

# Media Release

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Private Healthcare Australia  
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## Patients gouged on private pacemakers

New data prepared by the Independent Hospitals and Aged Care Pricing Authority (extracted from the Department of Health after a six-month delay) shows private patients will be paying \$300 million more for cardiac pacemaker devices over the next four years than the cost of the same devices in the public system.

The previous Minister, Greg Hunt, signed a secret deal with multinational device companies just prior to the last election. The deal slowed down and walked back a 2021 budget measure designed to reduce the very high prices paid by private patients through the Prostheses List.

Medical devices in Australia are regularly 30-100 per cent more expensive in Australia than in other countries like New Zealand, the UK, South Africa and France. Private patients have to pay prices set by the Australian Government through the Prostheses List.

Cardiovascular Implantable Electronic Devices (CIED) include pacemakers, implantable cardiac defibrillators (ICD), and special models of pacemakers and defibrillators, which can provide cardiac resynchronisation therapy (CRT).

CIEDs are truly lifesaving technologies, but they are not new. These are generic products that have become commoditised around the world. The prices paid by patients are rapidly falling almost everywhere except Australia.

This financial year, private patients are paying \$224 million for these cardiac devices. In the public system, the same devices would cost less than \$85 million.<sup>1</sup>

From 1 July 2023, private patients will be paying \$167 million (almost double the public price).

From 1 July 2024, private patients will be paying \$139 million (about 64 per cent more).

From 1 July 2025, private patients will be paying \$111 million (a premium of around \$27 million).

Across the four years of the deal done by the previous Minister, private patients will be gouged \$300 million on this category of devices, an inexplicable outcome given how much families are struggling with cost of living pressures. These supernormal profits will go straight into the pockets of large multinational device companies.

“These devices extend life, and are in many cases, life-changing,” according to Private Healthcare Australia CEO Dr Rachel David. “However, that does not provide an excuse to gouge Australian families paying private health insurance premiums for no added benefit.”

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<sup>1</sup> All figures assume no changes in the volume of devices. There will likely be growth which means consumers will be gouged more than \$300 million.

“Minister Butler inherited a dud deal from his predecessor. However, it is now up to him to determine if he’d prefer this \$300 million to go into the pockets of big MedTech multinationals or if premium relief for 14 million Australians will be the priority.”

Reducing the private prices on these devices to the public reference price would save every person covered by private health insurance \$20 over the next four years (around \$20 for a typical single hospital policy and around \$50 for a family policy). Private health insurers have promised to reduce premium increases with any savings from medical device reforms.

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*Private Healthcare Australia is the peak representative body for Australia’s private health insurance industry. PHA represents 23 Australian health funds with a combined membership of over 13 million Australians, or 97% of the sector on membership.*

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