

## MEDIA RELEASE

### **Peak body for not-for-profit, member owned and community based health insurers welcomes implementation of consumer focussed health reform**

Matthew Koce, CEO of hirmaa, the peak body for 20 of Australia's not-for-profit, member owned and community based health insurers has welcomed the Commonwealth Governments implementation of promised savings to prostheses.

As of today, consumers will benefit from price cuts of 10 per cent for cardiac devices and intraocular lenses and 7.5 per cent for hip and knee replacements totaling \$86 million. These savings are a first step in prostheses price reform announced by the Government in October 2016.

"The implementation of the Governments announced prostheses savings is good news for private health consumers, however further steps are required to ensure that private health remains affordable into the future". Mr Koce said.

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

"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 \$900 million a year. That equates to around \$171 on the average hospital policy."

Mr Koce acknowledged the new Minister for Health's commitment to working with the Private Health sector to ensure affordability.

"This month's announcement of the lowest private health insurance premium increase in a decade showed that the Government is serious about ensuring that private health insurance is affordable."

"The private health insurance sector will continue working with the Federal Government to help improve value for consumers, such as addressing rampant overcharging by the large multinational medical device companies, improving transparency and accountability throughout the entire health system to empower consumer choice and competition and eliminating unnecessary bureaucratic red tape that is adding to health costs."

hirmaa is the national peak body for 20 not-for-profit, member owned and community based health insurers. Private health insurers deliver close to \$19 billion dollars in benefits each year with the not-for-profit funds returning around 90 cents in the premium dollar as benefits to their policyholders.

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