



MEDIA RELEASE
19 May 2020

COST OF MEDICAL DEVICES DOWN IN MARCH QUARTER AS INDUSTRY CONTINUES TO SUPPORT COVID-19 RESPONSE

The APRA March quarter statistics on Private Health Insurance highlight once again the savings that have been delivered by MTAA’s Agreement with the Commonwealth, despite the enormous financial pressures being faced by the industry as a result of the COVID-19 pandemic.

Total benefits paid for prostheses decreased by 10.9% in the March quarter compared to the December quarter 2019.

This is a direct result of the \$1.1 billion dollars in cuts that MTAA delivered through its October 2017 Agreement, and a crucial demonstration of the significant contribution that MTAA is making towards affordable health care.

“Our Agreement with the Commonwealth is delivering real and tangible outcomes as we continue to work to hand-in-glove with federal and state governments to supply critical medical equipment,” said Ian Burgess, MTAA CEO, today.

“Through \$1.1 billion in cuts, we have demonstrated that the medical device industry is willing to work collaboratively with all stakeholders to deliver value and affordability to consumers.

“Despite facing unprecedented financial pressures, including an increase in freight costs of up to 600%, revenue reductions of up to 90% and a falling Australian dollar, the medtech has industry has worked tirelessly to ensure supply throughout the COVID-19 pandemic,” Mr Burgess said.

The APRA data shows private health insurers continuing to enjoy strong profitability, which is expected to increase significantly as a result of the temporary pause in elective surgery, with premiums set to go up at the end of 2020.

“We will continue to deliver the savings that were promised as we expedite the manufacture and supply of crucial medical equipment to the frontline of the fight against COVID-19, which remains the number one priority of our members,” Mr Burgess concluded.

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Media contact:

Rachel Fry | 0417 887 432 | rfry@mtaa.org.au

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.