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Prostheses reforms to deliver big savings for Australian families

Members Health has welcomed the proposed saving measures in the Australian Government's Memorandum of Understanding with the Medical Technology Association of Australia (MTAA), announced today.

The alliance of 26 of the nation's not-for-profit and member-owned health funds has long urged the Government to eliminate profiteering in the medical device market, as people with health cover have been paying hundreds of millions more for devices in private hospitals than what they would have in a public setting.

"Private health consumers have been forced to pay more for identical medical devices than those in the public hospital system for too long," Members Health CEO, Matt Koce said.

"The proposed saving measures in the MOU are a positive step towards aligning the prices paid by private providers with the prices paid by the public hospital system."

"Members Health applauds Minister Hunt for being the first Health Minister to confront the blatant profiteering by medical device firms, and today's announcement demonstrates his determination to improve affordability for Australians."

"We understand that the intent of these reforms are to cut the regulated prices set for prostheses in the private sector, and could amount to savings of \$900 million over the next four years," Mr Koce said.

Mr Koce urged the Government to ensure that real savings materialize from the reforms by having a strong compliance framework to hold medical device firms accountable for their pricing decisions.

Another key element of the reform announced today is the elevation of the Independent Hospital Pricing Authority (IHPA) and its role in conducting a pricing review during the four years of this agreement.

"As an independent umpire, Members Health welcomes IHPA's role in the regulation of the private medical device market, because greater price transparency is central to any enduring prostheses list reforms," said Mr Koce.

Mr Koce said Members Health sees the measures announced today as an important step towards fixing a system that has acted as a green light for big multinational corporations to exploit and overcharge Australian consumers.

Under the existing pricing framework, the Commonwealth sets fixed costs for private health insurers across different categories of the Prostheses List. The list contains more than 11,000 medical devices and implants – whereas pricing in the public system is governed by competitive tender.

"With public waiting lists expanding, Australians are valuing the choice and control that comes with private health insurance like never before. These reforms, if fully implemented, will put downward pressure on premiums."

"Policyholders can be confident that any savings flowing from these changes will be passed on by the 26 Members Health funds, who always put consumers first, not profits."

Members Health is the peak industry body for an alliance of 26 health funds that are not-for-profit or part of a member-owned group, regional or community based. They all share

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the common ethic of putting their members' health before profit. Our funds represent the interests of more than 5 million Australians.

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