

## MEDIA RELEASE

25 November 2019

### 75% of Australians want health funds forced to use profits to lower prices

Three-quarters of Australians support Health Minister Greg Hunt using his official powers to reject health fund premium increases over 3 per cent for next year – and forcing insurers to dip into their own \$1 billion profits to pay for it.

The results are from a YouGov survey of over 1000 Australians – released today – that also found the majority of respondents (65%) thought a price increases over 3 per cent next year – twice the inflation rate – was “not in the public interest”.

Ian Burgess, CEO of the Medical Technology Association of Australia, who commissioned the poll, said the public clearly supported the Government “standing strong” in the face of insurer threats to retaliate by blocking patient access to critical medical devices and refusing to reimburse their claims.

“The ‘Big 3’ corporate health insurers – Medibank, Bupa and NIB – have not paid once extra cent for medical devices in the past two premium years, despite raising premiums twice-inflation and pocketing nearly \$1 billion in profits between them,” Mr Burgess said.

“The Federal Government’s agreement with MTAA has successfully delivered more Australians more access to more medical devices at less cost to insurers - and premiums should be going down, not up, as per the Minister’s direction today.

“Insurers are threatening to block patient access to the very medical devices that hold our world-class health system together.

“Thousands of patients and surgeries across Australia – from bone breaks, to caesareans, to transplants – will be instantly impacted by this insurer cash grab and cause chaos in hospitals across the country, including public hospital waiting lists.”

The Federal Government is currently assessing private health insurance premium submissions for next year.

Under Federal legislation, the Health Minister must sign off on an insurer’s proposed increase [“unless satisfied that a change would be contrary to the public interest”](#).

Last Monday, MTAA called for the Federal Government to reject any premium increases about 3 per cent – twice inflation – after analysis of official APRA data on Monday proved medical device costs to health insurers had gone backwards over the past two premium years – and exposed insurer claims they were pushing up premiums as a “sham and a scam”.

The MTAA’s Agreement with the Federal Government has already saved insurers a total of \$390 million off the cost of medical devices and is on track to exceed the \$1.1 billion in total expected savings.

### Poll Results – Private Health

- Three quarters of Australians surveyed (76%) believe the Federal Health Minister should use their power to reject insurer premium increases over 3%.
- Three quarters of Australians surveyed (73%) are in favour of the Federal Health Minister forcing private health insurers to use some of their \$1 billion in profits to keep premium increases under 3% next year.
- The majority of Australians surveyed (66%) do not believe a health fund premium increase over 3% next year is in the “public interest”.
- Half of all respondents (49%) held private health insurance in line with current national population rates.

*Source: All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 1,078 adults. Fieldwork was undertaken between 14<sup>th</sup>-15<sup>th</sup> November 2019. The survey was carried out online. The figures have been weighted and are representative of all Australian adults (aged 18+).*

**Media Contacts:** Troy Bilsborough – 0427 063 150

## 7 Questions Private Health Insurers Must Answer:

1. How many patients in total will be affected by insurers plans to block patient and doctor access to medical devices?
2. Will insurers be targeting patients who have existing surgeries booked?
3. Which medical device item numbers will be specifically targeted by insurers?
4. How much notice will doctors, and their patients, receive before access to these critical medical devices are denied?
5. Are insurers accusing doctors of ‘wasteful’ conduct? And if not, will insurers today apologise for calling the medical judgement and integrity of doctors into question?
6. Do the ‘Big 3’ corporate health insurers – Medibank, Bupa and NIB – back the claims by their representative group Private Healthcare Australia today? And if not, what action will be taken?
7. What have insurers done with the medical device savings they’ve banked over the past 2 premiums years – and why haven’t they passed them to their customers in full in the form of lower prices as promised?

**Table 1: Proof Medical Device Costs To Insurers Have Gone Backwards.**

Premium Year	Total Cost to Insurers for Medical Devices	Total Increase in Costs to Insurers
Premium Year 2014 - Pre Govt Device Price Cuts	\$1,843,054,989	13%
Premium Year 2015 - Pre Govt Device Price Cuts	\$1,967,277,000	
Premium Year 2016 - Pre Govt Device Price Cuts	\$2,090,886,035	
Premium Year 2017 - Post Govt Device Price Cuts	\$2,084,149,259	-1%
Premium Year 2018 - Post Govt Device Price Cuts	\$2,077,873,733	

**Source: APRA Private Health Insurance Quarterly Statistics – 2013-2019**

The MTAAs Agreement with the Government has already saved insurers a total of \$390 million off the cost of medical devices and is on track to exceed the \$1.1 billion in total expected savings.

**-ends-**