MEDIA STATEMENT

10 August 2026

Debunked Device Pricing Claims Are a Distraction from Private Health Affordability

The Medical Technology Association of Australia (MTAA) rejects recent reporting in The Age and The Sydney Morning Herald that recycles previously debunked claims about Australian medical device prices.

MTAA is concerned these discredited comparisons are fundamentally flawed, cherry-picked and wrong at the most basic level. Critically, the claims are being recycled by private health insurers to distract from the issues that matter most to patients and the health system: record insurer profits, the viability crisis of private hospitals, and patients receive less value from their cover.

The article even misstates APRA data, claiming medical device benefits increased by 3.2 per cent in the year to March 2026. The actual APRA figures show growth of 1 per cent over the previous 12 months, materially lower than reported, *and* below the article's cited 1.8% growth in private hospital admissions.

We cannot compare the price of a pacemaker in Australia's private healthcare system, where reimbursement include technical support services for the life of the device, with a New Zealand public procurement price that does not include those services.

Nor can you compare one component of a knee replacement when the appropriate comparison is the cost of the whole knee implant. Comparing only one insert is like comparing the price of one tyre when the relevant comparison is the cost of the whole car. One of the insert examples used in the article is not even sold in Australia or New Zealand.

These examples illustrate only a small part of the fundamentally flawed comparisons. Australia's private, choice-based health system and New Zealand's centralised public procurement model are not equivalent markets. They have different funding arrangements, procurement models, reimbursement frameworks, regulatory requirements, service obligations, clinical support expectations, and patient choice settings.

Prices vary between countries in every industry. For medical technology, those differences are even more pronounced because devices are supplied through complex, highly regulated healthcare systems.

Separately, claims in the coverage that the 2022 MOU or Prescribed List reforms 'predominantly benefited industry' are plainly inconsistent with the evidence. Independent Hospital and Aged Care Pricing Authority calculations reported by Nous found the reforms delivered **$302 million in savings in**

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the first two years and are projected to deliver **up to $1.17 billion in savings by June 2027**. That is up to **$473 million more** than the Government first forecast when the reforms were announced.

The MedTech industry delivered the savings asked of it. The real question is why savings already taken from medical technology have not been returned to Australians.

During the same period, private health insurer profits doubled from approximately **$1 billion in the year to June 2022 to $2.1 billion in the year to June 2025**, while insurer management expenses increased by **29 per cent to $3.4 billion**.

If insurers want to compare with New Zealand, then that raises a different question. Australian private health insurers only return around **85 cents in every premium dollar** to healthcare. In New Zealand, Southern Cross accounts for 74% of New Zealand's private health insurance market, and returns around **94 cents in every premium dollar** to policyholders through claims.

Insurers must explain why Australian policyholders continue to pay rising premiums while insurers return a materially lower share of premium revenue to patient care.

Further cuts to medical technology reimbursement are not a solution to private health affordability. They are unsustainable and risk putting patient access to life-changing and life-saving medical technologies in serious jeopardy.

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About MTAA:

The Medical Technology Association of Australia (MTAA) is the peak 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's membership spans Australian start-ups through to global MedTech leaders. Our members develop, manufacture and supply medical technologies 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, to high technology implantable devices such as pacemakers, defibrillators, and orthopaedic implants. Products also include hospital and diagnostic imaging equipment such as ultrasounds and magnetic resonance imaging machines, as well as digital health technologies such as remote monitoring devices and digital therapeutics.

MTAA members distribute the majority of 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 the safe and effective use of medical technology.

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