



MEDIA RELEASE

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Now we can move forward on reforming Private Health Insurance

The Medical Technology Association of Australia (MTAA) welcomed today's announcement by the Health Minister, Sussan Ley MP on the new Private Health Ministerial Advisory Committee (PHMAC) and revamped Prostheses List Advisory Committee (PLAC).

The MTAA supported the Government decision to allocate \$2.2 million in the May Budget towards establishing a PHMAC and expanded PLAC to advise on reform of both private health insurance and the Prostheses List (PL).

The MTAA actively participated in the Government's Industry Working Group (IWG) to build a consensus of PL benefit reform. We look forward to reviewing and delivering on the findings of the IWG, chaired by Professor Lloyd Sansom.

The MTAA accepts benefit reform of the PL will occur. But remains concerned that a blunt cut ahead of the revamped PLAC would be contrary to delivering long-term evidence based reform in an attempt to appease the private health funds.

The MTAA believes the new expanded PLAC membership should immediately prioritise the PL benefit reform including improved transparency, reducing unnecessary duplication and red-tape with the Therapeutic Goods Administration's assessment processes.

The MTAA is pleased the Government is acting to end "junk policies" through the development of Gold, Silver, Bronze and rural policies. Further, we need to address the disparity in access to private health insurance cover for people living in rural and remote communities endure.

Susi Tegen, Chief Executive of the Medical Technology Association of Australia said:

"The MTAA looks forward to being an active and productive member of both committees.

"We're up to helping deliver long-term reform that provides consistent price disclosure, provides certainty for industry, provides clinical choice and puts patients at the heart of the decision.

"Benefit arrangements are complex and any decision made will have significant ramifications so needs to be properly thought through.

"A blunt, one size fits all cut to medical devices will have serious consequences.

"Seventy per cent of our members on the PL are Australian small-to-medium size companies and a blunt cut could mean job losses, reduced R&D and manufacturing.

“The medical device industry accounts for only 14 cents in every dollar paid in reimbursements by private health insurers under their hospital cover policies.

“If we’re going to be serious about helping deliver a sustainable and transparent healthcare system we need to look at the other 86 cents that’s driving up health insurance premiums.

“A simpler, easier to understand system that gives power back to customers, not the insurers, is right.

“We know people are unhappy with private health insurance. More than 40,000 people expressed frustration with what they felt was a lack of value for money and we all need to work to change this.

“We look forward to working with both Dr Jeffrey Harmer AO and Professor Terry Campbell to deliver better value for money for Australians from their medical devices and private health insurance.

“We believe the majority of the stakeholders on the committees share this belief.”

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Did you know?

1. The medical technology industry currently employs more than 19,000 people and generates approximately \$12 billion in revenue.
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.