

### **Patients Win from Tonight's Budget**

MTAA CEO Susi Tegen has welcomed tonight's budget that there will be no changes to the Prostheses List as a "win for patients".

"The Medical Technology Association of Australia congratulates the Government and the Minister for Health in the budget announcement made tonight to commit to ongoing reform via an expanded Prostheses List Advisory Committee (PLAC) supported by extra resourcing.

"Despite some self-interested calls by some stakeholders in the healthcare industry the Minister has carefully considered all the facts to reach a considered decision rather than respond to the misleading claims of some. We appreciate her commitment to this process.'

"Ultimately it is patients who win from tonight's announcement which will ensure that patients and their doctors decide what medical device they should get, free of health insurance fund interference.

The Government has also announced a pathway forward to ensure lasting reform can be achieved in a considered and well thought out way. MTAA welcomes the Government commitment to ensure transparency in regards to future Prostheses List pricing.

"The MTAA fully supports reform that sees patients come first where transparency is at the centre of future reform.'

"What is required is reform based upon facts and not fiction and the Government has recognised this in its announcement tonight and are to be congratulated.

"The MTAA looks forward to working constructively and diligently with the Minister and the Government to get the best outcome for patients possible.

The Federal Government Industry Working Group, set up to consider reforms to private health insurance, chaired by Professor Lloyd Sansom has made considerable progress, considering the short time frame and complex policy issues that have been at stake. We congratulate Professor Sansom on his commitment to this process.

"It is time for all stakeholders to embrace the opportunity to achieve lasting reform, that can benefit all stakeholders, rather than just push narrow commercial interests.

Medical technology industry statistics:

- Private health insurance premium increases have been more than 6% per annum, or **35% since 2010**.
- Growth in the average benefit paid per item on the Prostheses List between 2010 and 2015 was **zero**
- **Prostheses benefits represent only 14% of hospital treatment outlays**, compared to 16% for medical benefits and 70% for hospital accommodation benefits

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## **MTAA Member Budget Alert – No PL Cut**

In a significant win for the medical device industry there is no cut to the PL planned for August.

The Government has instead committed to a longer term reform process over three years by establishing a PHI and Prostheses Committee.

In regards to the PL this will be achieved via an expansion of the PLAC to include additional expertise. This will include the MTAA and has been confirmed by the Minister's Office.

This is a great outcome given where we started from and the prospect of a 40% cut across the board.

The MTAA will be provide members with more analysis once we have been able to analyse the budget papers in more detail.

Please see below the Covenants plan as per the budget papers.

### **Private Health Insurance and Prostheses Committees**

Expense (\$m)

	2015-16	2016-17	2017-18	2018-19	2019-20
<b>Department of Health</b>	-	1.4	0.7	0.1	-

The Government will provide \$2.2 million over three years from 1 July 2016 to establish the Private Health Sector Reform Committee to provide advice on the design and implementation of private health insurance reforms, with the aim of reducing the cost and improving the value of private health insurance to consumers.

The Government will also expand the Prostheses List Advisory Committee to include additional expertise to further develop and advise on the implementation of prostheses reform, with the costs of this component to be met from within the existing resources of the Department of Health.