



**MEDIA RELEASE**  
23 February 2021

## **PRIVATE HEALTH INSURERS START 2021 STRONG, DESPITE PANDEMIC**

The Australian Prudential Regulatory Authority (APRA) has today released data showing private health insurers (PHI) have continued to make mega-profits despite the effects of the COVID-19 pandemic.

According to APRA, the quarterly data shows PHI posted a profit of more than \$341 million in the three months to 31 December 2020, a 205.4% increase on its previous quarterly reporting figures.

Despite these profits and despite spending over \$2.4 billion a year on 'management expenses' – including executive bonuses, corporate perks and advertising – Australians are still being left to pay 13% more in out-of-pocket costs for their hospital treatments.

Today's APRA data comes hot on the heels of NIB Health Funds' parent company, NIB Holdings' half-year interim report which revealed that their Australian residents health insurance business increased its six-month underlying operating profit to \$89 million, a 42.2% jump.

MTAA is concerned insurers are prioritising profits over patients' needs, forcing many families to seriously consider ditching their private healthcare cover.

The medical technology industry is doing its part through its Agreement with the Commonwealth which is delivering savings of \$1.1 billion, despite the significant impacts of the pandemic and the suspension of elective surgery in 2020.

**ENDS**

**Media Contact:** 02 9900 0600 | [media@mtaa.org.au](mailto:media@mtaa.org.au)

*Correction: An earlier version of this media release contained a reference to NIB accepting \$3.2 million in JobKeeper subsidies from the Government during the last quarter's reporting period. MTAA notes the \$3.2 million in JobKeeper subsidies referenced were received by NIB Travel, for the six months to 31 December 2020, not NIB Health Funds, as detailed in NIB Holdings Limited's half-year interim report.*

## **Did you know?**

1. The medical technology industry currently employs more than 19,000 people.
2. During COVID-19 the Government asked MedTech to supply 7,500 ventilators, and over 10 million COVID-19 test kits; the MedTech supply chain worked, and equipment was delivered
3. The industry is highly skilled with over 52% of employees having a tertiary qualification, and 25% having a postgraduate qualification.
4. More than half of Australian medical device companies have grown from start-ups. 40% of all medical device businesses have been established since 2000.
5. In 2013-14, Australia exported medical devices to 167 different countries around the world for a total value of \$2.1 billion.
6. 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.
7. MTAA's 2017 agreement with Health Minister, the Hon Greg Hunt MP has saved Aussie families \$1.1 billion – health insurers make this in profit every three months

## **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.