



MEDIA RELEASE
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MEDICAL DEVICE INDUSTRY RESPONSE TO PREMIUM INCREASES

Today the Minister for Health, The Hon Greg Hunt MP, announced the approval of private health insurance (PHI) companies increasing premiums that will take effect from 1 April 2017.

With today's announcement the PHI industry on average has increased premiums by [50.83%](#) since 2009 but continues to blame the medical device industry for premium pressures.

Recent [Australian Bureau of Statistics](#) (ABS) consumer price index (CPI) figures show since December 2009 medical device inflation has increased by a mere 2.3%.

The real cost pressures on premiums comes from medical and hospital services which have increased by 55.1% since 2009.

Based on ABS figures medical and hospital services has seen the fourth largest CPI increase since 2009, with only tobacco, childcare and electricity prices seeing larger increases over the same period.

Data from the Australian Prudential Regulation Authority (APRA) shows the average benefit growth for medical devices between 2010 and 2015 was zero percent.

The Government is currently reviewing the Prostheses List (PL) arrangements which are critical to the majority of our members and changes that are based on flawed or inappropriate data carry a significant risk for our industry.

Ian Burgess, Chief Executive of the Medical Technology Association of Australia said:

"We've been, and remain, fully supportive of the Government's efforts to achieve lasting and meaningful fact based reform for medical device benefits.

"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 it is critical that the reform process examines the other 86 cents that's driving up premiums.

"The MTAA believes the expanded Prostheses List Advisory Committee and new Private Health Ministerial Advisory Committee announced by the Government working with all stakeholders is the right vehicle to progress this work to deliver long-term evidence based reform.

"The MTAA supports transparency and evidence-based reform and will work with Government and stakeholders to ensure Australians have access to the latest medical technologies."

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Media contact:

Polo Guilbert-Wright | 0409 631 828 | polo@mtaa.org.au

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.