



MEDIA RELEASE
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PRIVATE HEALTH PREMIUMS TO RISE ANOTHER \$200 IN 2018

The Medical Technology Association of Australia (MTAA) has singlehandedly delivered through its Agreement with the Commonwealth the lowest premium increase in 17 years.

The Agreement signed in October 2017 will save private health insurers \$1.1 billion in payments for medical devices over the next four years.

Further, we welcome additional powers to the Private Health Insurance Ombudsman (PHIO) to conduct audits of private health insurers. This is a result of MTAA's calls for such audits and will ensure private health insurers meet their obligations, including passing on every dollar of the \$1.1 billion in saving for medical devices.

However, these cuts are significant and will impact on jobs and investment in the medical technology industry.

Despite the premium average due to increase by 3.95% – double the inflation rate – private health insurance companies will be slugging its 13.5 million customers with an additional \$200 increase on a family policy come 1 April.

At a time when the private health insurance sector showed a record \$1.39 billion in net profit across the industry, an increase of 11.55% from the previous year.

Surely, there is scope to pass some of that back to customers through reduced premiums, rather than seeking a \$200 premium increase?

The evidence of increasing profits of private health insurers would indicate they should do some belt tightening of their own to keep premium growth at the current inflation rate of 1.9%.

Ian Burgess, Chief Executive Officer of the Medical Technology Association of Australia said:

“Today’s announcement delivers the lowest premium change in 17 years, which can be attributed to the \$1.1 billion in savings from the medical device industry.

“MTAA strongly supports the need for a healthy and viable private health insurance sector in Australia.

“But we’ve always maintained that given we represent 10% of private health insurers overall costs a reduction in costs for medical technology would only ever result in a modest reduction in premium increases.

“Unfortunately, it seems the private health insurance industry is asking others to reduce their costs to fund a reduction in premium growth but are reluctant to look to their own books for savings.

“Further, the private health insurance industry should embrace an expansion of the Prostheses List and enable faster access to private market as this will benefit patients and greatly increase the value proposition to its 13.5 million customers.”

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Did you know?

1. The medical technology industry currently employs more than 19,000 people.
2. The industry is highly skilled with over 52% of employees having a tertiary qualification, and 25% having a postgraduate qualification.
3. More than half of Australian medical device companies have grown from start-ups. 40% of all medical device businesses have been established since 2000.
4. In 2013-14, Australia exported medical devices to 167 different countries around the world for a total value of \$2.1 billion.
5. Medical technology (7.76%) is second only to Civil Engineering (8.5%) and pharmaceuticals in third (6.3%) when it comes to filing patents for innovative technology.

About MTAA

The Medical Technology Association of Australia (MTAA) is the national association representing companies in the medical technology industry. MTAA aims to ensure the benefits of modern, innovative and reliable medical technology are delivered effectively to provide better health outcomes to the Australian community.

MTAA represents manufacturers and suppliers of medical technology used in the diagnosis, prevention, treatment and management of disease and disability. The range of medical technology is diverse with products ranging from familiar items such as syringes and wound dressings, through to high-technology implanted devices such as pacemakers, defibrillators, hip and other orthopaedic implants. Products also include hospital and diagnostic imaging equipment such as ultrasounds and magnetic resonance imaging machines.

MTAA members distribute the majority of the non-pharmaceutical products used in the diagnosis and treatment of disease and disability in Australia. Our member companies also play a vital role in providing healthcare professionals with essential education and training to ensure safe and effective use of medical technology.