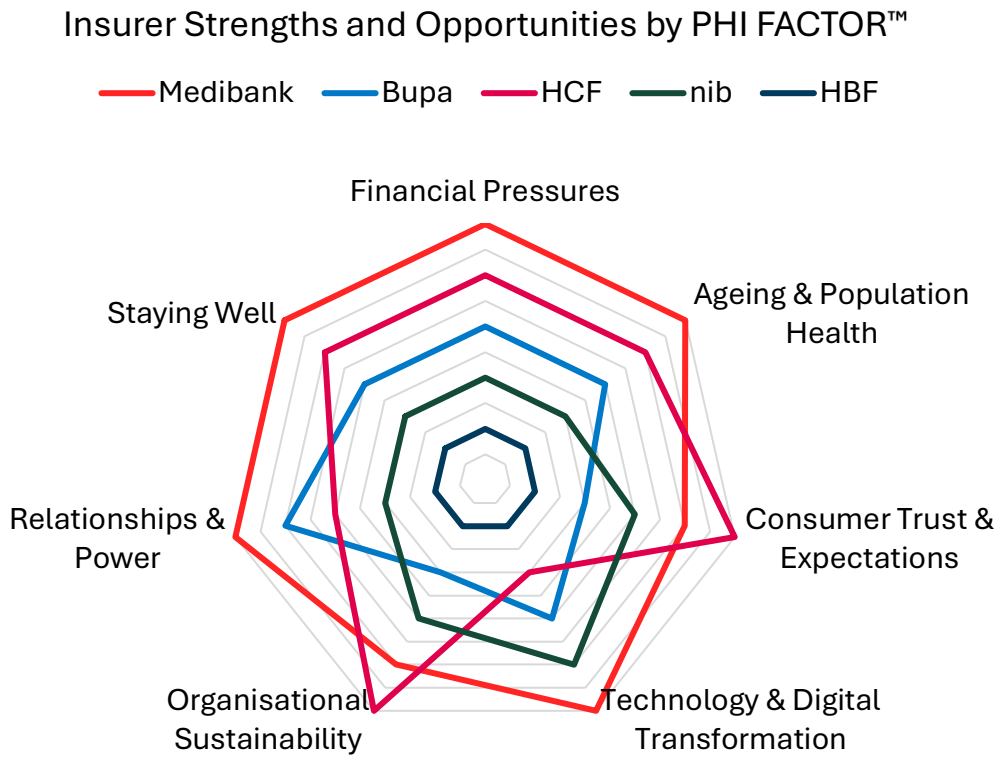
- **Financial Pressures:** Rising premiums, out of pocket costs, and affordability challenges eroding value perception.
- **Ageing & Population Health:** An older population, chronic disease burden, and migration patterns shifting demand.
- **Consumer Trust & Expectations:** Rising demand for transparency, simplicity, and digital first experiences.
- **Technology & Digital Transformation:** AI, virtual care, and interoperable systems redefining engagement and efficiency.
- **Organisational Sustainability:** Policy levers, regulation, and hospital viability shaping the system's balance.
- **Relationships & Power:** Shifting dynamics between insurers, hospitals, specialists, and empowered consumers.
- **Staying Well:** Wellness, prevention, and mental health emerging as critical levers of long-term value.



For more information, visit acceleratedinnovation.com.au/phi-factors/

Summary of Results

PHI FACTOR™	1st	2nd	3rd	4th	5th
Financial Pressures	Medibank	HCF	Bupa	nib	HBF
Ageing & Population Health	Medibank	HCF	Bupa	nib	HBF
Consumer Trust & Expectations	HCF	Medibank	nib	Bupa	HBF
Technology & Digital Transformation	Medibank	nib	Bupa	HCF	HBF
Organisational Sustainability	HCF	Medibank	nib	Bupa	HBF
Relationships & Power	Medibank	Bupa	HCF	nib	HBF
Staying Well	Medibank	HCF	Bupa	nib	HBF
Overall	Medibank	HCF	Bupa	nib	HBF



Medibank

Ranking: 1 (#1 in 2024)
Innovation Index: 91% (88% in 2024)
Rationale: Medibank ranks first due to the breadth and maturity of its innovation agenda. It delivered measurable savings for members through No Gap surgery, major diagnostic partnerships and the largest financial give back program in the sector. It also scaled virtual care, home based care and prevention programs at national reach, reducing hospital reliance and shifting cost out of the system. Investment in AI and digital services improved speed and simplicity for members, supported by formal governance frameworks that protect data and trust. Medibank has moved beyond digital convenience and is now shaping how healthcare is delivered, funded and accessed, which is why it leads the 2025 Innovation Index.

HCF

Ranking: 2 (#2 in 2024)
Innovation Index: 86% (84% in 2024)
Rationale: HCF demonstrated industry leading outcomes in affordability, trust and clinical value. It delivered the strongest No Gap performance, with 97 percent of services covered with no or Known Gap and more than 700,000 members accessing No Gap extras. Prevention and early intervention were scaled in cardiac risk, joint pain, mental health and Hospital at Home. HCF retained the Most Trusted Private Health Insurance Brand title for 2025 and achieved the highest member satisfaction among major funds, supported by faster claims and digital self-service. Taken together, these initiatives show a highly member centred model backed by consistent delivery, strong governance and measurable impact.

Bupa

Ranking: 3 (#4 in 2024)
Innovation Index: 79% (77% in 2024)
Rationale: Bupa focused on long term system reform by integrating insurance, digital services and physical health provision. The launch of new medical centres, Mindplace clinics and free GP telehealth helped shift care into lower cost community settings. Preventive dental and optical programs, paired with expanded virtual care, supported early intervention and reduced future claims pressure. Bupa also modernised digital platforms and clinical data capability, positioning itself to scale personalised care and connected health services. The strategy is clear and credible, with strong momentum across prevention, access and affordability, which places Bupa third on the Innovation Index.

nib

Ranking: 4 (#3 in 2024)
Innovation Index: 77% (78% in 2024)
Rationale: nib treated innovation as a redesign challenge, not a marketing exercise. It rolled out more than 50 AI and automation projects, delivered $18 million in productivity savings and expanded home and short stay care that saved thousands of hospital bed days. Digital access through Midnight Health and targeted screening programs widened reach and reduced barriers to early intervention. New hospital contracting models also signalled a shift toward shared value and collaborative cost management. nib sits in fourth place because its initiatives are strong and forward leaning, but operate at a smaller national footprint compared to the top three funds.

HBF

Ranking: 5 (#5 in 2024)
Innovation Index: 67% (72% in 2024)
Rationale: HBF delivered genuine member value through No Gap dental and physio appointments, chronic disease support and digital navigation. The completion of its Transformation Program modernised systems, automated claims and improved digital experience, with strong adoption across the member base. Product simplification, reduced claims leakage and growth in owned health services strengthened long term sustainability while supporting prevention. HBF's agenda is clear and impactful, but smaller in scale and reach than other major funds, which places it fifth overall based on available evidence.

Key Insights

Australia's private health insurance sector is shifting from fragmented innovation to deliberate, system-level transformation. The leading funds are no longer treating innovation as a collection of projects. Instead, they are building connected strategies that link affordability, prevention, digital care, and system reform.

Affordability is being redesigned, not just managed

Financial pressure remains the biggest threat to consumer confidence and policy sustainability. The top funds are addressing it through structural change rather than temporary price restraint. No Gap arrangements, home-based care, value based partnerships, and digital claims automation are now core levers for cost control. Medibank and HCF lead with measurable savings for members, while Bupa and nib are shifting cost out of hospitals through new care models and virtual services.

Prevention is finally scaling beyond pilots

Prevention is moving from small trials to population-level delivery. Virtual coaching, chronic disease programs, weight management pathways and early detection initiatives are reducing avoidable hospital admissions. Medibank and HCF delivered the strongest measurable outcomes, and nib's prevention partnerships are widening access outside the insured population. The shift signals a maturing view of the insurer as a health partner, not a bill payer.

Virtual and home-based care are reshaping delivery at scale

Virtual GP, allied health and mental health services are now standard benefits among the major funds. Hospital at Home and rehabilitation-at-home are reducing hospital bed days and improving patient preference. Medibank and nib delivered the largest reductions in hospital reliance, while Bupa is building integrated medical centres and home pathways that blur the line between insurer and care provider.

Digital transformation has moved from convenience to capability

AI-enabled claims, virtual health platforms, personalised apps, and secure cloud environments are now critical infrastructure. Medibank and nib lead in automation and data maturity, while Bupa's digital care ecosystem positions it as a combined provider and insurer. The sector is modernising at different speeds, but the direction is clear. Digital capability is becoming a strategic determinant of competitiveness.

Consumer trust is rising through transparency and value

Trust has been fragile for years, driven by affordability concerns and product confusion. In 2025, funds responded by delivering simpler cover, No Gap certainty, faster claims, proactive hardship support, and loyalty programs tied to real value. HCF remains the most trusted health insurer in Australia, and Medibank recorded its strongest advocacy results since 2022. More funds are recognising that trust is not earned through marketing, it is earned through experience.

The gap between leaders and followers is widening

The top three funds showed clear momentum through scale, system partnerships and investment into whole-of-health strategies. nib delivered advanced digital and contracting innovations, although with slightly smaller reach. HBF delivered meaningful value through prevention and modernised infrastructure, but with less national footprint. With capital flowing into prevention, digital, and care redesign, competitive advantage is now defined by platform depth, speed of scaling, and measurable outcomes.

Innovation is becoming performance, not a side project

Across the sector, innovation is shifting from ad hoc projects to embedded business systems. Leadership accountability, data transparency, member outcomes, and delivery discipline are becoming standard expectations. The funds winning in this environment are those treating innovation as core business, tied directly to affordability, sustainability, and member experience.

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Executive Summary

Australia's private health insurance sector is entering a new phase of innovation maturity. After years of gradual reform, insurers are now reshaping how care is accessed, delivered and funded. The most significant shift in 2025 was not competition, but alignment. The top funds are moving in the same direction, addressing the same structural pressures, and delivering measurable outcomes for members and the broader health system.

Affordability remains the strongest concern for households, and the sector responded with practical change. No Gap arrangements expanded, digital claims reduced friction, and home-based care lowered costs for insurers and members. These improvements show that affordability can be improved through smarter delivery and better system design, not only through price restraint.

Virtual care moved from the edges of the system into the centre. Millions of digital consultations were delivered and thousands of hospital bed days were avoided as rehabilitation, chemotherapy, post-operative care and mental health support shifted into homes and community settings. This change has created new capacity in hospitals, faster access to clinicians, and a more comfortable experience for members.

Digital transformation gained pace. AI and automation created faster claims, more accurate processing and personalised member engagement. Mobile apps and online services have become the default channel for many Australians, and funds have invested in secure, scalable platforms that can support long-term change rather than short-term convenience.

Prevention is expanding beyond well-being programs into clinically validated pathways. Screening, weight management and chronic disease coaching reached more members than ever before. This shows a shared understanding that health outcomes, claims performance and member experience are now interconnected.

Each fund approached this journey in a different way, shaped by structure, strategy and scale. Some invested heavily in digital care, others in new clinical models, others in system partnerships and owned health services. What matters most is that innovation is becoming part of core operations across the sector. It is now tied to measurable impact: lower costs, better access, simpler experiences, stronger trust, and healthier communities.

The next stage of progress will depend on collaboration across insurers, hospitals, clinicians, government and technology partners. The sector has demonstrated momentum and willingness to rethink old models. The opportunity now is to continue this progress, share what works, and keep moving towards a more affordable and sustainable private health system for Australians.

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Australia's Top Health Insurers

Medibank

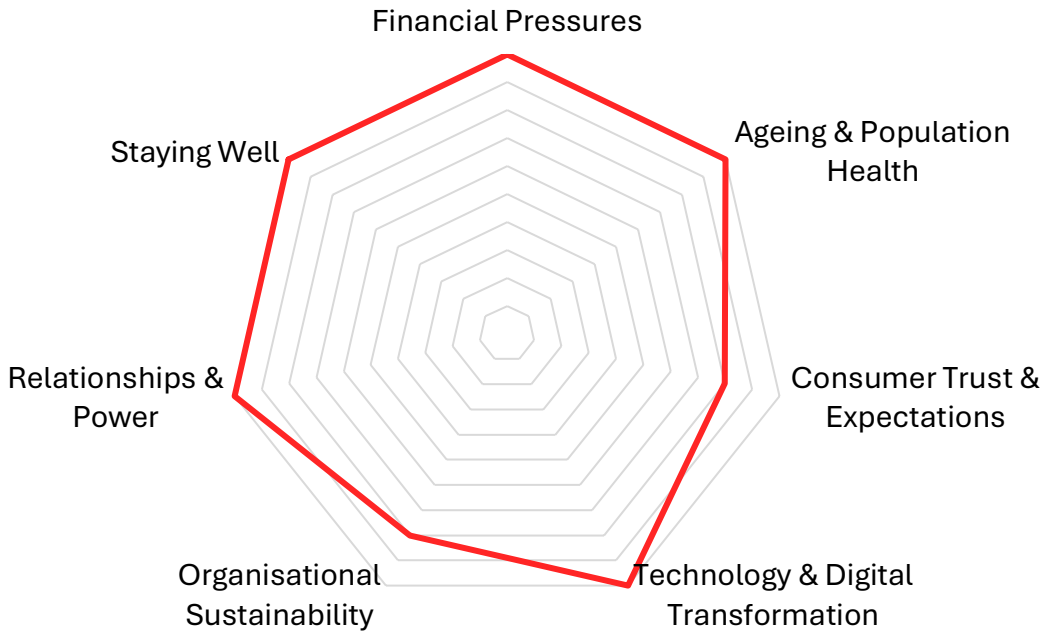
Annual Revenue: $8.6bn
Brands: Medibank, ahm
Market Share: 26%
Innovation Ranking: 1
Innovation Index: 91%

Competitive Strategy

Medibank's 2025 strategy reflects a deliberate shift from traditional health insurance towards a broader, innovation-led health ecosystem. The company's competitive approach centres on affordability, system reform, and customer experience, supported by investment in new models of care, data-driven prevention, and sustainability. Innovation is not treated as a separate function but as the mechanism through which Medibank differentiates itself in a market shaped by regulation, affordability pressures, and rising consumer expectations.

Strategic Evolution

Between 2024 and 2025, Medibank evolved from a digital-first health insurer to a system innovator focused on affordability, integrated care, and sustainability. Its innovation strategy moved beyond convenience and technology to reimagine how healthcare is delivered and funded. This shift marked a transition from enabling digital access to shaping the broader private health ecosystem.



HCF

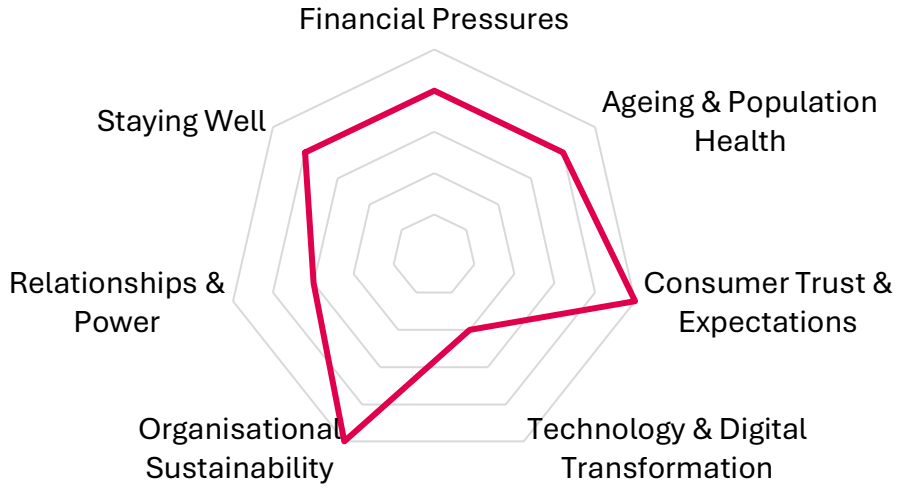
Annual Revenue: $4.2bn
Brands: HCF, Flip Insurance, rtHealth
Market Share: 13%
Innovation Ranking: 2
Innovation Index: 86%

Competitive Strategy

HCF's competitive strategy in 2025 is built on using its not-for-profit structure to deliver stronger value, lower out-of-pocket costs, and higher member trust than any other fund. Rather than competing on price or scale, HCF competes on value returned to members, measurable affordability, and consistent service leadership. By reinvesting surplus into benefits, loyalty programs, and No Gap services, HCF demonstrates a member-first model that has helped grow market share, maintain the #1 position in Member Satisfaction, and win Roy Morgan's Most Trusted Private Health Insurance Brand in 2025. This approach differentiates HCF as the insurer that protects members financially and clinically during a period of rising health and cost pressures.

Strategic Evolution

HCF continues to evolve its strategy around affordability, prevention, and care outside hospital, building on its position as Australia's largest not-for-profit fund. In 2025, the fund deepened its investment into new care models that replace hospital admissions with home-based treatment, reducing cost and improving member experience. Digital psychology, cardiac rehab, virtual GP access and chronic care programs are now delivered at scale, translating research into practical outcomes for members. A refreshed national brand strategy, expanded No Gap networks and product flexibility signal a shift from traditional insurance to value-led health services that help members stay healthy for longer.



Bupa

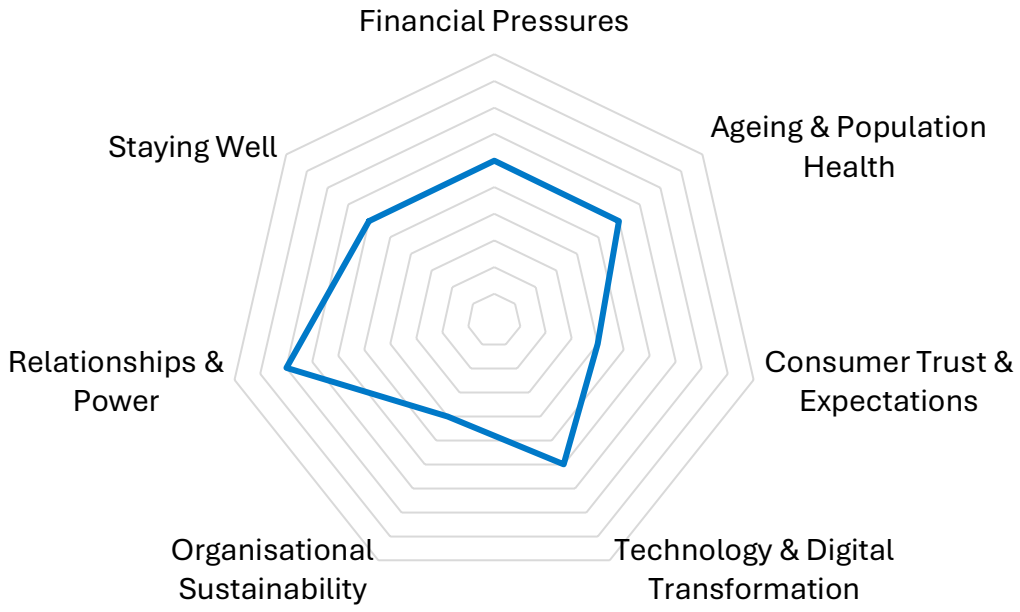
Annual Revenue: ~$8bn
Brands: Bupa
Market Share: 26%
Innovation Ranking: 3
Innovation Index: 79%

Competitive Strategy

Bupa's competitive strategy in 2025 focuses on transforming from a traditional health insurer into an integrated health partner. Innovation is being used as both a differentiator and a driver of long-term sustainability, allowing Bupa to compete on the quality, accessibility, and connectedness of care rather than on price alone. Through digital integration, new care delivery models, and a stronger focus on prevention, Bupa is building a competitive advantage that extends beyond the boundaries of private health insurance.

