

MEDIA RELEASE

Prostheses reform a good step in the right direction

hirmaa, the peak body organisation for 20 not-for-profit and member owned private health funds, has welcomed today's announcement by Health Minister Sussan Ley MP of a cut to prostheses prices.

Delivering \$86 Million in savings, CEO of hirmaa, Matthew Koce described the cuts to prostheses prices as a step in the right direction for consumers.

"Prostheses prices are strictly regulated by government and can cost a staggering 300% more in the private hospital setting than in comparable overseas countries."

"Reform of prostheses is long overdue and whilst we welcome these cuts of 10 per cent for cardiac devices and intraocular lenses and 7.5 per cent for hip and knee replacements, we anticipate more substantive cuts to follow."

"Affordability is a key concern for consumers and the facts are clear, the exorbitant cost of prostheses is having a major impact on health insurance premiums and is unfairly hurting consumers."

"What today's announcement shows is that the Turnbull Government and Health Minister, Sussan Ley are listening to the health insurers and are putting consumers first."

"hirmaa has sought reform of government regulation to bring the cost of medical devices in line with what is paid overseas. Under the present regulatory system it is conservatively estimated that private health insurance consumers are forced to pay up to \$800 million more for prostheses devices than should be the case."

"Today's announcement is a good tangible first step on the prostheses reform journey that both acknowledges that private health insurers have indeed been forced to pay excessive prices, and that the government is serious about substantive reform."

"hirmaa is committed to working with the government and other stakeholders to achieve a more sustainable health system. All our health insurance funds are not-for-profit and member owned so any savings delivered through prostheses reform will be passed on to consumers."

hirmaa also welcomed the decision of the Minister to seek recommendations on moving to a benefit setting mechanism for prostheses that reflects real market dynamics for medical devices, such as mandatory price disclosure, reference pricing and greater transparency around hospitals.

hirmaa is the peak industry body for 20 private health insurers which are not-for-profit, member-owned and community based. In all, the hirmaa funds provide private health insurance for over one million Australians.

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