



MEDIA RELEASE
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Private health premiums must decline in line with membership

Private health insurers should be forced by government to drop their premiums below zero next year so long as national participation rates continue to decline, Medical Technology Association of Australia CEO Ian Burgess said today.

Mr Burgess said over 2 million Australians dumped their private health insurance in the last five years and today's APRA figures confirmed this trend was continuing, with only 44.0% per cent of the country now covered.

At the same time, the APRA data shows private health insurance profits before tax increased 14 per cent over the past 12 months from \$1.6 billion to \$1.8 billion.

This is despite the price of medical devices paid by private health insurers dropping by up to 38 per cent in the past 3 years thanks to government reforms, including another round of recent price cuts on 1 February 2020 for technology treating heart and lung disease, diabetes, bone cancer, severe arthritis and eye trauma.

"It's clear private health insurers would rather drop customers than drop their prices and profits," Mr Burgess said.

"Private health insurance premiums have grown faster than national house prices over the past decade.

"It's a safe bet that the first private health insurer whose premiums go below zero will increase their market share overnight.

"Surely that's a better investment than health funds spending more on marketing to squabble over fewer customers?"

"Private health insurers haven't paid one extra cent for medical devices over the past two premium years, despite raising premiums twice-inflation and banking nearly \$1 billion in profits between the big corporate health funds.

"The number of Australians dropping out of private health insurance is quickly snowballing into an avalanche and it's time for government to step in and save private health from itself."

A recent Alpha Beta report identified \$1 billion worth of efficiencies that could reduce private health prices by up to 20 per cent within 3 years if government adopted them now.

	1 April 2020 PHI Premium Increase (Avg)	\$1500	\$3000	\$5000	\$7500	\$10000	Past Decade (2010-2019)
Industry Avg	2.92%	\$1,544	\$3,088	\$5,146	\$7,719	\$10,292	71%
Medibank	3.27%	\$1,549	\$3,098	\$5,164	\$7,745	\$10,327	72%
Bupa	3.26%	\$1,549	\$3,098	\$5,163	\$7,745	\$10,326	68%
HCF	3.39%	\$1,551	\$3,102	\$5,170	\$7,754	\$10,339	73%
NIB	2.90%	\$1,544	\$3,087	\$5,145	\$7,718	\$10,290	78%

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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.

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