Strategic Evolution

Between 2024 and 2025, Bupa's innovation strategy shifted from integration to acceleration. In 2024, the focus was on embedding its Connected Care framework, aligning digital, physical, and preventative health services under one ecosystem. By 2025, that foundation evolved into a sharper execution focus, marked by the launch of market-defining initiatives such as free telehealth for members, expansion of Blua Health, and renewed investment in affordability, prevention, and digital enablement. Bupa's innovation agenda now extends beyond enhancing care access to reshaping how Australians experience and engage with their health insurer.



nib

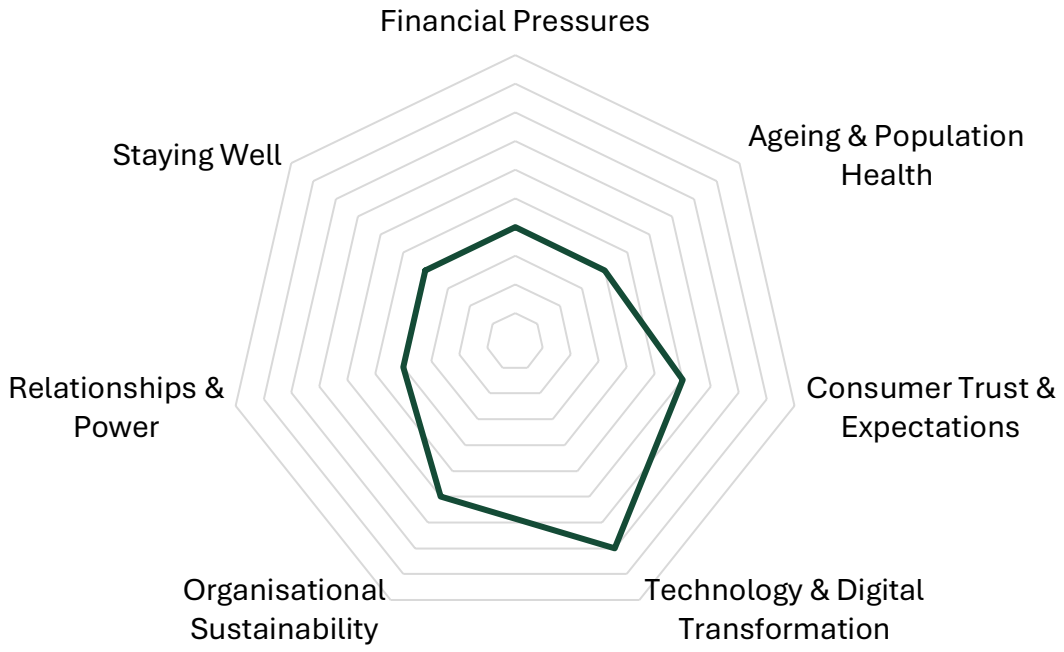
Annual Revenue: $3.6bn
Brands: nib, GU Health, AAMI, Suncorp, AA, QANTAS Insurance
Market Share: 10%
Innovation Ranking: 4
Innovation Index: 77%

Competitive Strategy

In 2025 nib strengthened its competitive position by using innovation to redefine what it means to be a private health insurer. Instead of competing on price or scale alone, nib focused on using technology, data and partnerships to improve affordability, access and health outcomes. This approach aligns with its strategy to evolve from an insurance company into a connected health partner. Innovation now sits at the centre of nib's competitive model, driving both customer experience and system efficiency.

Strategic Evolution

Between 2024 and 2025, nib's innovation strategy shifted from building digital capability to scaling integrated health services and ecosystem partnerships. In 2024, innovation was largely technology led, focused on automation, digital member experiences and early health management programs. By 2025, nib had evolved into a more connected health partner, embedding AI, expanding telehealth through Midnight Health, and growing preventive health programs through Honeysuckle Health and the nib foundation. Innovation became more closely tied to nib's competitive strategy, improving affordability, member trust and long-term sustainability.



HBF

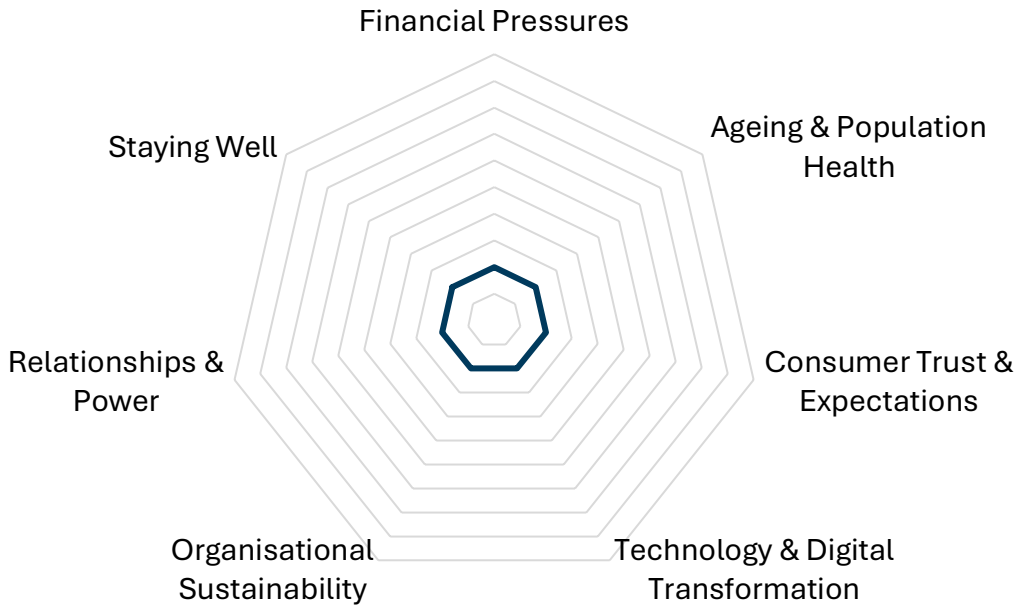
Annual Revenue: $2.3bn
Brands: HBF, Queensland Country Health Fund, see-u
Market Share: 8%
Innovation Ranking: 5
Innovation Index: 67%

Competitive Strategy

HBF's innovation agenda in 2025 reflects a deliberate shift from being a traditional health insurer to a broader, member-centred health organisation. Its initiatives focus on affordability, preventative health, digital capability, and cultural renewal, all of which reinforce its competitive strategy as a trusted, community-based not-for-profit seeking national relevance. The launch of HBF30, its new five-year strategy, marks the transition from system modernisation to innovation-led growth, positioning HBF to compete on value, experience, and health outcomes rather than price alone.

Strategic Evolution

HBF's innovation strategy evolved markedly between 2024 and 2025. In 2024, the fund's efforts were primarily focused on digital transformation, member trust, and maintaining affordability within a price-sensitive market. By 2025, innovation became a growth engine in its own right, with the launch of the HBF30 strategy, completion of its enterprise-wide Transformation Program, and major expansions into owned health services and preventative care programs. This evolution signalled a shift from modernising operations to building a scalable, purpose-led health ecosystem focused on prevention, accessibility, and value.



Australia's Most Innovative Health Insurer

In 2025, Medibank demonstrated the most mature and integrated approach to innovation in Australian private health insurance. What sets Medibank apart is not a single initiative, but the connection between affordability, prevention, digital services and care redesign. Innovation is embedded as a business system, not a collection of standalone projects.

Affordability With Measurable Impact

Members benefited from reduced out-of-pocket costs through No Gap surgery and expanded diagnostic partnerships, while the largest financial give backs in the sector delivered direct cost relief during a period of significant household pressure. Live Better rewards delivered more than $32 million in everyday value, and targeted hardship programs supported vulnerable customers.

Shifting Care Beyond Hospital Walls

The growth of Amplar Health moved care into homes and community settings at national scale. More than one million virtual consultations and hundreds of thousands of home-based visits reduced demand on hospitals and improved patient comfort. Transition pathways supported older Australians safely returning home, freeing hospital capacity and lowering claims.

Digital Capability at Scale

Medibank strengthened its digital foundation by embedding AI into claims, communication and service models, supported by a formal governance framework designed to protect privacy and trust. Digital tools, including the My Medibank app, gave customers greater transparency and control over their cover.

Prevention as a Core Strategy

Prevention enrolments doubled in 2025, with programs targeting heart, joint and metabolic health. These initiatives helped members stay well for longer and reflected growing maturity in population health management across the sector.

A Blueprint for the Future of Private Health

Taken together, Medibank's approach provides a model for next-generation private health insurance: affordable, digitally enabled, community-based and prevention-led. Every major fund progressed in 2025, and the sector continues to gain maturity. Medibank's leadership shows what becomes possible when innovation is scaled, measured and connected to outcomes across the health system.

Performance by PHI FACTORS™

PHI FACTORS™ is a practical framework designed to help insurers and health leaders understand the forces reshaping the private health insurance industry. These seven drivers capture the pressures, opportunities, and expectations facing funds today, and provide a lens to assess how Australia's top insurers are responding. Like the factors in a complex equation, each one influences the industry's trajectory. Together, they define the conditions for sustainable growth, innovation, and member value.

Financial Pressures

Financial pressures capture the central challenge for private health insurance (PHI): sustaining affordable premiums in a tightly regulated environment while medical inflation, hospital costs, and claims volumes rise faster than wages.

Why it matters

Affordability remains the single strongest driver of consumer behaviour in PHI. Roy Morgan analysis shows cost-of-living pressures are the top reason members switch or downgrade cover, with younger cohorts especially sensitive. APRA's June 2025 statistics confirm that while hospital membership is edging up, the growth rate is modest and out-of-pocket costs are rising. These pressures erode the value perception of PHI and drive churn.

Insurers are under constant political and regulatory scrutiny. The ACCC's 2023–24 PHI report highlights how funds were compelled to return $4.7bn in COVID savings to members, reinforcing the expectation that affordability must always come first. At the same time, the Private Health Insurance Ombudsman reported a 23.7% increase in complaints in 2023–24, with affordability and product complexity key issues.

Structural cost drivers compound the problem. Australia's ageing population and rising prevalence of chronic disease put consistent upward pressure on claims costs. IBISWorld estimates industry profit margins at 8.9% — healthy by some measures, but vulnerable to reputational attack when juxtaposed against hospital closures, specialist fee hikes, and consumer hardship.

Younger Australians often view PHI as poor value. Funds such as HCF and ahm gained market share by offering simpler, lower-priced products, while Medibank and nib lost younger members. This accelerates adverse selection, with the insured pool skewing older and sicker, raising long-term claims ratios and threatening overall viability.

Implications for insurers

- Premium increases must be carefully managed and clearly justified.
- Failure to address affordability risks reputational damage and regulatory intervention.

- Younger cohorts may continue to exit the system, undermining risk pools.
- Trust deficits can widen if product redesigns are perceived as manipulative.

Innovation levers

- Cost control and fraud analytics.
- Value-based care and alternative payment models.
- Product redesign and simplification.
- Prevention investment.
- Transparent communication.

Without credible innovation on affordability, financial pressures will remain the existential threat to PHI's relevance and sustainability.

Medibank

Ranking: 1

Rationale

Medibank shows the most comprehensive affordability strategy across financial levers, member give backs, prevention, care redesign, and productivity gains. It is the only fund with industry-leading scale in cash returns, broad No Gap arrangements, national care partnerships, home-based care that removes major hospital costs, and a formal AI governance policy. It also delivers quantifiable savings at multiple levels: $1.71b returned to members, $7m saved through No Gap surgery, $400k per month saved on diagnostics, $122m cost efficiencies and $32.8m in Live Better rewards redeemed.

Justification

Medibank tackles financial pressures from every angle: reduce claims, lower out-of-pocket costs, shift care away from hospitals, keep premiums down, reward prevention, and invest in efficiencies. This is the most complete and mature affordability agenda in the data.

Summary

Medibank has responded to financial pressures by combining premium restraint with significant direct give backs to members and investments in programs that reduce out-of-pocket costs. At the same time, it has expanded new models of care that ease reliance on hospitals and shift costs to more efficient settings. The fund has also pursued a disciplined cost management agenda and introduced AI tools to improve productivity, ensuring it can deliver affordability without compromising service. Together, these actions position Medibank as a leader in tackling affordability while maintaining long-term sustainability.

Key Innovations

- **Managing Affordability:** Medibank kept its 2025 premium increase below industry averages, reinforcing its role as a fund conscious of cost-of-living pressures. It has returned $1.71 billion to members since 2020 through cash backs, delayed premium increases, extras rollovers, and Live Better rewards, making it the largest financial give back in the industry. Targeted hardship assistance was also provided for members affected by natural disasters, strengthening Medibank's image as a customer-first insurer.
- **Reducing Out-of-Pocket Costs:** The No Gap program has become a hallmark of Medibank's affordability strategy, saving members more than $7 million in 2025, with average savings of $2,240 per joint replacement. The program has expanded to more than 36 hospitals nationwide, giving members greater certainty on out-of-pocket costs. Medibank's Members' Choice Advantage network added new diagnostic agreements that save members an additional $400,000 each month, while a renewed Specsavers partnership introduced No Gap multifocal lenses to further cut costs.
- **Alternative Models of Care:** Amplar Health delivered significant savings by enabling 177,000 hospital bed days to be managed at home rather than in hospital.

Medibank also partnered in Australia's first No Gap private hospital, expanded out-of-hospital transition services with Pullman Adelaide, and rolled out homecare for chemotherapy, infusions, and palliative care. These models reduce claims costs by shifting treatment into lower-cost, member-preferred settings while easing pressure on the hospital system.

- **Enhancing Value Beyond Insurance:** Medibank members redeemed $32.8 million in Live Better rewards in 2025, offsetting premiums by up to $400 a year. Engagement in prevention programs also doubled, with 283,000 people enrolled in clinician-led or digital programs. The fund further committed $50 million over five years to mental health, expanding access to psychology services and piloting psychotherapy initiatives, ensuring value is delivered beyond traditional insurance.
- **Operational Efficiency and Discipline:** Medibank achieved $122 million in savings over the past eight years, including $10 million in 2025 alone. Cost control was paired with investment in AI to simplify claims, personalise member communications, and enhance customer support. A formal AI Governance Policy was introduced to ensure secure and ethical adoption, balancing efficiency gains with the protection of member trust.

HCF

Ranking: 2

Rationale

HCF delivers huge reductions in out-of-pocket costs through almost universal No Gap and Known Gap coverage, with 97 percent of in-hospital services delivered without financial surprises. More than 700,000 members accessed No Gap extras, and programs like More for Teeth delivered $100m in savings. Treatment at Home avoided more than 39,000 bed days, directly lowering claims costs. Everyday cost relief through HCF Thank You also supported households beyond the hospital system.

Justification

HCF does not match Medibank's scale of financial give backs or national care infrastructure, but its No Gap penetration is the strongest of all funds described. The combination of high system efficiency, strong member savings, and shifting hospital care into homes places it clearly near the top.

Summary

HCF approached affordability as a structural challenge rather than a pricing exercise, expanding No Gap agreements, reducing avoidable hospital use, and helping members control everyday costs. More than 700,000 members accessed No Gap extras and 97% of in-hospital medical services were delivered with no or Known Gap, protecting members from unexpected bills. Treatment at Home shifted common hospital episodes into lower-cost home settings, avoiding more than 39,000 bed days. These measures helped maintain value for money during a period of rising health system costs and inflation-driven household pressure.

Key Innovations

- **No Gap and Known Gap Expansion:** With 97% of in-hospital medical services delivered with No Gap or Known Gap, HCF materially reduced unexpected out-of-pocket costs. This visibility on fees gave members confidence to proceed with treatment and protected them from bill shock, especially for high-cost episodes such as orthopaedics, obstetrics and cardiac care. Large-scale adoption of No Gap agreements also improved system efficiency by removing billing disputes between providers and members.
- **HCF Thank You App and Everyday Savings:** The HCF Thank You loyalty program helped members manage everyday living costs by offering discounts on groceries, fuel, entertainment and travel. Members collectively saved $6.7 million, with the new app allowing them to earn HCF dollars to reduce future premiums.
- **No Gap Extras and Dental Savings:** Over 700,000 members accessed No Gap extras services, with the More for Teeth program delivering $100 million in member savings. HCF Dental Centres added further protection against out-of-pocket costs, saving members more than $2 million through a No Gap filling offer.
- **Treatment at Home:** Treatment at Home avoided 39,136 hospital bed days by delivering hospital-level care directly into members' homes, including IV antibiotics, chemotherapy and rehabilitation. These programs shifted care out of high-cost

hospital settings and reduced member disruption, while still delivering clinically supervised treatment. The model showed that common hospital episodes can be safely managed in lower-cost environments, easing pressure on private hospitals and improving affordability over time.

- **Premium Pre-Payment Option:** Members were given the option to lock in current premiums for up to 18 months before the April rise, easing cost-of-living pressures and helping households budget with certainty.

Bupa

Ranking: 3

Rationale

Bupa's model focuses on structural, long-term affordability rather than short-term price restraint. Eighteen new medical centres shift care into lower-cost settings. Free digital GP consultations reduce reliance on hospitals. Mindplace clinics tackle mental health earlier. Hospital partnerships trial home based rehab and virtual care. Preventive dental and optical offers reduce future claims loads.

Justification

Bupa delivers meaningful value, but the results are less quantified than Medibank and HCF. The care redesign story is strong, but the scale of household cost relief and direct member savings is less clear based on the information provided.

Summary

Bupa Australia is tackling financial pressures by innovating in care delivery models that contain costs, expanding digital access that reduces reliance on hospitals, and providing tangible value initiatives that relieve member out-of-pocket expenses. The insurer's approach blends affordability, prevention, and system partnerships to ensure sustainability without eroding member experience.

Key Innovations

- **Connected Care Expansion:** The establishment of 18 new medical centres in 2025 reflects a deliberate shift of care into lower-cost, community-based settings. By expanding access to GPs, allied health services, and diagnostics, Bupa is making it easier for members to address health concerns early. This prevents conditions from progressing into expensive hospital admissions, reduces claims inflation, and demonstrates how insurers can play an active role in shaping care pathways rather than passively funding them.
- **Mindplace Mental Health Clinics:** With three new Mindplace clinics opened in Australia, Bupa is addressing the rapid growth in mental health claims. These dedicated centres provide members with accessible, specialist support in non-hospital environments. By investing in early intervention, Bupa not only reduces downstream costs linked to acute mental health crises but also sends a strong signal about its commitment to improving system sustainability and community wellbeing.
- **Digital Care as a Cost Lever:** The Blua platform has become a core part of Bupa's cost-containment strategy. Members can now access three free telehealth consultations per policy annually, removing barriers to early engagement with healthcare providers. By making digital consultations standard, Bupa is lowering the cost of care delivery, reducing unnecessary face-to-face visits, and creating a scalable, sustainable model that delivers savings for both the insurer and its members.
- **Hospital Partnership Innovation:** Multi-year agreements with leading private hospital groups, including Ramsay and Healthscope, are embedding new ways of

working into the system. These partnerships include trials of Hospital at Home and virtual rehabilitation programs that allow patients to recover safely outside of high-cost hospital wards. The innovation reduces bed-day reliance and demonstrates how Bupa is using its market influence to reshape traditional insurer–hospital relationships.

- **Preventive Dental and Optical Offers:** Initiatives such as free preventive dental check-ups and general fillings, combined with AI-driven cardiovascular screening through optical centres, show Bupa's commitment to prevention as a financial strategy. By funding routine interventions at no cost to members, Bupa is addressing health issues before they escalate into claims-intensive conditions, lowering long-term pressure on premiums and increasing member satisfaction.

nib

Ranking: 4

Rationale

nib treats affordability as a redesign challenge through home care, short-stay care, new hospital contracting models, and more than 50 AI projects generating $18m in productivity savings. It saved 24,000 bed days and expanded Known Gap and No Gap arrangements. Margins stayed within target while continuing to fund innovation.

Justification

nib shows strong forward strategy and credible savings. However, the scale of member cost relief and financial give backs is smaller than Medibank and less clearly quantified than HCF. nib sits just behind Bupa because Bupa's structural investment in medical centres and broader population reach suggests a larger system impact.

Summary

In 2025 nib approached financial pressures as an innovation challenge rather than a cost constraint. The insurer piloted new models of care, redesigned hospital contracting, and accelerated the use of AI to change how healthcare costs are managed. These initiatives signal a shift from a passive payer to an active architect of more affordable, accessible and sustainable care, positioning nib as a leader in reinventing how value is delivered in PHI.

Key Innovations

- **New Hospital Contracting Models:** Agreements with groups such as St Vincent's introduced dynamic indexation, joint committees and shared-value projects. This innovation created a more collaborative structure for adapting to rising costs. The contracts also extended member coverage to services like rehabilitation and palliative care delivered at home, reflecting the shift toward new care settings.
- **Expansion of Home and Short-Stay Care:** In 2025 nib saved more than 24,000 hospital bed days by investing in prevention programs and care-at-home initiatives. These models reduce reliance on high-cost hospital admissions and give members more choice in where and how they receive treatment. The ambition for FY26 is to lift this to 26,000 days saved.
- **Embedding AI in Operations:** More than 50 AI and automation projects were rolled out across the Group, generating around $18 million in productivity savings. The innovation lies in building a scalable digital platform that improves claims accuracy, reduces turnaround times, and can be extended into clinical and preventative uses.
- **Greater Cost Transparency for Members:** Expansion of Known Gap and No Gap arrangements gave members greater certainty over out-of-pocket costs. Together with nib's First Choice Dental Network, these initiatives directly addressed one of the biggest pain points for members and supported a Group NPS of +34.
- **Balancing Investment and Affordability:** Group incurred claims rose 10.2% to $2.7 billion, yet nib kept net margins within its 6–7% target while still funding innovation in health management, digital tools, and new provider partnerships. This shows how financial discipline was paired with ongoing investment in transformation.

