



Press Release

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PHA's proposal delivers a fairer, more affordable system for Australian families

Private Healthcare Australia CEO Dr Rachel David said a **scare campaign by big MedTech is designed to protect supernormal profits** at the expense of Australian health fund members.

"Governments and stakeholders have acknowledged the unfairness of the current Prostheses List arrangements for decades and the impact this regulation has on private health insurance premiums," Dr David said.

The Government's own report [Review of the General Miscellaneous Category of the Prostheses List \(health.gov.au\)](https://www.health.gov.au/resources/publications/review-of-the-general-miscellaneous-category-of-the-prostheses-list) exposed massive MedTech profits and highlighted the urgent need for reform.

"The Australian Government has recently stared down threats from big multinational corporations and in the current economic environment it is crucial that the financial well-being of Australian families, and policy decisions to sustain our world class health system take priority," said Dr David.

"PHA's blueprint for reforming prostheses funding in Australia does that. It redistributes excessive profits from multinational medical device companies to Australian doctors, Australian hospitals and Australian families. Medical device prices in Australia are the highest in the world and the largest factor in premium increases for Australian families with PHI.

"The current Prostheses List provides set prices for more than 11,000 items, with prices set by reference to other items on the list with no market mechanisms. Private health funds are required to pay for items on the Prostheses List regardless of quality, efficacy, efficiency or safety. Some prices are outrageous, such as washers for \$90, some screws over \$1000. Even common devices such as knee replacement parts or drug eluting stents are more than twice the price of some comparable markets.

"Health funds will not profit from any savings made from this reform, passing on any savings resulting from this reform to consumers as a reduction in premiums - in contrast to big MedTech seeking to protect supernormal profits and funnel them offshore.

"Private health insurers, the medical profession and hospitals all reject co-payments for medical devices. Consumers don't want co-payments. Government doesn't want co-payments. The multinationals' claims that people will pay out of pocket costs for medical devices is a simple scare campaign based on nothing. The facts of our proposal are:

- Doctors and patients will have access to a full range of medical devices and there will be no co-payments
- Where patients have need for more expensive devices than the average, doctors will be able to access more funding through a simple declaration form
- Medical device costs in Australia will fall gradually – our plan still has us paying the highest prices in the world for many years to come.

Private Healthcare Australia is the peak representative body for Australia's private health insurance industry. PHA represents 24 Australian health funds with a combined membership of over 13 million Australians, or 97% of the sector on membership.

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