



SUNDAY 18 SEPTEMBER

MEDIA RELEASE

New Polling shows Private Health Insurance puts profits before patients

ReachTEL polling of 1,144 residents across Australia conducted on the night of 12th September commissioned by the Medical Technology Association of Australia (MTAA) shows 77.9% either strongly agree or agree with the statement “private health insurers put profits before patients.”

Recent [Australian Prudential Regulation Authority](#) (APRA) data shows private health funds managed to boost premium revenues by 6.4% and profit before tax by 8.9% in the year to June. But reimbursements to their members rose by just 5.3%.

Further, the polling found 69.2% have considered downgrading or dropping their policy in the past 12 months because it does not represent good value for money.

More alarming is 75.4% of people aged 18-34 years of age have considered downgrading or dropping their policy in the past 12 months.

This supports findings from [APRA](#) showing a decline in membership from 47.4% to 47.0% in the year to June 2016.

A total of 67.5% of respondents opposed PHI companies being able to limit doctor choice in regards to what medical device they can select for their patients. In the age group 51-65 years of age – (most likely to need medical devices) – this rose to 75%.

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

“These figures confirm what a recent survey of 40,000 respondents told the Governmentⁱ namely Private Health Insurance does not provide value for money and put profits before patients.”

“69.2% have considered downgrading or dropping their policy in the past 12 months because it doesn’t represent good value for money.

“We know the health funds have requested cuts, as much as 45%, to the total benefits paid to patients for medical devices.

“This is despite only 20.1% of respondents believing they would pass the savings onto consumers through reduced premiums.

“This polling confirms the medical device industry, despite claims by private health funds, is not responsible for the growth in premiums. In fact from 2010 to 2015 premiums have increased by approximately 35%, meanwhile over the same period the growth in average benefit paid for medical devices has been 0%.

“Our industry accounts for 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 premiums, and more importantly, the risk model PHI industry utilises.

“Benefit arrangements are complex and a blunt cut to medical device pricing would not be a patient focused decision. It would be a decision to try and satisfy the PHI industry’s ever increasing voracious demands for unjustifiable premium increases with the premium round due to begin in November.

“The MTAA believes the expanded Prostheses List Advisory Committee and new Private Health Ministerial Advisory Committee announced by the Health Minister working with all stakeholders is the right vehicle to delivering long-term evidence based reform, as well as ensuring that Australians have access to the latest medical technologies.”

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A copy of the poll results can be provided on request

Notes to Editor:

Did you know?

1. The medical technology industry currently employs more than 19,000 people and generates approximately \$11 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.

ⁱ <http://www.health.gov.au/internet/ministers/publishing.nsf/Content/health-mediarel-yr2015-ley151205.htm>