HBF

Ranking: 5

Rationale

HBF still delivers clear affordability impact: 30,000 No Gap dental and physio visits, $29m in reduced claims leakage, streamlined products, and technology that reduces processing costs. It has diversified revenue through owned dental and physio centres which supports long-term affordability.

Justification

HBF's strategy is solid, member-focused and operationally disciplined. However, its initiatives are smaller in scale than Medibank, HCF or Bupa, and less transformative than nib's system redesign and AI agenda. Based only on the information provided, HBF is effective but not operating at the same breadth or impact as the others.

Summary

In 2025, HBF responded to financial pressures by innovating in service delivery and value creation rather than relying solely on premium restraint. The fund used new models such as No Gap services, streamlined product design, and digitally enhanced claims to deliver affordability in tangible ways. These initiatives balanced sustainability with a commitment to reducing out-of-pocket costs and diversifying revenue beyond premiums.

Key Innovations

- **No Gap Expansion:** HBF scaled its No Gap initiatives across dental and physio, providing over 30,000 members with fully covered appointments, up 26% on the prior year. This strategy not only reduced financial strain on members but also encouraged greater use of preventative services, which in turn reduces long-term claims costs. The No Gap model has become a differentiator, helping members clearly see value in their cover while reinforcing HBF's not-for-profit positioning.
- **Digital Claims and Integrity:** The modernisation of HBF's claims platforms created faster, more accurate experiences for members while embedding analytics to detect anomalies. This system reduced claims leakage by almost $29m, ensuring member funds are protected and used efficiently. By preventing waste and fraud, HBF maintained affordability while redirecting resources towards improved health outcomes.
- **Diversification Through Health Services:** Growth in the HBF Dental and Physio networks provided alternative revenue sources, reducing reliance on premiums alone. Ten dental centres and 23 physio and pilates locations now operate under the HBF umbrella, delivering over 430,000 consultations in 2025. This diversification is both a business model innovation and a way to reinvest in preventative care that reduces downstream hospital claims.
- **Simplification of Products:** The decision to retire the Gap Saver feature was a major product innovation aimed at equity and simplicity. Members with unused benefits received one-off payments, ensuring fairness while streamlining product

design. By removing unnecessary complexity, HBF positioned itself to deliver clearer, more transparent offerings that improve member understanding and trust.

- **Member-first Technology:** Through its Transformation Program, HBF invested in technology that reduces back-office costs and reallocates resources to frontline care. Automated processes and smarter digital platforms created efficiencies that will enable HBF to keep premiums lower in the long term. This investment in systems innovation is as critical as financial levers in managing pressures sustainably.

Ageing and Population Health

Ageing & Population Health reflects the structural demographic challenge facing PHI. Australia's population is getting older, living longer, and experiencing higher rates of chronic disease.

Why it matters

The AIHW shows chronic conditions such as cardiovascular disease, diabetes, and obesity are rising, often in combination. The OECD's 2022–23 healthcare quality review highlighted that Australia outperforms peers on survival rates for some cancers, but lags on avoidable hospital admissions for chronic conditions.

The Wesfarmers Health Index (2024) paints a stark picture of cardiometabolic health: nearly half of Australians face elevated risk of heart disease, 29% have high blood pressure, 26% are obese, and 6% have diabetes. More than 400,000 Australians are at "extreme risk" due to multiple combined risk factors.

Demographic shifts intensify this pressure. IBISWorld notes that population ageing increases demand for PHI, but the risk mix skews unfavourably: older members claim more, while younger members — critical to balancing risk pools — are leaving due to affordability concerns.

Implications for insurers

- Claims inflation is structurally tied to population health.
- Funds risk adverse selection if younger, healthier members exit.
- Long-term sustainability of PHI depends on influencing health outcomes.
- Equity gaps may create reputational risks.

Innovation levers

- Chronic disease programs.
- Home and community care.
- Remote monitoring.
- Integrated care with GPs and allied health.
- Data-driven risk stratification.

Population ageing and chronic disease are the immovable forces shaping PHI's future and insurers that cannot bend the cost curve risk being priced out of relevance.

Medibank

Ranking: 1

Rationale

Medibank delivers the most comprehensive and scalable response to population ageing and chronic disease. Prevention enrolments doubled to 283,000, homecare reached more than 250,000 visits, and 1.4 million virtual consultations expanded access for older Australians. Transition care with SA Health eased pressure on hospitals, while primary care investment built long-term capability for managing chronic conditions outside hospital walls.

Justification

No other fund demonstrates the same breadth across prevention, virtual health, homecare, care transitions and multidisciplinary primary care. Medibank is dealing with ageing as a whole-of-system challenge, not a collection of standalone programs, and the scale of its reach places it clearly at number one.

Summary

Medibank is responding to Australia's ageing population by scaling prevention, homecare, and virtual health to address chronic disease and reduce demand on hospitals. Prevention enrolments doubled, homecare visits grew, and transition services supported older Australians moving between care settings. Amplar Health has become a central platform for delivering services outside of hospital, while investments in primary care have built capacity to manage chronic conditions. Together, these initiatives form a system-wide response to the challenges of ageing and long-term population health.

Key Innovations

- **Prevention Programs:** Enrolments in prevention programs doubled to 283,000 in 2025, with initiatives such as Better Knee, Better Me addressing musculoskeletal health and Live Better programs targeting heart and mobility issues. These programs are designed to prevent hospitalisations and improve quality of life, particularly for older Australians at higher risk of chronic disease. By embedding prevention at scale, Medibank is working to flatten the cost curve associated with ageing.
- **Homecare Services:** Amplar Health delivered more than 250,000 homecare visits, giving members access to rehabilitation, infusions, dialysis, and palliative care in the home. These services are not only more comfortable for patients but also reduce reliance on hospital infrastructure. The shift has delivered savings equivalent to thousands of hospital bed days, aligning care to member preferences while lowering claims costs.
- **Virtual Health Expansion:** More than 1.4 million virtual consultations were conducted in 2025, including GPs, nurses, and allied health. These services broaden access for older Australians, particularly those in regional areas or with mobility challenges. By integrating virtual care into its offering, Medibank has created a scalable way to meet rising demand without increasing pressure on physical facilities.

- **Transition Care Models:** Medibank expanded transition care in partnership with SA Health, supporting patients moving from hospital into home or aged care. These services reduce readmission risk and free up acute capacity. Personalised plans and coordinated follow-up mean older Australians receive continuity of care, reinforcing Medibank's role in supporting smoother pathways through the health system.
- **Primary Care Growth:** Medibank built on its Myhealth and Amplar Health networks to strengthen multidisciplinary care teams. GPs, specialists, and allied health professionals are working together to better manage chronic conditions over time. This investment helps to keep members healthier for longer while reducing unnecessary hospital presentations.

HCF

Ranking: 2

Rationale

HCF paired early detection with proven hospital avoidance. Cardiac and diabetes screening identified elevated risk in 72 percent of participants, while programs such as GLA:D® and Healthy Weight for Life delayed joint surgeries and improved mobility for thousands of members. The COACH Program® supported remote clinical management, and Treatment at Home helped older Australians safely receive care outside hospital settings.

Justification

HCF's impact is clinically meaningful and financially powerful. It lacks Medibank's scale across primary care and virtual platforms, but its prevention and early-intervention results are among the most compelling in the industry.

Summary

HCF scaled preventative and early-intervention models that support older members and those living with chronic disease. Cardiac and diabetes screening identified risk early and moved members directly into primary care. The COACH Program® combined remote coaching with medication and lifestyle support to reduce cardiac and metabolic risk from home. Programs such as GLA:D® and Healthy Weight for Life delayed or avoided surgery for thousands of members with osteoarthritis. Together, these initiatives reduced complexity in hospital settings and helped members live independently for longer.

Key Innovations

- **Heart and Diabetes Screening:** More than 7,200 members completed free cardiac and diabetes screenings across 76 locations, with 72% showing elevated risk and being referred to their GP. By detecting issues earlier and connecting members directly to primary care, HCF reduced delayed diagnosis and avoided costly future admissions.
- **GLA:D® and Joint Pain Programs:** Thousands The GLA:D® program supported thousands of members with knee osteoarthritis, reporting 81% improvement in recovery. By treating chronic joint pain through education and exercise rather than early surgery, HCF delayed expensive procedures and improved mobility, particularly among older Australians. When combined with Healthy Weight for Life, members experienced better function at home and reduced hospital demand.
- **The COACH Program®:** The COACH Program® helped over 700 members reduce cardiac and diabetes risk through remote clinical coaching by nurses, pharmacists and dietitians. Instead of relying solely on hospital-based interventions, members received personalised risk-reduction plans, medication guidance and lifestyle support from home. This model lowered complication risk and shifted chronic disease management into preventative settings.
- **Treatment at Home for Older Australians:** Older members increasingly received hospital-level care from home, including IV antibiotics, chemotherapy and

rehabilitation. This model increased comfort, reduced infection risk and kept patients engaged with family support networks.

- **Nurse Concierge and Second Opinion Support:** The Nurse Concierge service supported more than 16,700 members as they transitioned from hospital to home. The Second Opinion service enabled members, particularly older patients with complex diagnoses, to make more confident treatment decisions.

Bupa

Ranking: 3

Rationale

Bupa responded to ageing through structural investments in integrated care and aged care capacity. Connected Care centres link GPs, specialists and diagnostics to manage complex conditions in one place. Aged care occupancy reached 95 percent, freeing hospital capacity and stabilising long-term care pathways. Preventive genomics and the Healthy Cities program show how Bupa is targeting risk before it becomes acute.

Justification

Bupa's model shifts older Australians into coordinated, community-based care. The strategy is credible and long-term, but the information provided includes fewer quantified clinical outcomes than Medibank and HCF.

Summary

Bupa is responding to Australia's ageing population and chronic disease burden through integrated care pathways, enhanced aged care, and investment in prevention. The focus is on keeping people healthier for longer and providing care in more sustainable, community-based settings.

Key Innovations

- **Aged Care Villages and Services:** Bupa's aged care operations have achieved their highest occupancy since 2019, with 95% of places now filled across its Australian villages. This turnaround reflects improved operations, greater focus on quality, and enhanced resident wellbeing programs. By stabilising and expanding aged care capacity, Bupa is ensuring that older Australians can access appropriate long-term care without increasing the load on hospitals.
- **Integrated Care Pathways:** Through its Connected Care centres, Bupa is linking GPs, specialists, diagnostics, and allied health into a more cohesive care model. This design enables older Australians with multiple chronic conditions to receive coordinated support in one place. The reduction in duplication and fragmentation improves health outcomes while reducing the risk of costly, preventable hospital admissions.
- **Preventative Genomics:** Genomics is being embedded as part of Bupa's global 3x100 strategy, and its potential applications in Australia are clear. By identifying genetic risk factors early, Bupa can support members with personalised prevention plans for conditions such as heart disease, diabetes, and cancer. This innovation reflects a move from reactive treatment to predictive, personalised healthcare that is particularly relevant for ageing populations.
- **Healthy Cities Participation:** The Healthy Cities program, which Bupa has brought into Australian communities, encourages members and employees to increase activity and make healthier lifestyle choices. With thousands of participants collectively clocking billions of steps, the initiative not only improves health outcomes but also strengthens social connection and environmental regeneration. This provides a community-scale approach to reducing chronic disease.

- **Mental Health in Later Life:** Mindplace clinics are also serving older Australians, recognising the link between mental health, ageing, and physical decline. By providing specialist services for depression, anxiety, and cognitive issues, Bupa is filling a gap in the system where older adults often face long waits or insufficient services, ensuring a more holistic approach to ageing and health.

nib

Ranking: 4

Rationale

nib focused on detection, chronic condition management and digital access. More than 22,300 members enrolled in health management programs and over 105,000 screenings supported early risk identification. Midnight Health completed 196,000 telehealth consults, with widespread prescription delivery improving access for older members. Coverage for rehab and palliative care in the home further reduced hospital dependence.

Justification

nib is clearly shifting care into earlier and more accessible settings, but the clinical and system impact appears smaller than Medibank and HCF, and the structural footprint lighter than Bupa's Connected Care and aged-care operations.

Summary

nib's response to ageing and population health challenges in 2025 focused on early detection, chronic condition management, and access to care beyond hospitals. Through digital health platforms, health management programs, and targeted screenings, nib invested in helping members stay well for longer. These initiatives addressed the system pressures of an ageing population while reducing future claims costs.

Key Innovations

- **Health Management Programs:** More than 22,300 members enrolled in programs such as Healthy Weight for Life and cardiac rehabilitation. These programs targeted conditions linked with ageing, helping to improve outcomes while lowering risks of unplanned admissions.
- **Screening and Early Detection:** nib delivered over 105,000 health assessments and screenings, including melanoma skin checks. By identifying risks earlier, nib supported members in taking preventative steps and reduced the likelihood of advanced conditions that drive higher costs.
- **Telehealth and Digital Access:** Midnight Health completed around 196,000 telehealth consultations, with strong uptake in regional and older populations. Prescription delivery reached 88% of Australian postcodes, making access to ongoing care more convenient for members with chronic needs.
- **In-Home Care Expansion:** Coverage of rehabilitation, acute, and palliative services in the home gave members more choice in care settings. This addressed older members' preference for treatment at home and supported more efficient use of system resources.
- **Population Health Partnerships:** The nib foundation launched Better Health Partnerships with groups like Heart Foundation and Diabetes Australia, funding equity projects for those at greater risk of chronic disease. These initiatives extended nib's role in supporting healthier ageing at the community level.

HBF

Ranking: 5

Rationale

HBF delivered genuine value through personalised and accessible chronic disease support. GLA:D participation grew 60 percent, COACH enrolments rose 50 percent, and more than 1,000 members joined the CSIRO weight program. The care navigation pathway achieved a zero readmission rate for orthopaedic and cardiac rehabilitation patients, and hybrid at-home models supported mobility-restricted members.

Justification

The initiatives are strong and member-focused, but operate at a smaller scale than peers. The absence of large primary care, virtual networks or national-level prevention platforms places HBF behind larger players based on the information provided.

Summary

HBF recognised that population ageing and rising chronic disease prevalence require proactive interventions. Its 2025 initiatives combined evidence-based programs, personalised coaching, and accessible delivery formats to help members manage conditions earlier and avoid costly hospital admissions. These innovations created more touchpoints with members and built HBF's role as a proactive health partner.

Key Innovations

- **GLA:D Program Expansion:** Participation in the global GLA:D osteoarthritis program grew by 60% in 2025, reflecting high demand from ageing members managing hip and knee issues. The program combines supervised exercises and education, equipping participants with strategies to reduce pain and maintain mobility. By offering this in both in-person and physio-partnered formats, HBF helped prevent deterioration that typically leads to surgery and higher hospital costs.
- **Personalised Coaching for Chronic Conditions:** The COACH program, offering six months of phone-based coaching for conditions like cardiovascular disease and diabetes, saw participation rise by 50%. Coaches worked one-on-one with members to improve cholesterol, blood pressure, and lifestyle behaviours. This personalised, remote model has proven effective in reducing mortality and hospitalisations, making it a key innovation in long-term health management.
- **Integrated Weight Management:** More than 1,000 members engaged in the CSIRO weight program during 2025, tackling obesity through evidence-based dietary and behavioural support. The program's structure gave members regular access to accredited dietitians via telehealth, allowing national reach. Addressing obesity is critical in mitigating risks associated with ageing, from diabetes to joint disease, and the program's sustained uptake shows its impact.
- **At-home Preventative Support:** The Osteoarthritis Healthy Weight for Life kits gave members tools delivered to their home, with virtual support from allied health teams. This hybrid care model was particularly valuable for older or mobility-

restricted members, ensuring they could still access early intervention. It is a prime example of innovation in accessibility and preventative care delivery.

- **Care Navigation Pathways:** HBF's Care Navigation program for orthopaedic and cardiac rehabilitation achieved a zero re-admission rate, an extraordinary outcome for complex cohorts. By combining personalised guidance, specialist referrals, and proactive monitoring, HBF helped older members recover more effectively while reducing reliance on acute hospital care.

Consumer Trust and Expectations

Consumer Trust & Expectations refers to the confidence members place in PHI — whether products are easy to understand, deliver value, and provide the experience consumers expect.

Why it matters

Trust is fragile in PHI. The Australian Healthcare Index (2024) shows consumer NPS for PHI is negative, reflecting dissatisfaction with affordability, complexity, and service. The PHIO's 2023–24 report recorded a 23.7% increase in complaints, many centred on confusing product changes and poor communication.

Roy Morgan's analysis highlights cost-of-living pressures drive switching behaviour, with younger cohorts especially mobile. ACCC reports continue to flag complexity and misleading conduct. Service expectations are also rising, with consumers demanding digital-first, seamless experiences like in other industries.

Implications for insurers

- High complaints and negative trust scores threaten PHI's social licence.
- Poor consumer sentiment risks government intervention.
- Younger demographics may disengage unless transparency improves.
- Competitive advantage increasingly lies in member experience.

Innovation levers

- Transparency tools (real-time gap estimates).
- Plain-English product communication.
- Digital-first service guarantees.
- Hardship support policies.
- Proactive complaint resolution.

Trust is the currency of PHI. Without simplicity and modern service, insurers risk irrelevance.

HCF

Ranking: 1

Rationale

HCF delivered the strongest and most quantifiable outcomes on trust, transparency, and service. It was named Australia's Most Trusted Private Health Insurance Brand for 2025 and achieved the highest member satisfaction among major funds. More than one million digital claims were processed with faster turnaround, the Voice of Customer system produced 69 member-driven improvements, and No Gap Day Surgery removed uncertainty from high-stress clinical moments. This is a complete and convincing response to declining consumer confidence in PHI.

Justification

No other fund provides trust metrics as strong or as independently validated. HCF's response spans transparency, speed, communication, digital self-service, and product clarity, demonstrating leadership across all major trust levers.

Summary

HCF strengthened trust by making health cover simpler, faster and more transparent during a period of rising cost uncertainty. Members accessed faster claims resolution, cost certainty through No Gap day surgery, and real-time feedback loops that translated directly into system improvements. Digital servicing continued to scale, with more than one million digital claims and improved self-service across the My Membership app. These changes helped HCF retain its position as Australia's most trusted private health insurer and the leader in member satisfaction.

Key Innovations

- **Most Trusted Fund and Member Satisfaction Leadership:** HCF was named the Most Trusted Private Health Insurance Brand for 2025 and achieved the highest member satisfaction among major funds. Consistency in value, service quality and claims outcomes reinforced confidence during rising cost pressures.
- **Faster Claims Resolution and Frontline Improvements:** HCF built a Member Claims Support team to resolve complex claims on first contact, reducing escalations and handoffs. More than one million digital claims were processed with improved speed and accuracy. This not only improved member experience, but reduced administrative load and shortened the time between treatment and reimbursement.
- **Voice of Customer System:** The new Voice of Customer system collected feedback across digital, phone and retail channels, resulting in 69 member-driven improvements. In-branch QR surveys and app-based feedback enabled rapid change loops, improving system responsiveness and trust.
- **My Membership App Enhancements:** The refreshed My Membership app provided improved visibility of remaining benefits, easier claims, and payment flexibility. Members accessed cover information quickly, reducing friction and improving transparency.

- **No Gap Day Surgery and Cost Transparency:** The No Gap Day Surgery program gave members full certainty of costs before their procedure, removing the financial unknowns that often delay care. Combined with the Hospital Cost Indicator tool, members understood typical out-of-pocket scenarios for common procedures, helping them compare providers and make informed decisions with confidence.

Medibank

Ranking: 2

Rationale

Medibank tackled trust deficits through transparency and human-centred service redesign. The No Gap program eliminated bill shock, while local service hubs made support feel more personal and immediate. The My Medibank app simplified product navigation and ahm piloted digital reviews to guide members to the right cover. Live Better Rewards delivered $32.8 million in real value, reinforcing fairness and engagement, and advocacy scores reached a three-year high.

Justification

Medibank is strong across transparency, digital experience, and value perception. While not carrying the same formal trust credentials as HCF, the breadth of change and rising advocacy signal a genuine rebuild in member confidence.

Summary

Medibank has placed customer trust at the centre of its strategy, with a focus on transparency, simplicity, and value. Initiatives like the No Gap program address the biggest source of frustration for members by eliminating unexpected costs. Service has been redesigned to feel more personal and local, while rewards and prevention programs create tangible benefits beyond insurance. Digital enhancements, combined with rising advocacy scores, show Medibank's efforts to meet and exceed evolving member expectations.

