



MEDIA RELEASE
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MTAA WELCOMES BUDGET, CALLS FOR REFORM OF PRIVATE HEALTH INSURANCE

The Medical Technology Association of Australia (MTAA) has welcomed the announcement of the Federal Budget today in Canberra.

A successful and secure future for Australia will only be guaranteed with the right investment in the public and private healthcare systems. Transforming the way government interacts with and supports the private sector in bringing to market new, novel and life-saving medical devices is at the heart of ensuring that future.

MTAA welcomes the announcement of further investment for the Therapeutic Goods Administration (TGA) and calls on government to go further in the May 2023 Budget with real investment in TGA that doesn't rely solely on cost recovery arrangements.

MTAA CEO, Ian Burgess, said he was pleased to see the Budget investments in supporting the health system, and stated now was the opportunity for government to look seriously at the ways it can improve the private health system by undertaking long overdue reforms that see policyholders of private health insurance put back at the centre of the discussion around reforms to Australia's private health system.

Private health insurance is a key driver in the cost-of-living crisis. Analysis undertaken by Finder revealed the cost of health insurance has increased by 195% since 2000. That's more than double the rate of inflation over the same period, at 69%.

MTAA is calling on the Government to adopt key reforms to re-focus insurance companies on patients rather than profits.

MTAA's '7 Point Plan' recommends the Government adopt the following:

1. Force insurers to return 100% of COVID-19 profits to members,
2. Require insurers to pay out a minimum of 90 percent of their revenue to members,
3. Establish a *Private Health System Regulator* to develop a reform agenda to increase sustainability and protect patients,
4. Refuse premium increases for insurers whose claims ratio is below the industry average,
5. Prevent insurers from providing rebates for unproven treatments,
6. Standardise rebates for services across insurers to streamline administration and provide for certainty for consumers, and
7. Hold an inquiry into the corporate and tax structures of insurers to identify opportunities to reduce management expenses.

“These reforms address the drivers of ongoing premium increases, supports the sustainability of Australia’s private health sector, and will stop private health insurance from driving Australia’s cost-of-living crisis. They will break the cycle of ongoing above-inflation premium increases and ensure the affordability of private health insurance for all Australians,” Mr Burgess said.

MTAA welcomed the announcement of \$15 billion for the National Reconstruction Fund and looks forward to further engaging with government on how best to align the Fund with supporting the post-pandemic recovery of the private health system and the MedTech industry more specifically.

MTAA also praised the Government for announcing the following Budgetary measures:

- Expanding the Continuous Glucose Monitoring Initiative to provide subsidised monitoring devices to all people with type 1 diabetes and an increase in the age limit for participants in the Insulin Pump Program from 18 to 21 years \$327.7 million,
- Medicare Benefits Schedule - \$9.5 million, over 4 years, to amend MBS including:
 - Increased rebates for 6 nuclear medicine items
 - New somatic gene test panel for some types of cancer
 - New item for whole body MRI scan for specific cancer variant
 - Nuclear medicine purchasing and increased eligibility for treatment of a particular cancer
- Expanded Medicare access to MRI in some NSW hospitals \$12.4 million,
- \$1.8 million for additional funding of radiation therapy services in rural NSW,
- Reinstating regional mental health telehealth services \$47.7 million,
- GP grants of \$229.7 million, over 2 years, including for increasing digital health capability,
- Extension of Rare Disease Telehealth Nurse Program \$3 million,
- TGA funding for digital and business transformation \$23.3 million, over 2 years, although with the same savings expected in out years from cost recovery arrangements.

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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. 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.