



MEDIA RELEASE
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PRIVATE HEALTH INSURERS MUST PUT PATIENTS BEFORE PROFITS

It has been revealed that private health insurers have once again turned a profit during the COVID-19 pandemic. According to the quarterly Private Health Insurance Report released by the Australian Prudential Regulatory Authority (APRA) today private health insurers have increased their revenue by \$129 million whilst the amount actually paid back to members has decreased by over \$1.125 billion over the last 12 months.

Despite turning a half a billion dollar profit in the midst of a global pandemic¹, private health insurers used today's announcement to call on the Government to prop them up. This comes at a time when the insurance companies are only paying 89 cents in the dollar back to policy holders, and young people are questioning the value of their policies.

The MedTech industry is concerned about the future of private healthcare. Insurers are pocketing quick profits rather than focusing on the long term sustainability of the industry. Medical Technology Association of Australia (MTAA) signed an agreement with Health Minister, the Hon Greg Hunt MP to save Aussie families \$1.1 billion and protect choice for privately insured Australians. Despite the enormous financial pressures being faced by the MedTech industry as a result of the COVID-19 pandemic the industry and the Minister continue to honour this agreement.

This agreement has led to a total decline in the amount insurers paid for innovative MedTech devices on the Prostheses List. The latest APRA data² shows that insurers have not had to pay a single extra cent for medical devices over the 12 months prior. MTAA's agreement with the Hon Greg Hunt MP, continues to save insurers money, and it is now time they pass this on to Aussie families.

It's now time for insurers to closely look at their own behaviour. Insurers must stop trying to squeeze profits out of our private health system and stop calling on the Government for a handout whilst continuing to make profits. Medical Technology Association of Australia CEO, Ian Burgess, has called on private health insurers to offer Aussie families a saving, and stop putting profit before patients.

"MTAA's 2017 Agreement with Health Minister, the Hon Greg Hunt MP has locked in at least \$1.1 billion savings for the Australian public, now it's up to insurers to dig into their own profits and offer savings to the Australian people. Insurers must stop choosing profit over patients." Mr Burgess said.

"As doctors, nurses, MedTech innovators and other and essential works have pulled together to make ventilators, provide COVID-19 testing, and get Australia through the pandemic, struggling Australian families are rightly asking why private health profiteers are still raking in windfall profits"

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¹ This does not include an additional \$1.7 billion of profit insurers have put aside for potential future expenses.

² <https://www.apra.gov.au/quarterly-private-health-insurance-statistics>

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.

<https://www.mtaa.org.au/>

About APRA

The Australian Prudential Regulation Authority (APRA) is an independent statutory authority that supervises institutions across banking, insurance and superannuation, and is accountable to the Australian Parliament. Under the legislation that APRA administers, APRA is tasked with protecting the interests of depositors, policyholders and superannuation fund members. APRA also acts as a national statistical agency for the financial sector, collecting data both for its own uses and on behalf of the Reserve Bank of Australia and the Australian Bureau of Statistics. APRA provides this data in its statistical publications.

Today's APRA data can be found here <https://www.apra.gov.au/quarterly-private-health-insurance-statistics>