Key Innovations

- **No Gap Transparency:** Medibank's No Gap program expanded significantly, reducing unexpected bills and giving members confidence about the cost of surgery. The initiative has become a symbol of Medibank's commitment to transparency and fairness, directly addressing trust deficits in private health insurance.
- **Customer Support Transformation:** Medibank reorganised service teams into local hubs, ensuring members can speak with staff based in their community. For ahm customers, service was simplified to provide direct resolution of queries without referral or escalation. These changes reinforced trust by reducing friction and humanising the service experience.
- **Live Better Rewards:** With $32.8 million redeemed in 2025, Live Better rewards created a direct, tangible benefit for members. The ability to use points towards premiums or everyday items improved perceptions of value and supported engagement with healthier behaviours. This gave customers a reason to stay engaged and strengthened their sense of fairness in cover.
- **Digital Experience Improvements:** The My Medibank app was enhanced with eligibility tools and cover reviews, helping members understand and optimise their policies. ahm piloted proactive digital reviews to ensure customers had the right cover for their needs. These steps addressed longstanding frustrations around complexity, ensuring members feel supported and well-informed.

- **Customer Advocacy Gains:** Advocacy scores reached a three-year high, demonstrating the success of initiatives aimed at trust and experience. Proactive support for vulnerable members, such as those experiencing family violence, reinforced Medibank's positioning as an insurer committed to care and empathy.

nib

Ranking: 3

Rationale

nib strengthened trust by reducing bill shock, improving digital control, and attracting large numbers of first-time customers. Expansion of Known Gap and No Gap models addressed one of the biggest consumer frustrations, while more than 70 percent of policies connected digitally gave members convenience and visibility. Group NPS improved to +34, reflecting growing confidence in service and transparency. nib's social licence was reinforced through community partnerships focused on equity and inclusion.

Justification

nib's performance is credible and supported by clear metrics, but sits behind HCF and Medibank due to fewer system-wide service transformations and less evidence of large-scale consumer-driven improvement loops.

Summary

nib strengthened consumer trust in 2025 through initiatives that improved transparency, reduced out-of-pocket costs, and enhanced customer experience. The insurer achieved above-industry growth, appealing to first-time policyholders and leveraging digital-first capabilities to deliver convenience and control.

Key Innovations

- **Known Gap and No Gap Models:** nib expanded its "Medical Known Gap" and "No Gap" programs, reducing bill shock and providing price certainty. Combined with the First Choice Dental Network, these initiatives improved customer confidence in using their cover.
- **Digital-First Customer Engagement:** Over 70% of PHI policies connected digitally in 2025, reflecting strong adoption of nib's app and online services. AI-powered tools streamlined claims, improved turnaround times, and offered members greater visibility of their health journeys.
- **New Customer Growth:** nib attracted 52,000 new-to-insurance customers in 2025, strengthening trust in the value of PHI. This growth demonstrates customer confidence in nib's products and reputation compared to competitors.
- **NPS and Customer Value:** Group NPS improved to +34, reflecting higher satisfaction with digital tools, provider networks, and claims transparency. Initiatives to simplify customer language and experiences further supported this trust uplift.
- **Community Engagement and Equity:** The Community Report showcased partnerships addressing mental health, First Nations health, and disability inclusion. These efforts reinforced nib's social licence and alignment with customer expectations for socially responsible insurers.

Bupa

Ranking: 4

Rationale

Bupa rebuilt trust through accessible care and value-led benefits. Free telehealth appointments addressed modern service expectations, Connected Care and Mindplace clinics gave members direct access to care, and continuous feedback loops guided service improvements. Inclusive health commitments and partnerships reinforced credibility and fairness.

Justification

Bupa's initiatives are meaningful and member-focused, but fewer quantified results are provided. Without clear evidence of satisfaction lift, complaint reduction, or digital adoption outcomes, it ranks beneath nib, Medibank and HCF on available information.

Summary

Bupa is building consumer trust through transparency, tangible value and experiences that reflect modern healthcare expectations. By blending affordability with accessible, personalised care, the insurer positions itself as a health partner, not just a claims payer.

Key Innovations

- **Free Telehealth for Members:** Three Blua telehealth consultations per year for eligible policyholders address demand for modern, affordable, convenient services. This positions Bupa as a leader in digital-first healthcare and strengthens perceptions of value while premiums rise.
- **Connected Care:** New medical centres and workplace health hubs reduce friction and enable direct access to care. Members experience Bupa as an active partner in keeping them well, not just a funding source.
- **Mindplace Clinics:** Stand-alone mental health clinics address affordability barriers and long wait times. Members gain faster access to high-quality care, building trust that Bupa is tackling real service gaps.
- **Inclusive Health Commitments:** Bupa's Access and Inclusion Plan and partnerships with Paralympics Australia demonstrate a commitment to equity and support trust among consumers with diverse needs.
- **Continuous Feedback Loops:** Advanced feedback systems and NPS tracking support ongoing service improvements. Thousands of micro-changes each year show members their concerns directly shape Bupa's products and services.

HBF

Ranking: 5

Rationale

HBF improved trust with digital-first engagement, No Gap services, and Patient Pulse, a post-hospital feedback system that elevates member voice in clinical care. Awards for claims experience validate progress, and the app's 348,000 active users show strong engagement. Enhanced provider transparency tools reduced uncertainty and improved navigation.

Justification

HBF is delivering transparent and modern service experiences, but its initiatives operate at smaller scale than the larger funds and fewer formal trust outcomes are provided. Based only on information available, HBF sits behind the larger national competitors.

Summary

In 2025 HBF sought to meet rising consumer expectations by innovating in transparency, service accessibility, and feedback mechanisms. Trust was built through practical initiatives that reduced costs, gave members more control, and amplified their voice in shaping care experiences.

Key Innovations

- **Patient Pulse Feedback System:** Patient Pulse gave members a platform to share post-hospital experiences using validated measures that capture outcomes as well as satisfaction. Feeding insights back to providers created a continuous improvement cycle that puts members at the centre of clinical care.
- **Digital-first Member Experience:** With 81% of interactions now digital, HBF continued to enhance its award-winning app, which grew to 348,000 active users. Simplified claims, real-time updates and easier navigation made the app a health hub rather than just a transaction tool.
- **No Gap Service Offers:** Greater uptake of No Gap dental and physio appointments gave members visible returns on premiums and turned cover into a positive, tangible experience. It is one of HBF's most effective trust-building tools.
- **Recognition for Trust:** Independent awards for claims experience and trusted hospital cover validated that HBF's innovations are resonating with members and improving perception.
- **Enhanced Transparency Tools:** The expanded provider search tool allowed members to see fees and participation upfront. By reducing uncertainty about out-of-pocket costs, HBF strengthened confidence in care decisions and improved transparency.

Technology & Digital Transformation

Technology & Digital Transformation refers to the adoption of digital platforms, AI, and data tools that reshape how insurers manage claims, engage members, and influence health outcomes.

Why it matters

Australia lags peers on digital health adoption. CSIRO's AI Trends report shows immediate applications in diagnostics, triage, and automation. McKinsey research reveals younger consumers expect personalised, digital-first health experiences.

Legacy IT systems constrain insurers. Failures like Defence Health's system outage (PHIO 2023–24) demonstrate reputational risks. APRA emphasises digital resilience and cyber security. Virtual care and digital therapeutics present opportunities to reduce hospital demand if integrated effectively.

Implications for insurers

- Failure to modernise risks efficiency and reputation.
- Consumer expectations require digital-first experiences.
- AI can unlock value but needs governance.
- Insurers risk exclusion from new models without digital integration.

Innovation levers

- AI-enabled efficiency.
- Digital-first journeys.
- Data interoperability and APIs.
- Cyber resilience investment.
- Digital therapeutics and Hospital at Home models.

Digital transformation is no longer optional — it is central to trust, efficiency, and relevance.

Medibank

Ranking: 1

Rationale

Medibank demonstrated the most advanced and comprehensive digital transformation agenda. AI has been embedded across claims, communications, and customer service, backed by a formal AI Governance Policy that protects privacy and ethical use. More than 1.4 million virtual consultations were delivered, digital prevention tools scaled to thousands of members, and the My Medibank app introduced features that improve transparency and self-service. Medibank is shifting from insurer to digitally enabled health company with a system-wide platform approach.

Justification

No other fund shows the same combination of scale, governance maturity, clinical integration, and digital prevention. Medibank leads in both member-facing innovation and internal transformation.

Summary

Technology is at the heart of Medibank's strategy to create a simpler, more scalable, and more personalised experience. The fund has rolled out AI to streamline claims and customer support, expanded virtual health platforms, and developed digital prevention tools that reach large numbers of members. App enhancements provide greater transparency and usability, while strong governance frameworks ensure safe and responsible adoption of new technologies. Together, these innovations position Medibank as a digitally enabled health company rather than a traditional insurer.

Key Innovations

- **AI Deployment:** Medibank applied AI to simplify claims processes, personalise communications, and support customer service. By automating repetitive tasks, AI has freed staff to focus on higher-value interactions. A formal AI Governance Policy underpins these initiatives, ensuring privacy, ethical use, and risk management remain central.
- **Virtual Health Platform:** Medibank invested $6 million in scaling virtual consultations, with over 1.4 million delivered in 2025. Services span GP, nurse, and allied health, and are integrated into Amplar Health's navigation framework. Virtual care not only improves accessibility but also reduces inefficiencies associated with in-person care, delivering financial and experience benefits.
- **Digital Prevention:** The Live Better digital suite, including Back Smart and Heart Wise, expanded prevention into scalable, self-directed formats. Thousands of members engaged with these programs, supporting healthier lifestyles while reducing claims risks associated with chronic disease.
- **App and Web Enhancements:** The My Medibank app introduced features such as hospital eligibility checks and product comparison tools, while ahm invested in digital-first member reviews. These tools provide transparency and convenience, strengthening engagement in a competitive digital environment.

- **Data and Risk Systems:** Medibank embedded APRA's new operational risk standard and the Financial Accountability Regime, ensuring its digital systems meet the highest compliance and governance standards. This underpins member trust and system stability as reliance on digital health expands.

nib

Ranking: 2

Rationale

nib delivered the strongest AI adoption in the industry, with more than 50 machine learning initiatives rolled out across the Group. Digital claims processing improved speed and accuracy, while Midnight Health provided telehealth, digital prescriptions, and GLP-1 programs at national scale. More than 478,000 Australians accessed digital prevention tools supported by the nib foundation. Data analytics were used to identify at-risk members and support targeted interventions.

Justification

nib's strength lies in AI at scale, digital-first care through Midnight Health, and data-enabled clinical insight. While Medibank leads on breadth and virtual care reach, nib's depth of automation and analytics places it clearly ahead of other peers.

Summary

nib embedded AI, automation, and health-tech integration across its business in 2025. These investments enhanced productivity, enabled deeper customer insights, and supported innovative models of care. Technology underpinned both member experience improvements and internal efficiency.

Key Innovations

- **AI and Automation at Scale:** More than 50 AI and machine learning initiatives were deployed across the Group, driving operational productivity and better customer interactions. These tools reduced processing times and delivered data-driven insights into claims and health outcomes.
- **Midnight Health Integration:** The full integration of Midnight Health brought digital-first care into nib's ecosystem, with services including telehealth consultations, digital prescriptions, and GLP-1 weight management programs. These services particularly benefited rural and time-poor members.
- **Digital Claims and Member Tools:** AI-enhanced claims processing improved speed and accuracy, reducing friction in one of the most important customer touchpoints. Expanded app functionality gave members seamless digital pathways for claims, appointments, and program enrolment.
- **Data-Driven Population Health:** nib used advanced analytics to segment customers and match them with targeted health interventions. This approach helped identify at-risk populations, enabling earlier support and reducing hospitalisations.
- **Digital Prevention Partnerships:** Through the nib foundation, more than 478,000 people accessed digital health tools like Lifeline's Support Toolkit and Hello Sunday Morning's Hello Change program, extending nib's role in preventative health outside its member base.

Bupa

Ranking: 3

Rationale

Bupa's technology investments modernised care delivery and digital access. The Blua digital platform offers GP, mental health and coaching in one ecosystem, with three free telehealth visits each year. Cloud migration strengthened security and scalability, smart data systems are being trialled to support clinical decision-making, and Mindplace blends specialist care with digital tools. Connected medical centres function as digitally enabled hubs that integrate provision and insurance.

Justification

Bupa is integrating digital infrastructure with real-world care, positioning itself as both insurer and provider. The strategy is compelling, but the information provided shows less automation than nib and less scale than Medibank in virtual services.

Summary

Technology is central to Bupa Australia's innovation agenda, with Blua as the flagship platform. Digital transformation is being used to improve affordability, expand access, and integrate insurance with provision for a more seamless member journey.

Key Innovations

- **Blua Digital Health Platform:** Blua combines GP consultations, mental health support, and lifestyle coaching into one integrated digital ecosystem. By including three free telehealth consults each year for every member, Bupa is driving widespread adoption of digital health, embedding prevention, and ensuring affordability. This approach normalises virtual care and sets a new standard for how insurers deliver member value.
- **Cloud System Migration:** Under its global transformation program, Bupa is moving all core systems to the cloud. In Australia, this migration enables more secure, scalable, and interoperable digital platforms. It also positions the business to integrate new technologies quickly, ensuring members can benefit from faster, more connected services.
- **Smart Clinical Data Aggregation:** Bupa is trialling solutions that aggregate health data across multiple sources to create a richer, more accurate view of member health. This innovation allows clinicians to provide personalised recommendations and reduces duplication of tests and procedures, ultimately lowering costs and improving care quality.
- **Digital Mental Health Integration:** The Mindplace model blends in-person specialist care with digital tools, creating a hybrid system that can be scaled while maintaining quality. This is especially important for mental health, where demand is high and workforce constraints are acute.
- **Connected Infrastructure:** New Bupa medical centres are being designed as digitally enabled hubs, linking insurance with care delivery. Members can move seamlessly between online consultations, in-person services, and insurance processes, experiencing continuity and integration rather than fragmentation.

HCF

Ranking: 4

Rationale

HCF delivered digital health that moves care closer to home. GP2U provided seven-day virtual GP access, HealthyMinds delivered digital psychology including youth pathways, and Cardihab replaced hospital-based cardiac rehab with a remote model. App and website upgrades improved transparency, self-service and conversion. More than 6,100 members accessed digital wellbeing tools for sleep, alcohol and mental health.

Justification

HCF succeeds in digital care delivery and practical self-service improvements. However, there is less evidence of large-scale AI adoption, automation or enterprise transformation compared with Medibank, nib and Bupa.

Summary

HCF invested in technology that moved care closer to home, reduced pressure on hospitals and expanded access for regional members. Digital psychology supported early intervention, GP2U delivered virtual primary care seven days a week, and Cardihab replaced hospital-based cardiac rehab with a remote pathway. Website and app upgrades improved transparency and conversion through clearer product recommendations and easier claiming. Digital care shifted from a convenience feature to a scalable model that can reduce pressure on the broader system.

Key Innovations

- **GP2U Online GP Access:** Remote communities accessed bulk-billed GP consults seven days a week, supporting medication renewals, referrals and health plan reviews without travel or long wait times.
- **HealthyMinds Digital Psychology:** Telehealth psychology and teen-focused pathways removed geographic and stigma barriers, enabling early intervention and reducing escalation to crisis or hospital stays.
- **Digital Wellbeing Platforms:** Access to Daybreak, Sleepfit and THIS WAY UP gave members self-guided tools for alcohol support, sleep improvement and CBT, with more than 6,100 members engaged.
- **My Membership and Website Upgrades:** A redesigned retail platform delivered personalised product recommendations and easier quotes, improving conversion and reducing call centre demand. Members used the app for claims, cover changes and payments.
- **Cardihab Digital Cardiac Rehab:** Cardihab allowed personalised rehab from home through remote monitoring, medication tracking and clinician oversight. This reduced demand on specialist cardiac units and accelerated recovery for regional members.

HBF

Ranking: 5

Rationale

HBF completed a multi-year Transformation Program that modernised core systems and enabled automation. The mobile app became a central channel with 350,000 active users and "App of the Year" recognition. Digital navigation tools achieved zero readmissions for some cohorts, and hybrid care programs removed distance barriers. Multi-factor authentication strengthened digital security.

Justification

HBF made strong progress, but operates at smaller scale and with fewer platform-wide capabilities than competitors. The transformation lays a strong foundation, yet based on information provided, HBF lags behind larger funds in AI deployment and national digital reach.

Summary

Technology transformation was at the heart of HBF's innovation in 2025. With its multi-year Transformation Program completed, the organisation now operates on modern systems capable of delivering personalised, data-driven, and secure member experiences. Innovations in digital health programs and navigation set the stage for HBF to integrate AI and other emerging technologies.

Key Innovations

- **Transformation Program Completion:** This multi-year initiative modernised core systems, reducing administrative bottlenecks and unlocking opportunities for digital innovation. The transformation allowed HBF to automate processes, create scalable platforms, and prepare for AI-driven member services in the years ahead.
- **Mobile App Innovation:** The HBF app became the centrepiece of the member experience, supporting nearly 350,000 users. Enhancements included easier claims, health service bookings, and improved integration with provider tools. Winning "Mobile App of the Year" showed its effectiveness as both a functional and engaging digital tool.
- **Care Navigation Technology:** Technology-enabled care navigation guided high-needs members through recovery pathways, reducing hospital readmissions to zero for participants. By linking data, digital touchpoints, and human support, HBF demonstrated how technology can directly impact outcomes.
- **Virtual and Hybrid Health Programs:** Weight loss, osteoarthritis, and mental health programs were delivered in hybrid formats that blended telehealth, online resources, and in-person care. This flexible delivery model allowed members to participate regardless of location, removing geographic barriers to preventative care.
- **Strengthened Data Security:** Multi-factor authentication was introduced across digital channels, protecting member information and building digital trust. As members increasingly engage through online platforms, these measures are crucial for confidence in the system.

Organisational Sustainability (System & Regulation)

Organisational Sustainability is about a fund's ability to deliver strategy and resilience under regulatory, workforce, and governance constraints.

Why it matters

PHI is highly regulated, with APRA and ACCC oversight slowing agility. Workforce shortages, including a projected 70,000 nurse gap by 2035, increase cost pressures.

Internally, governance models favour large, low-risk projects, limiting innovation. ESG expectations are also rising, with investors favouring organisations with strong sustainability narratives.

Implications for insurers

- Delivery failures erode trust and credibility.
- Rigid governance constrains innovation.
- Workforce shortages threaten internal and external capacity.
- ESG factors increasingly influence stakeholder support.

Innovation levers

- Agile delivery models.
- Capability uplift in digital and data.
- Portfolio governance frameworks.
- Workforce strategy and partnerships.
- ESG integration and reporting.

Without organisational sustainability, even strong strategies stall. Agility and resilience are vital for relevance.

HCF

Ranking: 1

Rationale

HCF demonstrated the strongest evidence of long-term sustainability through disciplined capital management, market share growth, and reinvestment into member value rather than shareholder returns. An 89 percent benefit ratio sustained over a decade, combined with 4 percent membership growth in 2025, shows a resilient operating model in a constrained market. Net zero emissions, strong employee engagement and smooth CEO succession reinforce governance stability and organisational continuity.

Justification

HCF's sustainability is proven, measurable and systemic. It is not a short-term program or branding exercise, but a decade-long track record of affordability, strong culture and disciplined reinvestment. No other fund presents sustainability of this depth or duration in the information provided.

Summary

HCF delivered a sustainable operating model built on member value, disciplined capital management and long-term investment in health services. The fund maintained industry-leading benefit returns, strong membership growth and continued diversification into prevention and digital care. Net zero operations reduced environmental risk and strengthened social licence, while leadership continuity kept strategic execution on track. Sustainability was achieved through reinvestment in member outcomes rather than short-term shareholder returns.

Key Innovations

- **Industry-Leading Benefit Ratio:** HCF returned 89 cents in benefits per premium dollar across the past decade, reflecting disciplined capital management and a reinvestment model that prioritised affordability.
- **Market Share Growth:** Membership grew 4% in 2025, nearly double the industry rate. Across ten years, HCF gained more market share than any fund, supported by diversification into health services, prevention and digital care.
- **Net Zero Operations:** HCF achieved net zero Scope 1 and 2 emissions through greenpower and offsets, reducing long-term operational risk and aligning sustainability with financial stewardship and social licence.
- **Employee Engagement and Workforce Culture:** Engagement reached a five-year high of 76%. HCF was re-certified as a Family Friendly Workplace and reached Silver Tier Status in the Australian Workplace Equality Index.
- **CEO Succession and Leadership Continuity:** The internal transition from Sheena Jack to Lorraine Thomas in July 2025 demonstrated leadership depth and preserved momentum across digital transformation and member value strategy.

Medibank

Ranking: 2

Rationale

Medibank embedded sustainability across financial discipline, workforce modernisation, governance and ESG leadership. With $122 million in total productivity savings, a four-day work week trial supporting staff wellbeing, and Net Zero Scope 1 and 2 emissions, Medibank strengthened resilience while modernising workplace culture. Community investment and research funding reinforce its role in the wider health ecosystem.

