



Prostheses List Reform Fact Checks

The Prostheses List was set up to ensure insurance companies pay benefits for prostheses and other medical devices used when their members receive treatment covered by their private health insurance.

The Prostheses List ensures doctors can choose the best treatment for their patients and know that it will be covered by health insurance.

Without the Prostheses List, insurers could refuse to pay for some devices and technologies, resulting in reduced patient access and/or additional co-payments.

The insurers want to abolish the Prostheses List so they can choose not to pay for life-saving therapies and medical devices, leaving patients to pick up the tab.

In lobbying for the removal of the Prostheses List they have made several false claims which have been fact-checked below.

MTAA has been working with government, the medical profession, private hospitals, and consumers towards a sustainable funding mechanism for medical devices and the patient access and doctor choice guarantee of the Prostheses List.

MTAA is disappointed that insurers do not share our commitment to a collaborative approach and instead is putting their own corporate interests above those of their members.

Claim



Prostheses costs are rising.



Australians spend too much on prostheses.



Prostheses prices are responsible for high private health insurance premiums.

Fact



Unlike most other areas of health care prostheses prices have actually decreased over the past five years.

One of the most widely used hip replacement prostheses cost \$2500 in August 2016. The current price is \$1762

This represents a 29.5% price reduction.



While the cost per prosthesis is falling, the number of Australians needing prostheses is growing, due to population ageing, increased rates of chronic health conditions and the introduction of new technology.

Evidence shows that procedures supported by the Prostheses List, such as hip and knee replacements, deliver significant economic benefits by improving well-being and quality of life and enabling people to return to work.



Medical devices make up less than 10 per cent of private health insurance costs and are not responsible for high private health insurance premiums.

Private health insurance premiums have increased by 40% in past seven years. In contrast, Prostheses List benefits have not increased in real terms over this period.



Claim

✗ The medical technology sector should do more to reduce pressure on health insurance premiums.

✗ Health insurers are under financial stress.

✗ Prostheses prices are driving up health care costs.

Fact

✓ The medical technology sector has delivered over \$1.2 billion in savings on the Prostheses List over the last 4 years.

The medical device industry has been the sole contributor to reducing the pressure on PHI premium increases.

Insurers now spend more on management expenses than they do on medical devices.

✓ Insurers made record profits in 2020 due to the COVID pause in elective surgery.

Figures compiled by the industry regulator, the Australian Prudential Regulation Authority (APRA), show insurers made net profit of \$1.5 billion last financial year – almost double their 2019-20 result.

✓ Prostheses are the only part of our health system that have not been steadily increasing in price over the past two decades. Since 2005, on average, benefits for prostheses have decreased.

Spending on life enhancing medical devices accounts for only 1.2% of the entire Australian health budget.

Prostheses save lives every day in Australian hospitals and are an extremely cost-effective component of the Australian health system.

#medtech
Your life depends on it.