Justification

Medibank's sustainability initiatives are broad and mature, balancing cost discipline with progressive workforce reform and ESG commitments. It ranks just behind HCF due to less evidence of sustained industry-leading benefit returns or growth metrics in the information provided.

Summary

Medibank is embedding sustainability into financial, social and environmental operations. Expense management has delivered consistent productivity gains, while cultural initiatives have reshaped how staff work and collaborate. Net Zero Scope 1 and 2 emissions have been achieved, supported by transparent reporting and re-baselined targets. Strengthened governance ensures compliance, while community and research investments demonstrate Medibank's broader contribution to the health ecosystem.

Key Innovations

- **Expense Management:** Medibank achieved $10 million in productivity savings in 2025, contributing to $122 million in total savings since 2017. This focus on cost discipline allows the fund to reinvest in customer-facing initiatives while keeping premiums affordable.
- **Work Reinvented Program:** The Work Reinvented program gave employees greater flexibility and autonomy, including a 4-day work week trial with 500 participants. The trial boosted wellbeing and productivity, demonstrating Medibank's commitment to building a modern, adaptive workplace.
- **ESG Commitments:** Medibank reached Net Zero Scope 1 and 2 emissions and re-baselined its pathway to reflect evolving expectations. Enhanced sustainability reporting through its ESG databook provides transparency for regulators, customers, and investors.
- **Governance Strengthening:** The adoption of APRA's operational risk standard and the Financial Accountability Regime reinforced Medibank's accountability framework. These measures underpin organisational resilience and ensure that risk management remains a priority.
- **Community Investment:** Medibank contributed $2.8 million to community programs and invested almost $1 million in research through its Better Health Research Hub. These initiatives extend its impact beyond insurance and reinforce its role as a leader in health.

nib

Ranking: 3

Rationale

nib demonstrated resilience through a diversified business portfolio, governance alignment to five ESG pillars, and disciplined capital management. Revenue diversification via NDIS, international insurance, and travel reduces PHI volatility risk. Transition to 100 percent renewable electricity in controlled locations, alongside inclusion and reconciliation plans, show that sustainability is embedded rather than symbolic.

Justification

nib is organisationally robust, financially disciplined, and ESG-aligned. While its model is forward-oriented, the scale of diversification and governance maturity place it behind HCF and Medibank based on the material provided.

Summary

nib maintained financial, operational, and social sustainability in 2025 through diversification, disciplined capital management, and workforce development. The Group balanced short-term pressures with long-term resilience, while embedding ESG into strategy and governance.

Key Innovations

- **Diversified Business Model:** Alongside PHI, nib's Thrive (NDIS), international students/workers insurance, and travel businesses contributed $45.3 million UOP, diversifying revenue and supporting resilience against sector volatility.
- **Workforce and Culture:** nib advanced its Disability Inclusion Action Plan and Innovate Reconciliation Action Plan, while also embedding new AI policy and governance frameworks. These strengthened culture, inclusion, and organisational alignment with purpose.
- **Capital Discipline:** A disciplined capital allocation framework supported dividends of 29c per share while investing in growth and transformation. This approach balanced shareholder returns with reinvestment into health and sustainability initiatives.
- **Sustainability Pillars:** nib aligned its ESG priorities to five pillars, with 2025 highlights including transition to 100% renewable electricity in all controlled locations, expanded early-in-career programs, and stronger fraud detection in Thrive.
- **Governance and Risk Management:** The Board and Management Risk & Sustainability Committee oversaw ESG performance, climate scenario planning, and responsible investment. This governance ensured organisational sustainability amid regulatory and reputational risks.

Bupa

Ranking: 4

Rationale

Bupa embedded sustainability through workforce capability, ESG missions, and governance integration. The Campus training platform supports upskilling in digital and clinical domains, while Mission Zero, Accelerate and Regenerate embed environmental stewardship at scale. Customer listening translates into tens of thousands of service improvements globally, demonstrating agility and continuous improvement.

Justification

Bupa is strategically aligned to sustainability and capability uplift, but fewer quantified outcomes are provided for financial discipline, membership growth, or long-term capital management relative to HCF, Medibank and nib. On available evidence, it sits fourth.

Summary

Bupa is embedding sustainability and capability-building into its operating model, ensuring resilience in the face of system pressures and workforce challenges. Profits are reinvested to strengthen digital platforms, workforce development, and environmental initiatives.

Key Innovations

- **Campus Workforce Platform:** The launch of Campus has given Australian employees access to global resources for skill-building in digital, clinical, and leadership areas. This investment supports workforce capability, improves retention in a competitive healthcare labour market, and prepares teams for emerging models of care.
- **Agile Culture and Service Improvement:** Bupa has embedded customer listening across its operations, generating thousands of improvement ideas and implementing over 10,000 service enhancements globally in the past year. In Australia, this approach ensures services continually adapt to member needs, building a culture of agility that is vital for long-term sustainability.
- **Sustainability Missions:** Mission Zero, Mission Accelerate, and Mission Regenerate underpin Bupa's environmental agenda in Australia. These commitments are integrated into core operations, from decarbonisation of facilities to nature-based community projects, linking environmental stewardship with health outcomes.
- **Healthy Cities as Staff Engagement:** Australian employees are actively participating in Healthy Cities programs, contributing to step challenges and regeneration activities. This not only builds healthier lifestyles for staff but also embeds Bupa's purpose into its workforce culture.
- **ESG Governance:** Sustainability oversight is embedded into governance structures, ensuring environmental, social, and ethical issues remain a core part of decision-making in Australian operations. This strengthens accountability and helps position Bupa as a trusted health partner.

HBF

Ranking: 5

Rationale

HBF's five-year HBF30 strategy, environmental targets and cultural reform show a clear intent to build a modern, resilient organisation. The cultural aspiration and leadership behaviours strengthen adaptability, while net zero commitments are more ambitious than some peers. Inclusive workforce practices support sustained capability and engagement.

Justification

While the direction is strong, evidence of proven financial resilience, growth outcomes or capital performance is less visible compared to larger funds. Based solely on the information provided, HBF ranks fifth.

Summary

HBF's innovations in organisational sustainability focused on embedding a culture of boldness, improving workforce capability, and aligning long-term environmental and governance commitments. These initiatives positioned HBF not only to survive, but to thrive as a modern, socially responsible health fund.

Key Innovations

- **HBF30 Strategic Roadmap:** This new five-year strategy moved beyond insurance to build a connected health ecosystem. It combined national growth, service expansion, and member empowerment in a way that diversifies revenue, reduces risk, and enhances resilience against future industry challenges.
- **Cultural Aspiration Statement:** Introduced in 2025, the statement "Be you, Be bold, Be HBF" encouraged staff to embrace authenticity and innovation. Backed by five new leadership behaviours, this framework reshaped culture around inclusivity, accountability, and the courage to test new approaches.
- **Sustainability Commitments:** HBF set bold environmental targets, including net zero Scope 1 and 2 emissions by 2030 and net zero overall by 2040. These goals required operational innovations such as energy efficiency programs, supplier changes, and waste reduction measures, linking organisational resilience to environmental responsibility.
- **Leadership Development Programs:** Investments in leadership capability ensured HBF's workforce could adapt to constant change. Programs emphasised resilience, psychological safety, and leading through ambiguity—skills critical for sustaining innovation.
- **Inclusive Workforce Practices:** HBF advanced gender equity, expanded paid parental leave, and launched diversity initiatives including Pride partnerships and menopause awareness. These measures strengthened staff engagement and long-term organisational health.

Relationships and Power

Relationships & Power refers to the dynamics between insurers, hospitals, specialists, and government.

Why it matters

Hospital viability is under strain, with Healthscope's failed sale in 2024 reflecting investor scepticism. AMA's 2024 report criticised insurers for prioritising profits over provider viability. Contract disputes create uncertainty for members. Specialists add further pressure with rising fees and reduced availability.

Government policy settings — from premium approvals to bargaining exemptions — shape power balances. The "circle of mistrust" between insurers, hospitals, clinicians and government slows reform.

Implications for insurers

- Disputes risk reputational and political fallout.
- Unsustainable hospital relationships drive higher costs.
- Specialist shortages worsen claims costs.
- Failure to collaborate risks entrenching mistrust.

Innovation levers

- Value-based contracts.
- Preferred provider networks.
- Joint ventures in new care models.
- Data sharing with providers.
- Policy advocacy to realign incentives.

The balance of power is shifting. Collaborative partnerships are essential to sustain system viability.

Medibank

Ranking: 1

Rationale

Medibank demonstrated the strongest influence across hospitals, providers and government. One-off hospital support funding doubled to $36.6 million, strengthening relationships at a time of financial strain. Expansion of No Gap and Members' Choice networks delivered tangible value for members and increased negotiating leverage. Government pilots, Amplar Health's growing footprint and reform advocacy further positioned Medibank as a system-shaping partner rather than a transactional payer.

Justification

Only Medibank shows simultaneous leadership in provider funding, contracting scale, government collaboration, network growth and sector advocacy. Its actions strengthen relationships, rebalance power and influence long-term reform.

Summary

Medibank has deepened partnerships with hospitals, providers and government to strengthen its influence across the health ecosystem. Funding support has helped private hospitals adapt and innovate, while expanded No Gap and Members' Choice networks delivered cost savings to members and reinforced negotiating leverage. Collaboration with government positioned the fund as a trusted partner in reform. By combining member benefits with provider and government partnerships, Medibank is shaping the balance of power in private healthcare.

Key Innovations

- **Hospital Partnerships:** Medibank provided $36.6 million in one-off support to private hospitals in 2025, double the previous year. This funding supported hospitals in their transition to new models of care and strengthened Medibank's position as a collaborative partner.
- **No Gap and Members' Choice Networks:** Expansion of these networks to 41 sites saved millions for members and enhanced Medibank's negotiating power with providers. The scale of these arrangements demonstrates how affordability initiatives also serve to rebalance relationships across the sector.
- **Government Collaboration:** Medibank partnered with the Federal Government on a virtual nursing pilot in aged care, aligning with reform priorities and positioning itself as an innovative collaborator. This strengthened its influence with policymakers and regulators.
- **Provider Network Growth:** Amplar Health expanded its reach into homecare for chemotherapy, dialysis, and palliative care. This growth not only benefited members but also increased Medibank's leverage in negotiations with providers by broadening its service ecosystem.
- **Reform Advocacy:** Medibank continued to advocate for affordability, prevention, and primary care reform, aligning its messaging with broader system challenges. These efforts enhanced its reputation as a leader in shaping the future of PHI.

Bupa

Ranking: 2

Rationale

Bupa used its scale to secure major hospital partnerships and embed collaboration into long-term agreements. Trials with Ramsay and other groups shifted care into the home and virtual rehabilitation, demonstrating a shared model of innovation rather than adversarial negotiation. Free telehealth and Connected Care centres deepened relationships with clinicians by integrating provision and insurance. Active engagement with policymakers strengthened Bupa's credibility as a system partner during reform.

Justification

Bupa sits just behind Medibank due to fewer quantified outcomes, but its partnership breadth and collaborative posture across hospital groups and clinicians signals significant influence within the ecosystem.

Summary

Bupa is leveraging its scale to strengthen relationships with providers, regulators, and communities. Its innovation agenda focuses on collaboration, shared value, and shifting dynamics in insurer–hospital relations.

Key Innovations

- **Hospital Partnership with Ramsay:** Bupa's partnership with Ramsay Health Care includes trials of Hospital at Home and virtual rehabilitation. These programs are reducing reliance on traditional inpatient care and demonstrate how insurers can use partnerships to reconfigure models of care delivery in Australia.
- **Agreements with Major Hospital Groups:** Multi-year agreements with St Vincent's, Mater, Healthe Care, and Healthscope give Bupa members predictable access to services while embedding collaboration on innovation pilots. These agreements stabilise relationships in a historically adversarial space, positioning Bupa as a constructive system partner.
- **Regulatory Engagement:** Bupa is actively working with state and federal governments to address affordability challenges and ensure the sustainability of private health insurance. By presenting Connected Care and digital health as solutions to systemic problems, Bupa is strengthening its influence in policy discussions.
- **Clinician Autonomy in Digital Care:** The design of Blua and Mindplace ensures clinical independence remains intact. This gives clinicians confidence in collaborating with Bupa's digital platforms, reinforcing trust and deepening professional relationships.
- **Community Partnerships:** Partnerships with organisations such as The Big Issue and Paralympics Australia show that Bupa is extending its relationships beyond the clinical sector. By engaging in broader social health initiatives, Bupa builds goodwill and strengthens its brand as a community-focused organisation.

HCF

Ranking: 3

Rationale

HCF exercised strong system influence through large No Gap contracting, giving members access to nearly 50,000 specialists and reducing billing disputes across hospitals. Its dental and eyecare networks removed intermediaries and lifted clinical quality. Partnerships with Victor Chang and the Royal Flying Doctor Service broadened reach beyond metro hospitals, supporting rural access and clinical excellence. Research funding translated into improved provider practice, building credibility with clinicians and hospitals.

Justification

HCF's influence comes from scale in No Gap contracting and credible research partnerships. Based on available information, its ecosystem reach is narrower than Medibank and Bupa.

Summary

HCF combined network scale, research funding and targeted community partnerships to improve cost, quality and access. No Gap contracting reduced billing conflict and strengthened negotiating power with hospitals and specialists. Research investments translated into real clinical improvements in high-risk settings, while the Royal Flying Doctor Service partnership expanded access to frontline care in remote communities.

Key Innovations

- **No Gap Provider Networks:** Close to 50,000 specialists delivered No Gap or Known Gap care, giving HCF greater leverage in price negotiations and clinical contracting. Members gained access to affordable care and hospitals benefited from predictable revenue and smoother billing processes.
- **HCF Dental and Eyecare Network:** Members accessed care through 16 dental centres and eight eyecare centres, achieving consistently high clinical satisfaction. These networks removed intermediaries, improved quality control, and lowered members' out-of-pocket costs.
- **Partnership With Victor Chang Cardiac Research Institute:** The Heart and Diabetes screening program delivered early detection into primary care pathways. HCF connected members with GPs and health coaches, demonstrating coordinated care between fund, provider and clinician.
- **Royal Flying Doctor Service and Rural Access:** The partnership with the Royal Flying Doctor Service expanded essential healthcare to regional and remote communities. By embedding primary care access where GP shortages are acute, HCF reduced avoidable hospital admissions and improved early detection.
- **Research and Provider Partnerships:** The HCF Research Foundation invested $3.4 million into innovations spanning surgery, aged care, hospital safety and addiction recovery. Research translated into real-world clinical outcomes that providers adopted, showing HCF's role in influencing practice, not just paying claims.

nib

Ranking: 4

Rationale

nib advanced a payer-to-partner model through long-term hospital contracts, joint committees, dynamic indexation and at-home service coverage. Known Gap and No Gap initiatives strengthened ties with providers, while First Choice Dental expanded affordable access. Government alignment on scheme integrity, anti-fraud work in Thrive, and partnerships with NGOs broadened nib's influence beyond traditional PHI.

Justification

nib is clearly collaborative, but operates at smaller scale than the major national funds. Its influence is growing, yet less extensive than Medibank, Bupa or HCF in the material provided.

Summary

nib leveraged partnerships with hospitals, providers, and community organisations to strengthen its influence and improve member outcomes. In 2025, the insurer advanced a payer-to-partner model, building trust with stakeholders and reshaping relationships within the health ecosystem.

Key Innovations

- **Hospital Partnerships:** Long-term agreements with hospital groups like St Vincent's established joint committees, indexation models, and coverage for at-home services. These contracts improved certainty for providers while securing value for members.
- **Provider Networks:** Expansion of the First Choice Dental Network and Known Gap arrangements positioned nib as a leader in tackling out-of-pocket costs. This strategy deepened relationships with healthcare providers and improved system efficiency.
- **Government Engagement:** nib managed premium approvals and regulatory compliance while advocating for sustainable PHI and NDIS reforms. Its commitment to fraud detection in Thrive demonstrated alignment with government objectives for scheme integrity.
- **Community and NGO Partnerships:** Through nib foundation, the Group partnered with Lifeline, Diabetes Australia, and Cancer Council, aligning with community power centres to amplify prevention and health equity.
- **Cross-Sector Collaborations:** Midnight Health and Honeysuckle Health integration illustrated how nib is partnering across health-tech and data sectors to expand its reach and capability beyond traditional insurance.

HBF

Ranking: 5

Rationale

HBF invested in policy engagement, national service access and innovative community partnerships. Its membership of the Federal CEO Forum ensured representation at high-level reform discussions. The Esus Centre partnership moved eating disorder treatment into supportive community settings, while Pacific Smiles extended national dental access. Hospital and provider agreements maintained broad access and strengthened negotiating leverage.

Justification

HBF's approach is credible and respected, but information provided shows a smaller national footprint and less evidence of large-scale influence on hospitals, clinicians or policy compared with other funds.

Summary

HBF leveraged partnerships and policy engagement to strengthen its influence in the healthcare ecosystem. Its approach was less about transactional contracting and more about reshaping where and how care is delivered, while also amplifying its voice in reform discussions.

Key Innovations

- **Policy Leadership:** By participating in the Federal CEO Forum, HBF contributed directly to national reform agendas. This gave the fund visibility and influence alongside government, hospitals, and other insurers, ensuring its member-focused perspective shaped system design.
- **Esus Centre Partnership:** HBF partnered with the Esus Centre to provide community-based treatment for eating disorders. Expanding access to people as young as 12 was a significant innovation in early intervention, shifting care outside hospitals into more supportive environments.
- **Research and Innovation Grants:** HBF's funding of melanoma trials and fatherhood health studies demonstrated its role as a health innovation partner. These grants helped bring cutting-edge therapies and new insights into the system, extending HBF's impact beyond insurance.
- **National Service Access:** The Pacific Smiles partnership enabled members outside WA to access dental benefits at over 120 locations. This expanded HBF's national presence and strengthened its negotiating position in broader healthcare relationships.
- **Hospital and Provider Networks:** With agreements across 590 hospitals and 43,000 providers, HBF ensured members had broad access while maintaining leverage in negotiations. Its focus on innovative contracting helped secure high rates of No Gap services.

Staying Well (Wellness and Prevention)

Staying Well refers to the need for prevention, early intervention, and comprehensive mental health support in PHI.

Why it matters

AIHW highlights chronic disease as the dominant system burden, while OECD data shows high avoidable hospitalisations in Australia. The Wesfarmers Health Index shows 26% of adults obese, 29% with high blood pressure, and nearly half at cardiometabolic risk.

Mental health claims are rising since 2019 reforms, with Medibank investing $50m in new programs. McKinsey research shows younger consumers prioritise mental health and wellbeing, expecting insurers to play an active role.

Implications for insurers

- Ignoring prevention increases claims inflation.
- Retreating from mental health erodes trust.
- Younger cohorts expect wellbeing support.
- Prevention investment is essential for sustainability.

Innovation levers

- Stepped-care mental health pathways.
- Digital therapeutics and apps.
- Prevention incentives for lifestyle change.
- Community and primary care partnerships.
- Data-driven prevention strategies.

Prevention and mental health are the frontline of PHI's future. Funds that invest here will earn trust and reduce costs.

Medibank

Ranking: 1

Rationale

Medibank delivered the most comprehensive and measurable prevention and wellbeing program in the sector. More than 931,000 members engaged in Live Better Rewards, redeeming $32.8 million, and 283,000 enrolled in prevention programs. A $50 million mental health investment expanded psychology access and piloted psychotherapy services. Community partnerships and research collaborations increased reach well beyond insurance.

Justification

No other fund combines scale, financial incentives, prevention delivery and mental health investment at this level. Medibank sets the benchmark for holistic wellbeing.

Summary

Medibank has scaled prevention, wellbeing, and mental health initiatives to help members stay well for longer and reduce long-term claims. Live Better Rewards provides a tangible financial benefit while incentivising healthy behaviour, with participation exceeding 900,000 members. Prevention programs now reach hundreds of thousands, and significant new investment has been committed to mental health access and innovation. Community and research partnerships extend Medibank's reach beyond insurance, positioning it as a broader health and wellbeing leader.

Key Innovations

- **Live Better Rewards:** More than 931,000 members participated in the program in 2025, redeeming $32.8 million in rewards. By offering financial benefits alongside health incentives, Medibank is driving healthier behaviour while offsetting premiums for engaged members.
- **Prevention and Wellbeing:** Prevention program enrolments doubled to 283,000, with offerings such as Better Knee, Better Me and digital programs targeting heart and back health. These initiatives address chronic disease risk factors while enhancing quality of life for members.
- **Mental Health Investment:** Medibank committed $50 million over five years to expand psychology benefits, pilot psychotherapy services, and support national awareness campaigns. This investment reflects a recognition that mental health is both a major health challenge and a driver of long-term claims.
- **Research Partnerships:** Collaborations with universities and groups such as RACGP and Orygen advanced research into prevention and mental health. These partnerships support innovation while strengthening Medibank's credibility as a leader in health.
- **Community Health Initiatives:** Medibank backed initiatives such as parkrun, the AFLW, and the Ending Loneliness campaign, reinforcing its role in supporting healthy, connected communities. These programs extend value beyond insurance and align with broader health outcomes.

HCF

Ranking: 2

Rationale

HCF delivered powerful early intervention and digital prevention across mental health, chronic disease, and family wellbeing. HealthyMinds provided remote psychology including dedicated teen pathways, while digital wellbeing platforms reached 6,100+ members. Cardiac and diabetes screenings identified elevated risk in 72 percent of participants, with rapid GP referrals and follow-up. Family programs built early resilience and reduced long-term clinical risk.

Justification

HCF's prevention strategy is clinically credible and outcome-focused. The scale is smaller than Medibank's, but the depth of early detection and mental health access ensures high impact.

Summary

HCF prioritised prevention and early intervention to reduce avoidable hospital use and keep members healthy at home. Digital programs supported alcohol reduction, sleep improvement and anxiety management, while HealthyMinds Check-in delivered remote psychology sessions with new pathways for teens. Cardiac and diabetes screening moved detection upstream and connected members to GPs quickly. Family programs strengthened early health literacy and resilience, helping reduce long-term clinical risk. Prevention shifted from a support service to a core component of member value.

Key Innovations

- **HealthyMinds and Teen Support:** Telehealth psychologists supported early intervention, tailored advice and referrals, preventing escalation to hospital-level mental health care. Teen-specific sessions provided structured support for young people during a period of rising youth mental health claims across the industry.
- **Digital Wellbeing at Scale:** Daybreak, Sleepfit and THIS WAY UP allowed members to self-manage alcohol, sleep and mental health concerns from home. More than 6,100 members engaged in digital programs, reducing barriers to treatment and supporting prevention at scale without extra clinician load.
- **Heart and Diabetes Health Checks:** Screening for cholesterol, blood pressure and HbA1c enabled early detection of cardiovascular and diabetes risk. With 72% of screened members presenting elevated risk factors, the program accelerated follow-up care and referrals.
- **COACH Program® and Chronic Disease Support:** HCF's multidisciplinary clinical team supported more than 700 members with personalised plans to manage cardiac and diabetes risk. Members learned to improve diet, control blood pressure, understand medications and make sustainable lifestyle changes.
- **Healthy Families and Child Wellbeing:** Families accessed Calm Kid Central, Healthy Families for Life and online childbirth education to strengthen mental health, nutrition and early health literacy. These platforms improved resilience in younger members, reducing risk of high-cost clinical interventions later in life.

Bupa

Ranking: 3

Rationale

Bupa integrated prevention across digital health, dental, chronic disease support, and community wellbeing. Free Blua telehealth gave members early access to care, while structured chronic disease programs offered coaching and monitoring. AI screenings in optical clinics detected cardiovascular risk in routine moments. Community initiatives such as Healthy Cities and Foundation-funded vaccination programs extended prevention beyond insured members.

Justification

Bupa's ecosystem blends digital, physical, and community health. It ranks below Medibank and HCF due to fewer quantified outcomes and smaller reported program scale in the information provided.

Summary

Bupa is embedding prevention and wellness across its Australian business, shifting its role from claims payer to proactive health partner. Initiatives span digital, physical, and community interventions that help members stay healthier for longer.

Key Innovations

- **Telehealth for Preventive Care:** Free Blua consultations encourage members to engage with care earlier, whether for minor health concerns or chronic condition check-ins. This lowers barriers to proactive care, reduces the risk of conditions escalating, and supports a culture of prevention within the insurance model.
- **Chronic Disease Digital Programs:** Blua includes structured programs for diabetes, asthma, and cardiac rehabilitation. These provide ongoing coaching and monitoring, empowering members to manage their health actively and reducing reliance on costly hospital interventions.
- **Preventive Dental Access:** By offering gap-free dental check-ups and general fillings, Bupa is embedding prevention into everyday health maintenance. This approach reduces the risk of more complex oral health issues, which often have links to broader systemic disease.
- **AI-Based Health Screening:** The introduction of AI-driven Microvascular Health Assessments in optical clinics allows members to detect early signs of cardiovascular risk during routine eye tests. This innovation makes preventive screening more accessible and cost-effective.
- **Community and Foundation Programs:** Through its Foundation, Bupa funds initiatives such as free flu vaccinations for disadvantaged Australians and supports the Healthy Cities program. These activities strengthen Bupa's role as a proactive partner in community health and wellbeing.

nib

Ranking: 4

Rationale

nib invested in prevention through large-scale digital partnerships, chronic disease programs, and health literacy. More than 478,000 Australians accessed prevention tools through the nib foundation, while 22,000+ enrolled in chronic disease programs. Health literacy reached 121,000 members, improving engagement and self-management. Access for vulnerable cohorts and remote communities supported equity.

Justification

nib is strong on digital-first and community prevention, but lacks the scale of behavioural incentive programs seen in Medibank or the large screening initiatives of HCF. Its ranking reflects credible impact but smaller footprint based on available data.

Summary

nib focused on prevention, wellness, and equity in 2025, supporting healthier lives for members and communities. Initiatives included chronic disease programs, digital health supports, and community partnerships that reduced risk factors and improved quality of life.

Key Innovations

- **Prevention Partnerships:** The nib foundation reached nearly 480,000 people through prevention programs targeting alcohol, mental health, and sleep. These supported individuals in making positive lifestyle changes and aligned with nib's Staying Well agenda.
- **Chronic Disease Support:** Honeysuckle Health enrolled over 22,000 members in chronic disease programs, while Midnight Health delivered weight management support and GLP-1 access. Together, these helped people manage conditions proactively.
- **Health Literacy and Education:** More than 121,000 customers engaged with health literacy programs, coaching, or telehealth GP consultations. These initiatives empowered members with tools and knowledge to stay well.
- **Equity in Access:** nib extended access for vulnerable groups, including First Nations communities, international workers, and remote residents. Initiatives like iwi programs in NZ and the Bourke Pathways project in NSW addressed gaps in care.
- **Wellbeing at Home:** Expansion of home-based healthcare through hospital partnerships provided members with safe recovery options in familiar settings. This supported both patient wellbeing and reduced system costs.

HBF

Ranking: 5

Rationale

HBF developed a prevention identity centred on mental health recovery, lifestyle support, and community participation. The Mind Matters Recovery Program provided personalised, stepped-care mental health over six to nine months. No Gap dental and physio reduced cost barriers to preventative care. Weight, lifestyle, and physiotherapy programs supported healthier habits, while Run for a Reason mobilised 40,000 participants and raised $2 million for charity.

Justification

HBF's approach is member-focused and meaningful, but operates at a smaller scale than national competitors. Based only on the information provided, the reach and impact are lower than Medibank, HCF, Bupa and nib.

Summary

HBF positioned wellness and prevention at the core of its identity in 2025. Innovations spanned mental health, preventative care networks, lifestyle programs, and community engagement. These initiatives moved beyond insurance to active partnership in keeping members healthy.

Key Innovations

- **Mind Matters Recovery Program:** This personalised program supported members with mental health challenges through a six to nine-month recovery journey. With flexible delivery via video, phone, or in-home visits, it empowered members to regain confidence and reduce risk of relapse.
- **Preventative Care Networks:** Expanded dental and physio services, supported by No Gap offers, helped members engage with preventative care at scale. Uptake growth highlighted how reducing cost barriers translates into healthier behaviours and fewer future complications.
- **Lifestyle and Weight Programs:** Evidence-based programs such as CSIRO weight management and COACH addressed lifestyle risks. These interventions supported thousands of members to lose weight, improve diet, and manage cardiovascular health, building a stronger prevention ecosystem.
- **Run for a Reason Community Impact:** With 40,000 participants raising over $2m, this flagship event blended health promotion and social purpose. It demonstrated how insurers can use community activation to encourage physical activity and connect members with a broader health mission.
- **At-home Physiotherapy:** The expansion of Life Ready Mobile brought physiotherapy directly into members' homes. This was especially valuable for those recovering from surgery or with mobility challenges, extending access to preventative and rehabilitative care.

Competitive Strategies

Medibank

Medibank's 2025 strategy reflects a deliberate shift from traditional health insurance towards a broader, innovation-led health ecosystem. The company's competitive approach centres on affordability, system reform, and customer experience, supported by investment in new models of care, data-driven prevention, and sustainability. Innovation is not treated as a separate function but as the mechanism through which Medibank differentiates itself in a market shaped by regulation, affordability pressures, and rising consumer expectations.

Affordability and Value

Innovation is used to address one of the industry's most persistent challenges: rising healthcare costs and affordability. Medibank's 2025 premium increase was kept below the industry average, signalling discipline in price-setting and awareness of cost-of-living pressures. The company returned $1.71 billion to members through cash backs, extras rollovers, delayed increases, and Live Better rewards, creating immediate and visible value. Its expanding No Gap program became a core differentiator, helping attract value-conscious members and reinforcing Medibank's position as a fund that delivers fairness and transparency. Together, these initiatives blend short-term affordability measures with longer-term structural innovation to maintain competitive advantage.

Care Delivery Innovation

Medibank's competitive advantage increasingly lies in its ability to deliver care rather than simply fund it. Amplar Health has become a strategic differentiator, enabling care to shift from hospitals into homes and virtual settings. In 2025, Amplar Health programs saved 177,000 hospital bed days, the equivalent of three medium-sized private hospitals operating at full capacity. Short-stay and No Gap hospitals, transition care partnerships, and virtual nursing pilots have extended Medibank's reach across the continuum of care. This model allows Medibank to control more of the value chain while addressing one of the system's biggest cost drivers: hospital dependency.

Customer Experience and Trust

Medibank's innovation strategy places trust and simplicity at its core, reshaping how customers interact with and perceive their health fund. The No Gap program provides transparency on costs, eliminating surprise medical bills that have historically eroded trust in PHI. Customer service teams were restructured into local hubs, allowing members to speak with staff based in their communities, while ahm simplified support to enable direct resolution of issues. The Live Better rewards program created a direct link between healthy behaviour and tangible financial value, with $32.8 million redeemed in 2025. Digital improvements to the My Medibank app and proactive cover reviews on ahm further strengthened ease of use and loyalty.

Digital and AI-Enabled Transformation

Medibank has invested heavily in technology to make its business more scalable, personalised, and efficient. Artificial intelligence has been introduced across claims processing and customer support to simplify interactions and improve responsiveness. A formal AI Governance Policy ensures ethical and secure deployment, maintaining trust while modernising operations. The company invested $6 million to expand its virtual health platform, which delivered over 1.4 million consultations in 2025. Prevention programs such as Back Smart and Heart Wise were digitised to reach members at scale, while upgrades to the My Medibank app provided clearer product comparisons and hospital eligibility checks. Together these initiatives make Medibank a technology-enabled health company, not just an insurer.

Organisational and System Sustainability

Sustainability is a core part of Medibank's competitive strategy, underpinning its ability to keep delivering affordable health services over time. The company achieved Net Zero Scope 1 and 2 emissions in 2025 and continues to strengthen reporting through an enhanced ESG databook. Productivity and expense management delivered $10 million in savings for the year, contributing to $122 million saved since 2017. Internally, the Work Reinvented program, including a 4-day work week trial for 500 employees, demonstrated Medibank's commitment to flexibility, wellbeing, and performance. These internal innovations support a culture that is agile, resilient, and able to adapt to sector pressures.

Health Ecosystem Integration

Medibank is positioning itself at the centre of Australia's private health ecosystem through strategic partnerships and system-wide innovation. Amplar Health connects Medibank to primary care, homecare, and virtual care, giving the company greater visibility and influence across the health journey. Collaboration with the Federal Government on the virtual nursing pilot and partnerships with hospitals through $36.6 million in transition funding have strengthened Medibank's reputation as a trusted system partner. Investments in mental health, transition care, and research with groups such as Orygen and the RACGP reinforce its ability to shape the future of care, rather than simply respond to it.

Summary Insight

Medibank's competitive strategy in 2025 uses innovation as a unifying force across every dimension of its business. Affordability, customer experience, digital capability, care delivery, sustainability, and ecosystem influence are all connected through an innovation lens. The company's transformation from health insurer to integrated health organisation is well advanced, positioning Medibank to compete effectively against both traditional insurers and emerging digital health players.

Strategic Evolution

Between 2024 and 2025, Medibank evolved from a digital-first health insurer to a system innovator focused on affordability, integrated care, and sustainability. Its innovation strategy moved beyond convenience and technology to reimagine how healthcare is delivered and funded. This shift marked a transition from enabling digital access to shaping the broader private health ecosystem.

2024 Focus: Digital Transformation and Preventative Health

In 2024, Medibank's innovation strength came from digital transformation and customer experience. The MyMedibank app and Live Better program were central, giving members easy access to their health cover, wellness tools, and rewards for healthy behaviour.

Innovation activity focused on technology as the enabler of engagement and efficiency:

- Telehealth expansion through Amplar Health and Myhealth GP networks improved access to care.
- AI-assisted customer support resolved half of member queries, improving service responsiveness.
- Preventative health initiatives used digital tools to promote lifestyle change and early intervention.
- Partnerships with technology firms such as Amwell strengthened chronic disease and mental health support.

Medibank's 2024 innovation strategy positioned it as a digital-first, prevention-focused health insurer, using technology to improve convenience, experience, and long-term health outcomes.

2025 Focus: Integrated Care, Affordability, and System Reform

By 2025, Medibank's innovation agenda matured into a system-wide strategy that directly addressed cost, access, and sustainability. The launch of Adeney Private Hospital in Kew, developed in partnership with Nexus Hospitals, became a landmark initiative in value-based healthcare. This short-stay, No Gap model showed how innovation in funding and delivery could eliminate out-of-pocket costs and improve affordability.

Amplar Health emerged as a key differentiator, managing care transitions and home-based recovery that saved 177,000 hospital bed days across the year. Innovation expanded into operational and organisational domains, with Medibank achieving Net Zero Scope 1 and 2 emissions, improving productivity by $10 million, and piloting a four-day work week to support employee wellbeing.

In 2025, innovation was positioned as a strategic lever for system change, not just member experience. Medibank began competing through its ability to create value across the entire health journey, from prevention to recovery.

Key Shifts in Strategy

Theme	2024 Focus	2025 Shift
Innovation Scope	Technology-driven transformation	System-led reform and integrated care
Core Objective	Member experience and digital convenience	Affordability, sustainability, and long-term system impact
Innovation Vehicle	Apps, telehealth, AI, and rewards	No Gap models, short-stay care, Amplar Health, ESG
Partnership Model	Technology collaborations	Provider and system partnerships
Positioning	Digital-first health insurer	Health company shaping system reform

Summary Insight

Medibank's evolution reflects a deliberate shift from innovation as technology to innovation as transformation. Its focus now spans affordability, access, care design, and environmental sustainability, positioning Medibank as both a market leader and a reform partner within the broader healthcare ecosystem.

Bupa

Bupa's competitive strategy in 2025 focuses on transforming from a traditional health insurer into an integrated health partner. Innovation is being used as both a differentiator and a driver of long-term sustainability, allowing Bupa to compete on the quality, accessibility, and connectedness of care rather than on price alone. Through digital integration, new care delivery models, and a stronger focus on prevention, Bupa is building a competitive advantage that extends beyond the boundaries of private health insurance.

Redefining the Business Model Through Connected Care

The centrepiece of Bupa's innovation strategy is the expansion of Connected Care, which brings insurance and healthcare provision together. In 2025, Bupa opened 18 new medical centres across Australia, offering GPs, allied health, and diagnostics in integrated, community-based settings. This model allows members to access care earlier and more conveniently, reducing claims inflation by preventing avoidable hospital admissions. By owning and operating care delivery, Bupa is building a competitive position based on access, experience, and data that goes beyond what traditional insurers can offer.

Scaling Digital Health to Broaden Access and Lower Costs

Digital innovation is a key pillar of Bupa's strategy. The Blua Health platform provides virtual GP consultations, mental health support, and personalised wellness programs. In 2025, Bupa introduced three free telehealth consultations per policy each year, improving affordability and setting a new benchmark for digital healthcare inclusion. Blua integrates virtual care with online pharmacy fulfilment and digital claims processing, making it easier for members to manage their health in one place. This approach positions Bupa as a technology-driven organisation that competes through accessibility, convenience, and value.

Innovating in Mental Health as a Strategic Growth Area

Bupa continues to invest in mental health infrastructure through the launch of Mindplace clinics, purpose-built centres offering early and affordable access to psychological support. These facilities ease pressure on public systems while extending Bupa's reach into a high-growth health category. By investing in early intervention and community-based care, Bupa is improving outcomes for members while reducing the long-term cost burden on the system. This strategy reinforces the company's reputation as a partner in improving national health outcomes rather than a passive payer of claims.

Embedding Prevention and Personalisation Across the Ecosystem

Bupa's innovation agenda places growing emphasis on prevention, early detection, and personalisation. Free dental check-ups and fillings, AI-based cardiovascular screening through Bupa Optical, and the community-focused Healthy Cities program encourage members to take proactive steps in managing their health. These initiatives strengthen loyalty and trust while reducing the frequency and severity of claims over time.

Investment in genomics and data analytics is also allowing Bupa to personalise care pathways and prevention programs, enabling more targeted interventions and building deeper customer relationships.

Building Organisational Agility and Capability

Bupa's ability to innovate consistently is supported by a strong internal foundation. The company's 3x100 strategy sets clear priorities to reach 100 million customers, achieve a Net Promoter Score of 100, and operate with 100 percent digital capability. In Australia, initiatives such as the Campus workforce platform and agile improvement processes have embedded innovation into everyday operations. Thousands of service enhancements are implemented each year based on member feedback. This capability ensures that innovation is not episodic but continuous, allowing Bupa to adapt faster than competitors and respond effectively to evolving market conditions.

Leveraging Partnerships for System-Level Impact

Bupa is extending its innovation strategy through partnerships that reshape care delivery across the broader health system. Multi-year agreements with Ramsay Health Care, St Vincent's, Healthscope, and Mater include pilots of Hospital at Home programs and virtual rehabilitation models. These initiatives enable patients to recover safely at home, improving outcomes while reducing hospital costs. Bupa's collaboration with providers and governments positions it as a trusted partner in driving affordability and sustainability for the Australian health system, enhancing its strategic influence beyond the private insurance market.

Aligning Innovation to Competitive Strategy

Bupa's innovation activity is tightly aligned with its overall competitive strategy to provide integrated, technology-enabled, and human-centred healthcare. The combination of Connected Care, digital-first services, and preventive health programs allows Bupa to offer an experience that is difficult for competitors to replicate. Its ability to deliver care directly, personalise digital health through Blua, and anchor its brand in prevention creates both defensive strength and growth potential.

Through this integrated approach, Bupa is competing by redefining what it means to be a private health insurer. Innovation is not limited to new products or technologies but represents a shift in how Bupa creates value for members, partners, and the health system. By investing in connected care, digital access, and prevention, Bupa is building a long-term advantage based on trust, relevance, and healthier communities.

Strategic Evolution

Between 2024 and 2025, Bupa's innovation strategy shifted from integration to acceleration. In 2024, the focus was on embedding its Connected Care framework, aligning digital, physical, and preventative health services under one ecosystem. By 2025, that foundation evolved into a sharper execution focus, marked by the launch of market-defining initiatives such as free telehealth for members, expansion of Blua Health, and renewed investment in affordability, prevention, and digital enablement.

Bupa's innovation agenda now extends beyond enhancing care access to reshaping how Australians experience and engage with their health insurer.

2024 Focus

In 2024, Bupa's innovation strategy was centred on consolidating its Connected Care model and building system readiness for scalable transformation. The insurer focused on integrating its diverse care assets, including aged care, dental, optical, and insurance, to deliver a more seamless member experience.

Innovation in 2024 was primarily expressed through pilot programs and digital integration efforts. The expansion of the Blua Health platform positioned Bupa as a hybrid care provider, combining virtual and in-person care. Investment in sustainability and preventative health was also evident, aligning with Bupa's "People, Planet, Purpose" framework.

Bupa's strategy aimed to strengthen its operational foundations and reputation as a trusted, accessible insurer. Initiatives like improved customer data integration, enhanced claims efficiency, and partnerships supporting aged care innovation demonstrated intent to modernise its delivery systems, although most activity remained within its existing ecosystem.

2025 Focus

In 2025, Bupa's innovation strategy moved from consolidation to market leadership, defined by three core priorities: access, affordability, and digital care expansion. The most visible step was the introduction of free telehealth consultations for members through the Blua Health platform, marking a significant milestone in Bupa's Connected Care journey. This initiative positioned Bupa as the first major insurer to embed proactive digital healthcare access directly within its products, linking affordability with innovation.

The 2025 focus also included scaling new partnerships and internal technology capability to support this ecosystem. The insurer invested in AI-driven service enhancements, member-centric app functionality, and virtual primary care pathways. Bupa's innovation narrative evolved from efficiency-driven integration to member-led transformation, with initiatives designed to strengthen trust, simplify health journeys, and deliver measurable value.

In parallel, Bupa continued to emphasise sustainability, with innovation linked to its Net Zero 2040 goal and community partnerships targeting mental health and wellbeing. Its strategy positioned innovation as both a growth driver and a social differentiator, connecting brand purpose with tangible member outcomes.

Key Shifts in Strategy

Theme	2024 Focus	2025 Focus
Scope of Innovation	Integration within Connected Care ecosystem; pilot digital and service models	Acceleration and scaling of digital-first initiatives, including nationwide telehealth access
Strategic Objective	Build trust and system readiness for transformation	Deliver accessible, affordable, and proactive digital healthcare
Primary Vehicle	Connected Care integration and sustainability programs	Blua Health platform and digital member experience as core enablers
Partnerships	Focused on provider collaboration and system integration	Expanded to include digital health, pharmacy, and delivery partners supporting virtual care
Positioning	Trusted multi-channel health partner	Market leader in affordable, technology-enabled healthcare access

Summary Insight

Bupa's innovation strategy has evolved from system integration to consumer activation. In 2024, the insurer laid the groundwork through Connected Care and sustainability commitments. By 2025, it began translating those investments into visible member value, using digital health access as both a competitive differentiator and a response to cost-of-living pressures. The shift marks Bupa's transition from modernising processes to reimagining its role in Australia's healthcare system.

HCF

HCF competes on value returned to members, trust leadership, and practical affordability. As Australia's largest not-for-profit fund, it reinvests surplus into benefits, No Gap arrangements, prevention, and digital access. The result is lower out-of-pocket exposure, simpler journeys, and a brand that members view as dependable during cost-of-living pressure. Membership growth outpaced the industry and trust and satisfaction leadership remained a core strength.

Affordability and Value

HCF anchors its position in measurable value, returning more in benefits per premium dollar than the industry average over the long term. Cost relief shows up in day-to-day life through HCF Thank You savings and in care settings through No Gap extras and Known Gap hospital arrangements. Price discipline, product flexibility and visible savings combine to protect household budgets and strengthen retention.

No Gap Care and Cost Certainty

HCF scales cost certainty as a competitive lever. The majority of in-hospital medical services are delivered with No Gap or a Known Gap, cutting bill shock and making treatment decisions easier. Dr Gap and Find-a-Provider tools turn specialist fees into actionable information, while No Gap Day Surgery and targeted programs such as No Gap Joints improve predictability for common procedures.

Care Delivery Innovation

The fund is shifting care from hospitals into lower-cost, member-centred settings. Treatment at Home programs fund nurse-led and clinically supervised care in the home, supported by virtual monitoring and clear escalation pathways. Targeted trials in areas like dialysis and post-acute care shorten length of stay, reduce readmissions, and preserve hospital capacity without compromising safety.

Customer Experience and Trust

Trust is a strategic asset and is backed by service changes that members feel. Complex claims are resolved faster through specialist support teams. A refreshed Voice of Customer program feeds changes into operations, with dozens of member-driven improvements delivered across the year. Digital claiming and clearer cover information reduce effort and increase confidence.

Digital Access and Everyday Ease

HCF invests in technology that removes friction. The My Membership app and website upgrades improve quoting, claiming, and benefit visibility. BookNow enables real-time dental bookings, while online GP access and digital psychology provide care without travel or long waits. Digital is positioned as a scalable delivery model, not just a service channel.

Ecosystem and Partnerships

HCF couples its member-owned position with partnerships that extend capability and influence. Hospital and specialist networks enable No Gap contracting at scale. The HCF Research Foundation translates research into safer practice, and national community partners expand reach into rural and remote Australia. These relationships strengthen HCF's role as a system partner, not only a payer.

Organisational and System Sustainability

HCF links operational discipline with purpose, including net zero for scopes 1 and 2, a strong benefit ratio, and continued membership growth. The combination of affordability, predictable costs, and prevention builds resilience for members and for the fund, supporting long-term competitiveness without chasing price leadership.

Summary Insight

HCF competes by turning not-for-profit status into everyday value, reliable cost certainty, and scalable care outside hospital. The blend of No Gap scale, prevention, digital access, and service responsiveness creates a defensible position built on affordability and trust rather than sheer size.

Strategic Evolution

HCF is evolving from a traditional insurer into a value-led health services organisation that uses prevention, cost certainty, and home-based care to manage claims growth and improve experience. The strategy has shifted from improving products and service to redesigning where and how care is delivered, with digital and at-home models at the centre.

2024 Focus

In 2024 the emphasis was on strengthening value and service foundations. HCF leaned into its not-for-profit credentials, expanded No Gap access, and improved digital self-service through app and web upgrades. Prevention and early intervention programs gained traction, supported by research and community partnerships that reinforced brand trust and social licence.

2025 Focus

In 2025 HCF progressed from foundations to scale. Treatment at Home funding and targeted trials moved common episodes out of hospital. Cost certainty accelerated through broader No Gap and Known Gap adoption, supported by tools that made provider costs transparent before treatment. Digital access matured from convenience to delivery, with telehealth psychology, online GP access, and real-time bookings embedded in the core experience. Brand investment and operational improvements turned trust leadership into a clearer competitive identity.

Key Shifts in Strategy

Theme	2024 Focus	2025 Focus
Scope of Innovation	Improving value and service through No Gap expansion, digital self-service and product refinement	Redesigning care delivery through treatment at home, digital health access and hospital substitution
Primary Objective	Strengthen trust, affordability and everyday experience	Reduce out-of-pocket exposure and hospital reliance through scalable alternative care models
Delivery Model	Digital convenience and member support tools	Digital and home-based care as core pathways, supported by virtual monitoring and specialist escalation
Affordability Mechanism	No Gap extras, simpler products, loyalty benefits	Known Gap hospital pricing, No Gap Day Surgery, and tools that make specialist costs transparent
Partnerships	Network participation and research sponsorship	System influence through home-care trials, specialist contracting and community access partnerships
Positioning	Trusted, not-for-profit insurer providing dependable value	Value-led health organisation that makes care simpler, cheaper and closer to home

Summary Insight

HCF's evolution connects affordability with care redesign. By combining No Gap certainty, prevention, digital access, and treatment at home, the fund is shifting from paying for episodes to managing health over time, which strengthens both member outcomes and long-term economics.

nib

In 2025 nib strengthened its competitive position by using innovation to redefine what it means to be a private health insurer. Instead of competing on price or scale alone, nib focused on using technology, data and partnerships to improve affordability, access and health outcomes. This approach aligns with its strategy to evolve from an insurance company into a connected health partner. Innovation now sits at the centre of nib's competitive model, driving both customer experience and system efficiency.

Digital Transformation and AI as a Competitive Platform

nib treated technology and automation as a source of competitive advantage rather than a back-office function. More than 50 AI and automation initiatives were rolled out across claims and operations, improving speed, accuracy and cost-to-serve. Predictive analytics helped identify at-risk members earlier and allowed more targeted interventions. Over 70 percent of Australian PHI policies now connect digitally, showing the strength of nib's digital-first model.

These advances support nib's strategy of competing on simplicity, responsiveness and insight. By embedding automation and data analytics into everyday operations, nib is improving both customer experience and operating leverage, which together strengthen its market position.

Expanding into Integrated Health Services

nib is building a health ecosystem that extends beyond traditional insurance funding. Midnight Health delivered around 196,000 telehealth consultations and expanded its GLP-1 weight management program, giving members digital access to doctors, prescriptions and medication delivery. Honeysuckle Health enrolled over 22,000 members in chronic condition programs that reduce preventable hospitalisations. In parallel, nib's investment in in-home and short-stay care helped save more than 24,000 hospital bed days in 2025. These initiatives create a distinctive value proposition, allowing nib to compete not only as a payer but as a connector of care.

Partnerships as a System-Level Advantage

Partnerships were a major source of innovation and competitive strength. Long-term agreements with hospital networks such as St Vincent's introduced joint committees, shared-value projects and dynamic indexation, creating more stability for both providers and members. The nib foundation worked with Lifeline, Cancer Council and Diabetes Australia, extending prevention programs to more than 478,000 people. In New Zealand, the Toi Ora iwi program supported over 6,400 Māori members with culturally appropriate care pathways. Together these relationships reinforce nib's role as a trusted partner in the broader health system, not just a commercial participant.

Customer-Centric Innovation and Experience

nib focused strongly on transparency and usability, two areas that drive differentiation in a crowded market. Known Gap and No Gap programs were expanded to give

members clearer information about costs. The nib app and digital tools continued to evolve, leading to over 70 percent digital engagement and faster claims turnaround. The company's Net Promoter Score rose to +34, supported by product simplicity, digital self-service and proactive communication. nib also attracted 52,000 new-to-insurance customers during 2025, showing that its innovation strategy is converting into market growth and improved trust.

Embedding ESG and Sustainability into Competitive Identity

Sustainability and governance were used as pillars of innovation and differentiation. All Australian operations are carbon neutral and powered by 100 percent renewable electricity. The Group published a Climate Action and Resilience Plan and a Decarbonisation Roadmap to guide future reporting.

These initiatives improve operational efficiency, reduce long-term risk and reinforce nib's brand credibility with investors, partners and customers. Integrating ESG into business processes has become part of nib's competitive identity, strengthening its reputation as a responsible, forward-looking organisation.

Alignment between Innovation and Competitive Strategy

Each area of innovation directly supports nib's four strategic priorities:

1. Growing the core PHI business through better affordability and digital experiences.
2. Scaling health services through partnerships such as Midnight Health and Honeysuckle Health.
3. Expanding into adjacent markets like NDIS plan management and travel insurance.
4. Embedding sustainability and strong governance into all decisions.

This alignment ensures that innovation is not a side project but the primary way nib achieves its growth and differentiation goals.

Competitive Position and Outlook

nib's innovation activity in 2025 delivered both customer and financial results. Policyholder growth of 3.2 percent exceeded the industry average, and diversified businesses such as nib Thrive and international workers' insurance contributed $45.3 million in profit. These outcomes show that innovation is translating into commercial advantage.

By combining technology, partnerships and prevention programs, nib has created a model that is harder for competitors to replicate. Its strategy is built on agility and insight rather than scale alone, allowing nib to respond quickly to market change and evolving customer needs.

Summary

nib's competitive strategy in 2025 is anchored in innovation that delivers practical outcomes. The company is using data, technology and collaboration to manage costs,

improve access and strengthen trust. Its approach turns systemic challenges such as affordability and ageing populations into opportunities for redesign. Through these efforts, nib is emerging as one of the few Australian insurers competing through genuine innovation rather than price or size.

Strategic Evolution

Between 2024 and 2025, nib's innovation strategy shifted from building digital capability to scaling integrated health services and ecosystem partnerships. In 2024, innovation was largely technology led, focused on automation, digital member experiences and early health management programs. By 2025, nib had evolved into a more connected health partner, embedding AI, expanding telehealth through Midnight Health, and growing preventive health programs through Honeysuckle Health and the nib foundation. Innovation became more closely tied to nib's competitive strategy, improving affordability, member trust and long-term sustainability.

2024 Focus

In 2024, nib's innovation agenda centred on digital integration, operational efficiency and diversification. The company focused on using technology and data to improve service delivery and extend into adjacent markets.

- Digital-first Operations: nib expanded automation and AI tools, including the "nibby" chatbot, to improve member service and reduce processing times.
- Health Management Programs: Through Honeysuckle Health, nib introduced disease management programs targeting chronic conditions, enrolling over 13,000 members across diabetes, cardiovascular and weight management programs.
- Adjacent Market Diversification: The launch of nib Thrive marked nib's entry into NDIS plan management, diversifying income streams and applying its health management expertise in a new domain.
- Data and Predictive Analytics: Investment in analytics allowed nib to better identify health risks and deliver more targeted support for members.
- Customer Engagement and Experience: Digital tools and Known Gap arrangements improved transparency, access and ease of use for members.

The overall aim in 2024 was to establish a strong digital foundation for future innovation and create a platform capable of supporting broader health services.

2025 Focus

In 2025, nib's innovation strategy became more outcomes focused and ecosystem based. The emphasis moved from capability building to connecting digital systems, health services and community outcomes.

- AI and Automation at Scale: More than 50 AI and automation initiatives delivered $18 million in savings, improved accuracy and supported predictive interventions.

- Integration of Digital Health Platforms: Midnight Health delivered about 196,000 telehealth consultations and expanded its GLP-1 weight management program, strengthening nib's position in digital care.
- Health and Prevention Programs: Over 22,000 members took part in chronic disease programs through Honeysuckle Health, with prevention efforts saving an estimated 24,000 hospital bed days.
- System Partnerships and Contract Innovation: nib introduced long-term hospital agreements with shared-value arrangements, at-home care coverage and flexible funding models to manage costs and improve access.
- Sustainability and Purpose-driven Innovation: ESG and community impact became a clear part of nib's innovation agenda. Prevention programs reached more than 470,000 people and all Australian operations were powered by 100 percent renewable electricity.

These developments marked a transition from digital efficiency to innovation with measurable social, financial and health outcomes.

Key Shifts in Strategy

Theme	2024 Focus	2025 Focus
Scope	Technology and digital integration within insurance operations	System-wide innovation connecting insurance, care and community health
Objective	Improve efficiency, data use and diversification	Deliver measurable outcomes in affordability, access and wellbeing
Vehicle	AI pilots, digital tools and health management programs	Scaled AI platforms, integrated telehealth and new hospital partnerships
Partnerships	Honeysuckle Health and early collaboration with nib Thrive	Expanded Midnight Health, hospital alliances and national health charities
Positioning	Tech-enabled insurer building capability	Integrated health partner influencing system change and prevention

Summary Insight

nib's innovation strategy evolved from building digital foundations to delivering system-wide outcomes. In 2024, the focus was on digital enablement and operational efficiency. By 2025, innovation had matured into an integrated network of technology, care delivery and prevention programs that strengthened affordability and community health outcomes. This evolution positioned nib as an insurer competing through connection, capability and measurable impact.

HBF

HBF's innovation agenda in 2025 reflects a deliberate shift from being a traditional health insurer to a broader, member-centred health organisation. Its initiatives focus on affordability, preventative health, digital capability, and cultural renewal, all of which reinforce its competitive strategy as a trusted, community-based not-for-profit seeking national relevance. The launch of HBF30, its new five-year strategy, marks the transition from system modernisation to innovation-led growth, positioning HBF to compete on value, experience, and health outcomes rather than price alone.

Delivering Affordability and Value Through New Models of Care

HBF's competitive strength continues to stem from its ability to deliver affordability and tangible member value. Innovation in 2025 centred on expanding No Gap care through HBF Dental and HBF Physio, which together served over 30,000 members at zero out-of-pocket cost. This networked model of care offers members direct benefits and strengthens HBF's control over service quality and experience. At the same time, it differentiates the fund from competitors reliant on third-party providers. Simplified product offerings and digital claims innovation reinforced transparency and affordability, ensuring that value was both visible and easy for members to access.

Modernising Technology to Enable Personalised and Scalable Growth

The completion of HBF's multi-year Transformation Program was a major strategic milestone that fundamentally changed its operating capacity. New systems, automated processes, and digital-first service models created the foundations for scalable growth and personalisation. HBF's award-winning mobile app, now used by more than 348,000 members, became a key touchpoint for engagement, claims, and wellness support. This digital capability allows HBF to compete with larger national insurers by providing a seamless, user-led experience while keeping operational costs low. Enhanced cybersecurity, including multi-factor authentication, strengthened trust and supported the fund's strategic priority of safe, accessible digital health engagement.

Building a Proactive and Preventative Health Ecosystem

HBF's innovation strategy moved decisively toward prevention, reflecting both member needs and long-term sustainability goals. Programs such as COACH, CSIRO Weight Management, GLA:D for osteoarthritis, and the Mind Matters mental health recovery initiative demonstrated HBF's intent to improve members' health outcomes rather than simply fund treatment. These programs combine digital, phone-based, and in-person delivery, making support accessible regardless of geography or mobility. By investing in preventative and rehabilitative models, HBF positioned itself as a proactive health partner rather than a claims payer, strengthening loyalty and improving long-term claims performance.

Extending Community Reach and Health Partnerships

HBF leveraged partnerships to enhance its relevance and reach beyond Western Australia. The Pacific Smiles Dental partnership extended Member Plus benefits to more than 120 new sites across the eastern states, enabling national access to care

and reinforcing competitiveness against larger funds. Locally, partnerships with the Esus Centre and Life Ready Mobile expanded community-based treatment options, including eating disorder support and at-home physiotherapy. These alliances broadened HBF's ecosystem, enabling it to deliver accessible care while embedding itself in community health networks that align with its purpose-driven identity.

Embedding Innovation into Culture and Leadership

Internally, HBF prioritised cultural transformation as a driver of innovation capability. The new cultural aspiration, "Be you, Be bold, Be HBF," set expectations for experimentation, inclusion, and accountability. Leadership development and employee wellbeing initiatives supported a workforce capable of adapting to continuous change and driving creative solutions. The integration of environmental and governance commitments, including net zero targets by 2030 for Scope 1 and 2 emissions, positioned HBF as an insurer that balances performance with purpose. Together, these shifts reflect a maturing innovation culture aligned to its member-first philosophy.

Positioning for Long-Term Competitiveness

HBF's innovation activity in 2025 strengthened its competitiveness by translating its not-for-profit ethos into modern, differentiated advantages. Its ecosystem of owned health services provides both cost control and experience leadership. Its digital platforms enable national scalability and operational agility. Its preventative programs deepen member engagement and loyalty. Through these innovations, HBF is not competing on price but on purpose, accessibility, and value — redefining what a member-focused health fund looks like in a rapidly changing industry.

Strategic Evolution

HBF's innovation strategy evolved markedly between 2024 and 2025. In 2024, the fund's efforts were primarily focused on digital transformation, member trust, and maintaining affordability within a price-sensitive market. By 2025, innovation became a growth engine in its own right, with the launch of the HBF30 strategy, completion of its enterprise-wide Transformation Program, and major expansions into owned health services and preventative care programs. This evolution signalled a shift from modernising operations to building a scalable, purpose-led health ecosystem focused on prevention, accessibility, and value.

2024 Focus

In 2024, HBF's innovation approach reflected its not-for-profit positioning and regional strength in Western Australia. Its strategy centred on digital modernisation, competitive pricing, and deep community engagement. HBF prioritised trust and service quality, expanding personalised health services while managing affordability pressures. Innovation efforts focused on simplifying products and investing in technology to enhance claims processing and member experience. Although recognised for its reliability and community presence, HBF lagged behind peers in digital sophistication and product diversification, operating largely within traditional models of private health insurance. Partnerships and incremental improvements defined this stage, as HBF

worked to close the gap with national competitors through efficiency and member-first service delivery.

2025 Focus

By 2025, HBF's innovation agenda had matured into a forward-facing, diversified model aligned to long-term competitiveness. The launch of the HBF30 strategy set a clear direction towards ecosystem expansion and sustainable growth beyond insurance. With its Transformation Program complete, HBF introduced new digital infrastructure to automate processes and enhance personalisation at scale. Innovation extended into owned care delivery, with rapid growth in HBF Dental and Physio networks, No Gap services, and technology-enabled preventative programs such as COACH and Mind Matters. Partnerships broadened HBF's reach nationally through Pacific Smiles and locally through initiatives like the Esus Centre and Life Ready Mobile. Culturally, the introduction of "Be you, Be bold, Be HBF" signalled a commitment to bolder experimentation and purpose-driven innovation, supported by investments in leadership capability and sustainability.

Key Shifts in Strategy

Theme	2024 Focus	2025 Focus
Scope	Primarily focused on internal digital upgrades and affordability within WA.	Expanded nationally, building an integrated health and wellbeing ecosystem.
Objective	Maintain trust, affordability, and incremental service improvements.	Drive member health outcomes, preventative care, and long-term sustainability.
Vehicle	Digital transformation and product simplification.	End-to-end Transformation Program completion, owned care delivery, and new health programs.
Partnerships	Local provider collaborations and community sponsorships.	National and specialist partnerships expanding access, such as Pacific Smiles and Esus Centre.
Positioning	Trusted, community-focused WA health insurer.	Purpose-led, digitally capable national health and wellbeing organisation.

Summary Insight

Between 2024 and 2025, HBF transitioned from a modernising insurer to a proactive health partner competing on purpose, prevention, and experience. Its innovation strategy evolved from upgrading systems to delivering integrated, data-enabled, and member-focused health services. This strategic shift has positioned HBF for sustainable growth, allowing it to balance affordability with leadership in digital health and preventative care.

Conclusion & Recommendations

Australia's private health insurance sector has entered a new era of innovation maturity. 2025 showed that insurers are moving beyond digital convenience and pilot programs, and toward connected strategies that deliver measurable impact for members, hospitals and the broader system. Affordability is being addressed through smarter delivery models, prevention is shifting into clinical pathways, and digital capability is now central to service, sustainability and trust.

The sector's most important progress has been structural. Care is moving into homes and community settings. Out-of-pocket costs are being reduced through No Gap arrangements and transparent pathways. Virtual and hybrid care are expanding system capacity. AI and automation are reshaping the operating model of insurance itself. These shifts show that innovation is no longer an add-on, it is how the system is being redesigned.

Every insurer contributed to this momentum. Each approached innovation differently, shaped by structure, mission and scale. The shared direction is clear: the future of private health insurance is proactive, digitally enabled, prevention-led and integrated with care delivery. The opportunity now is to deepen this progress and accelerate outcomes for members and the system.

Recommendations for the Sector

Make affordability measurable and transparent

Affordability is now delivered through design, not discounting. Funds should scale No Gap arrangements, out-of-hospital pathways, and digital claims automation, while publishing measurable outcomes that demonstrate value returned to members.

Accelerate care outside hospital

Hospital capacity, workforce pressures and rising acuity require insurers to move faster on home-based care, virtual rehabilitation, pharmacy-enabled care and community delivery models. The early results are clear: members prefer it, outcomes improve and costs fall.

Invest in prevention as a core system lever

Clinically validated prevention programs should be embedded at scale, with clear referral pathways from primary care, digital monitoring and outcome reporting. Prevention reduces claims pressure and builds long-term relevance with younger members.

Build digital platforms that connect, not replace, care

AI, automation and virtual care must sit within a clear governance framework that protects privacy and member trust. Digital capability should enhance clinical delivery, improve navigation, and enable earlier intervention, rather than simply replicate existing processes online.

Strengthen member trust through simplicity and service

Clear communication, real-time transparency and accessible support are now as important as benefits themselves. Funds that reduce confusion, remove friction and offer proactive guidance will strengthen advocacy and loyalty.

Partner for system-wide impact

The next phase of innovation requires deeper collaboration. Partnerships with hospitals, clinicians, government, technology providers and research organisations will unlock care models no single organisation can deliver alone.

The Road Ahead

Australia's health system is under pressure, but the progress demonstrated in 2025 shows that insurers are ready to play a proactive role in shaping the future of care. When innovation is tied to measurable outcomes, supported by digital capability and delivered with clinical integrity, it creates a more affordable and sustainable system for everyone.

The opportunity now is to scale what works, share successful models, and continue building a system that keeps people well, not just covered. The sector has momentum. The challenge and responsibility is to keep it moving.

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Case Studies

Medibank and Adeney Private Hospital

Australia's First No Gap Hospital

Adeney Private Hospital in Melbourne represents a new chapter in Australia's private healthcare system, one that puts patient outcomes, affordability, and transparency at the centre. Developed in partnership with **Medibank and Amplar Health**, Adeney was designed as a **short stay, No Gap hospital model** that meets changing consumer expectations for flexibility, cost clarity, and continuity of care.

As healthcare costs rise and patient preferences evolve, Medibank has been investing in **innovative models of care** that extend beyond traditional hospital settings. Adeney Private Hospital is a clear example of this strategy. It is a purpose-built environment that delivers surgical excellence with shorter stays, better outcomes, and no out-of-pocket costs for eligible members.

Innovation in Action: The No Gap Hospital Model

Adeney Private Hospital is **Australia's first No Gap private hospital**, giving eligible Medibank customers access to surgery without out-of-pocket costs.

This model delivers innovation in several ways:

- **Affordability:** Patients save an average of **$2,250 in out-of-pocket costs** for joint replacement procedures, contributing to more than **$7 million in total savings** since launch.
- **Transparency:** The doctor-designed No Gap model removes financial uncertainty by providing cost clarity before admission.
- **Efficiency:** Short-stay pathways and home-based rehabilitation reduce the average hospital stay while maintaining clinical outcomes.
- **Integration:** Adeney connects seamlessly with Amplar Health's home hospital network, allowing continuous care from hospital to home. This supports Medibank's broader goal to deliver care where and how people want it.

Medibank's Role as an Innovator

Medibank's partnership with Adeney demonstrates its transformation from insurer to integrated health company. The initiative aligns with three key pillars of Medibank's innovation strategy:

1. **Expanding in Health:** Through investments in hospitals like Adeney, Medibank is scaling personalised care models across Australia, improving affordability and accessibility while driving the national health transition.
2. **Partnering for System Reform:** Medibank contributed significant hospital partnership funding in 2025 to support reform and innovation in private hospitals, ensuring partners such as Adeney can succeed in a value-based environment.

3. **Delivering Better Health for Better Lives:** In line with its sustainability commitments, Medibank is helping to create a more sustainable and equitable system through **integrated, lower-impact care models** that save hospital bed days and reduce system pressure.

Impact

The Adeney model delivers measurable outcomes for patients and the broader system:

- 177,000 hospital bed days saved through Amplar Health's homecare programs in 2025.
- 41 No Gap sites nationally, showing strong scalability.
- Improved patient satisfaction and loyalty, reflected in a three-year high in customer advocacy across Medibank's brands.
- Strong clinician support for a model that balances efficiency, safety, and experience.

Leadership Insight

Medibank CEO David Koczkar described Adeney as *"a key example of how we're partnering with hospitals to design healthcare the way people want it, more affordable, connected and personal."*

Chair Mike Wilkins AO noted that Adeney *"shows how personalised care models can deliver better outcomes for patients and help modernise Australia's private health system."*

The Future of Private Health Innovation

Adeney Private Hospital stands as a blueprint for the **future of value-based private healthcare**. By reimagining how and where care is delivered, Medibank is not only meeting customer expectations but also driving system-wide reform.

Through partnerships like Adeney, Medibank is proving that innovation in private health insurance is about more than policy. It is about creating practical models that make healthcare **more accessible, affordable, and human**.

Key Takeaway

Adeney Private Hospital showcases Medibank's evolution into a true health partner, demonstrating how innovation in funding, care design, and collaboration can deliver Better Health for Better Lives.

Bupa's Free Telehealth Initiative

Redefining Value and Access in Private Health Insurance

In 2025, Bupa became the first major Australian health insurer to introduce free telehealth consultations as a standard inclusion across eligible policies. The initiative offers three virtual GP appointments per policy each year through the Blua Health platform. More than a digital health advancement, it represents a structural innovation in how private health insurance delivers value to members.

The program reflects Bupa's broader shift toward proactive, accessible, and member-centred care. It shows how the insurer is using its scale and integrated care model to respond to affordability pressures, strengthen trust, and expand its role beyond claims payment into active health partnership.

Innovation Detail

Bupa's telehealth initiative brings together affordability, accessibility, and experience in a single offering. By embedding virtual consultations into its core product, Bupa has redefined what members can expect from their health insurer. The initiative integrates GP consultations, prescription management, pathology referrals, and digital follow-up services, all accessible at no additional cost.

This model aligns with Bupa's Connected Care strategy, which aims to provide simpler and more joined-up healthcare. The innovation removes financial and logistical barriers to care, ensuring that members can act early when health concerns arise. It also reflects a cultural and strategic willingness to rethink traditional boundaries between insurance and service delivery.

Strategic Impact

The initiative demonstrates how innovation at Bupa operates across multiple layers of its business model. Commercially, it enhances retention and acquisition by providing immediate, tangible value in an inflationary environment. Strategically, it strengthens Bupa's position as a purpose-led organisation, showing that affordability and innovation can coexist.

For members, the benefit goes beyond convenience. It provides reassurance that their insurer is investing in their wellbeing, not just reimbursing costs. For Bupa, it builds deeper engagement, drives uptake of the Blua Health ecosystem, and generates insights that support further service innovation.

By embedding this offer into its mainstream product design, Bupa has moved innovation from the periphery to the core of its competitive strategy. It signals to the market that value in private health insurance can be created through better access and smarter system design, not simply through price competition.

Market Leadership Lens

Bupa's free telehealth program is one of the most visible examples of innovation in Australian private health insurance in 2025. It translates the insurer's strategic ambition into a tangible benefit that addresses member pain points while improving healthcare efficiency. The initiative also reinforces Bupa's leadership in connected care and prevention, proving that innovation can deliver value for both customers and the health system.

HCF Treatment at Home

Reimagining the Hospital Experience

HCF's Treatment at Home program replaces traditional hospital admissions with clinically supervised care delivered in the member's home. Instead of funding only inpatient stays, HCF supports nurse-led treatment, virtual monitoring, and escalation pathways that ensure patients receive the same standard of care without the disruption of a hospital environment. It reflects a deliberate shift from paying for episodes of care to managing recovery in the most efficient and comfortable setting possible.

Scaling Care Beyond Hospital Walls

The model is already operating at scale, with more than 4,500 members receiving hospital-level care at home during 2025. Services include post-surgical recovery, oncology support, intravenous therapies, palliative pathways, rehabilitation and dialysis. By creating a clinically supported alternative to overnight stays, HCF is reshaping the recovery journey and proving that hospital avoidance can be safe, structured and cost-effective.

Clinically Supported and Safe

Care at home is delivered with clear escalation pathways, combining in-person nurse visits with virtual oversight and remote vitals monitoring. Members can move between home and hospital if required, ensuring safety while avoiding unnecessary readmissions. This hybrid approach mirrors international models of hospital substitution and positions HCF among the Australian leaders in bringing them to scale.

Partnerships That Strengthen Capability

HCF enhances its home-care capacity through targeted partnerships. The Dialysis Australia agreement enables eligible members to receive dialysis from home, dramatically reducing hospital touchpoints. A Vitalis Hospital at Home trial combines clinical visits with remote supervision to shorten length of stay and manage recovery more efficiently. These partnerships turn HCF from a claims administrator into an enabler of integrated, hospital-grade care outside hospital walls.

Member Experience and Everyday Comfort

For members, treatment at home removes the most stressful parts of a hospital admission: travel, overnight stays, infection risk, long waits and time away from family. Patients recover in familiar surroundings, supported by clinicians and technology rather than physical beds and wards. It is health insurance delivered as care, not just reimbursement.

System Impact and Affordability

The model reduces pressure on private hospitals and frees capacity for more complex cases. Avoiding admissions or shortening length of stay lowers claims costs and helps protect premiums over time. Treatment at Home demonstrates how HCF is converting its not-for-profit structure into new models of care that improve member experience, reduce costs and support system sustainability at the same time.

nib Health Services

Integrated Innovation in Action

In 2025, nib advanced its transformation from a health insurer to a health partner through the full integration of **Honeysuckle Health** and **Midnight Health** into a single operating platform, **nib Health Services**. This consolidation unites data analytics, care coordination and digital delivery, enabling nib to play a more active role in prevention, treatment and ongoing health management for members. The move reflects a major strategic evolution: innovation as the engine of both improved member outcomes and future system sustainability.

Innovation in Action

nib's Health Services division supported over **22,000 members** in targeted health management programs during 2025, including chronic disease, weight management and cardiac rehabilitation initiatives. These programs collectively saved an estimated **24,000 hospital bed days**, demonstrating the measurable impact of proactive, data-driven care

Through **Honeysuckle Health**, nib leverages predictive analytics and behavioural insights to identify at-risk members and connect them to evidence-based interventions. Programs such as the **Hospital Support Program** and **Care Support Program** achieved **NPS scores above 75**, with more than two-thirds of participants reporting improved health outcomes

Meanwhile, **Midnight Health** extends nib's reach through digital-first healthcare delivery. In 2025, it serviced **85 percent of Australian postcodes** and performed **over 59,000 telehealth consultations** for rural and regional members, helping close access gaps and reduce inequity in care. The platform's digital weight management service facilitated over **160,000 kilograms of weight loss**, underscoring its contribution to preventive health at scale

Strategic Significance

By bringing Honeysuckle Health and Midnight Health under one roof, nib has created a vertically integrated health platform that connects insight, intervention and impact. This integration strengthens nib's ability to influence care pathways, reduce claims volatility and build longitudinal data to inform product design and member engagement.

The consolidation also positions nib competitively within the emerging **health ecosystem model**, enabling it to deliver health management, telehealth and at-home care services under a unified strategy. In 2025, **both businesses achieved their first breakeven quarter**, marking a key milestone in transforming early-stage innovation into operational scale and profitability

Link to PHI FACTORS™

- **Ageing & Population Health:** Delivers proactive management of chronic and lifestyle diseases, reducing system strain.
- **Technology & Digital Transformation:** Integrates data science, telehealth and AI into a single health management ecosystem.
- **Staying Well:** Empowers members to take control of their health through personalised programs and continuous engagement.

Why It Matters

The formation of nib Health Services marks a turning point in how insurers compete and create value. It demonstrates that innovation in private health insurance can go beyond policy reform to reshape the delivery of care itself. By merging analytics and access, nib is building a scalable model for prevention and personalised healthcare—one that redefines what it means to insure for better health.

HBF Patient Pulse

Redefining Member-Centred Innovation

Launched in late 2024, *HBF Patient Pulse* represents a major shift in how HBF connects member experience with health system improvement. The initiative empowers members to share feedback following hospital admissions through clinically validated surveys, transforming subjective experience into actionable data that drives healthcare quality improvement.

What Makes It Innovative

Patient Pulse is the first program of its kind among major not-for-profit health insurers in Australia. By capturing *Patient Reported Outcome Measures (PROMs)* and *Patient Reported Experience Measures (PREMs)*, HBF is building a feedback loop that directly links patient experience to provider performance and clinical practice improvements. Responses are analysed and triangulated with hospital and specialist data, enabling insights that were previously invisible in claims or administrative data alone.

This approach represents a new frontier in how private health insurers influence the quality and value of care without stepping into clinical management. It allows HBF to act as an advocate for members' voices in healthcare, reinforcing its positioning as a proactive health partner rather than a claims processor.

Alignment with Competitive Strategy

The initiative directly supports HBF's broader strategic shift under its new five-year strategy, *HBF30*, which commits the organisation to playing a more active role in member health and using technology to enable personalised, evidence-based support. By operationalising member feedback in real time, HBF strengthens its brand as an insurer that listens, learns, and acts on what matters most to members.

It also differentiates HBF in a competitive landscape increasingly defined by digital engagement and health ecosystem integration. Patient Pulse complements other member-facing innovations such as the award-winning HBF App and the expanding HBF Dental and HBF Physio networks, reinforcing HBF's identity as a connected, digitally enabled health ecosystem.

Impact

While still in its early stages, Patient Pulse has already demonstrated strong engagement among members in Western Australia. The program's structured feedback framework is being used to share de-identified insights with hospitals and clinicians, creating a continuous cycle of quality improvement and collaboration. This builds long-term value not only for HBF members but for the wider healthcare system.

Summary Insight

HBF Patient Pulse exemplifies how innovation at HBF has evolved beyond new products to encompass systemic value creation. It reflects a deliberate shift toward using data and member insights to influence care quality, strengthen partnerships with providers, and enhance member trust. In doing so, it captures the essence of HBF's new innovation agenda under HBF30—technology-enabled, insight-driven, and relentlessly member-centred.

Appendices

Glossary of Terms

ACCC (Australian Competition and Consumer Commission): National regulator for competition, fair trading and consumer protection. Monitors private health insurance practices and market conduct.

Adverse Selection: When higher-risk people are more likely to take out or keep cover than lower-risk people, increasing claims costs and premium pressure.

Affordability: The cost of private health cover and related out-of-pocket expenses, and the member's ability to pay without financial strain.

AI (Artificial Intelligence): Technology that can recognise patterns, predict outcomes, make decisions or automate tasks. Used in claims processing, fraud detection, customer service and health management.

Amplar Health: Medibank's integrated care business delivering services across virtual, home, community and primary care settings.

APRA (Australian Prudential Regulation Authority): Regulates the financial soundness, risk and capital requirements of private health insurers.

BAU (Business as Usual): Everyday operational work. In innovation, BAU pressures can limit capacity to experiment or progress long-term initiatives.

Care-at-Home / Hospital at Home: Hospital-level treatment delivered in the home instead of inpatient settings. Improves comfort, reduces costs and frees hospital capacity.

Chronic Disease: Long-term conditions such as diabetes, cardiovascular disease or osteoarthritis that typically require ongoing management and drive higher utilisation of healthcare services.

Consumer Trust: Confidence that an insurer operates fairly and in the member's best interests. Driven by affordability, transparency, simplicity and service experience.

CSIRO: Australia's national science agency, providing research and innovation in areas including digital health, AI and interoperability.

Data Sources: Materials used to inform this report, including public annual reports, financial statements and media releases.

Digital Health: Technology-enabled care, such as online GP visits, digital psychology, remote monitoring, digital prescriptions and virtual rehabilitation.

Digital Transformation: Adopting new digital platforms, automation, analytics and cloud infrastructure to improve performance, scalability, security and customer experience.

ESG (Environmental, Social and Governance): A framework for assessing sustainability, ethics and organisational impact across environmental, social and governance factors.

Financial Pressures: A PHI FACTORS driver focused on addressing rising medical costs, hospital utilisation, out-of-pocket expenses and regulatory constraints affecting premiums and long-term sustainability.

Health System Sustainability: The capacity of the health system to provide safe, efficient and equitable care over time while managing cost, demand and workforce pressures.

Honeysuckle Health: A digital health and analytics business supporting nib and partners through health programs, prevention and value-based care.

Innovation: The design and delivery of new or improved models that enhance affordability, access, experience, efficiency or clinical outcomes.

Innovation COMPASS™: Accelerated Innovation's capability framework covering Culture, Organisational Fit, Momentum, People, Architecture, Strategy and Scaffolding.

Innovation Index: Composite measure used in this report to compare innovation maturity, intent and impact across the PHI FACTORS.

Live Better Rewards: Medibank's wellbeing and rewards program that offers discounts or cashback for healthy behaviours, activities and lifestyle choices.

Medicare: Australia's universal public health system. Private health insurance operates alongside Medicare, offering choice, shorter wait times and broader access to services.

Member Experience (MX): How members interact with their insurer across claims, service, product understanding and digital channels.

Midnight Health: nib's digital health business providing online GP access, prescriptions, preventative health and GLP-1 programs.

No Gap / Known Gap: Arrangements with providers that either remove out-of-pocket costs (No Gap) or disclose them upfront (Known Gap) so members understand expected charges.

Out-of-Pocket Costs: Amounts paid directly by the member for treatment or services, after Medicare and insurance benefits are applied.

PHI (Private Health Insurance): Voluntary health cover for services not fully funded by Medicare, including private hospital care, dental, optical and allied health.

PHI FACTORS™: Seven forces reshaping private health insurance: Financial Pressures, Ageing & Population Health, Consumer Trust & Expectations, Technology & Digital Transformation, Organisational Sustainability, Relationships & Power, and Staying Well.

Population Health: Improving health outcomes for defined groups through prevention, early intervention and coordinated care.

Prevention and Wellness: Programs and tools that help people stay healthy, manage risk factors, and avoid preventable hospital admissions.

Private Healthcare Ecosystem: The mix of insurers, hospitals, clinicians, allied health providers, government and technology partners that shape delivery and performance.

Risk Equalisation: A mechanism that balances costs across insurers by redistributing funds to support older and higher-risk members.

Risk Pool: The combined membership whose premiums fund claims. A balanced risk pool includes both younger and older, healthier and higher-risk members.

Staying Well: A PHI FACTORS driver focused on prevention, early intervention, mental health and long-term conditions.

System Sustainability: The long-term viability of private health insurance through a balance of affordability, innovation, regulatory stability and member value.

Telehealth: Healthcare delivered remotely by phone or video, including GP appointments, mental health, allied health and repeat prescriptions.

Value-Based Care (VBC): Funding models that reward providers for quality, outcomes and efficiency rather than the volume of services delivered.

Virtual Care: A broader term for remote clinical care, including telehealth, virtual rehab, remote monitoring and clinician-supported digital programs.

Work Reinvented Program: Medibank's internal workplace initiative focused on flexibility, wellbeing, productivity and new ways of working, including the four-day week pilot.

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Further Information

For further information about this report, the PHI FACTORS™ framework, or Accelerated Innovation's work with health insurers, please contact:

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Accelerated Innovation is a boutique management consultancy that helps Australia's private health insurers and partners innovate with purpose, clarity and speed. Our work spans innovation strategy, capability uplift, market and ecosystem scans, and leadership programs that connect ideas to execution.

Each year, we publish the *PHI Innovation Report* to track how health insurers are evolving, responding to system challenges, and building the foundations for long-term relevance. The 2025 edition builds on this mission, offering data-driven insights, case studies, and scenarios that highlight the organisations shaping the future of private healthcare.

To access additional resources, including the PHI FACTORS™ framework, past reports, and self-assessment tools, visit: www.acceleratedinnovation.com.au/phi-factors

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