Members Health
FUND ALLIANCE

MEDIA RELEASE:

13.06.2025

The over 15 million Aussies with private health cover are paying up to $1 billion too much for medical devices

New data shows that government regulators are being outfoxed, with millions of Australians faced with paying far too much for medically implanted devices or prostheses.

Data matching by Members Health shows that in 2022/23, some medical device manufacturers charged private patients up to 65% more than those in public hospitals.

The Government data reveals that a cardiac defibrillator (AICD) can cost $25,630 more for private patients. A spinal fusion can come in at over $18,065 more. A pacemaker can cost $7,111 more. Those paying for a hip replacement can be stung for over $2,600 more than public patients.

“The data points to regulatory capture by special interests and a dire need for reform,” said Matthew Koce, CEO of Members Health, the umbrella body for Australia’s not-for-profit and member-owned health insurers.

“If private patients were charged public sector prostheses prices, the private sector could save up to $1 billion a year, based on current patient volumes.”

“The high price of prostheses is yet another a slap in the face for Australians experiencing unprecedented cost of living pressures.”

“These are the same prostheses devices used in the same country, for the same procedures. The only difference is that the one used in a private setting comes with a much much bigger price tag attached to it for the patient.”

“Members Health is calling on the newly re-elected Albanese Government to take action and make prostheses reform a priority for their second term of office.”

“To deliver savings to consumers and make the system fair, Members Health is calling on the Albanese Labor Government to immediately do three things.”

“Firstly, put in place a continuous process of domestic and international price benchmarking.”

“Secondly, legislate mandatory price transparency so that the public can have confidence that prices are fair. This would put in place regulation that is aligned to the highly successful price transparency enshrined for PBS-listed pharmaceuticals.”

"Thirdly, explicitly ban and put in place harsh penalties for under-the-table rebates, financial incentives and kickbacks between device manufacturers and third parties, such as hospitals and clinicians."

"These three simple and obvious reforms would immediately deliver big savings for Australian consumers with private health insurance."

"Over the longer term, what is needed is the establishment of a National Prostheses Purchasing Authority to centralise procurement for all public and private hospitals. In France a national approach has proven highly effective in driving down prostheses prices and administrative costs for both public and private hospitals." Mr Koce said.

"The current regulatory system for prostheses has failed Australian consumers and is not sustainable. Inflated prices suggest the brazen exploitation by big overseas dominated conglomerates out to fatten their bottom line at the expense of patients."

"There can be no legitimate justification for Australians having to pay up to 65% more for some medical devices, just because they are a private patient. It is both unfair and it is wrong."

"Australians can be assured that any savings achieved from prostheses reform will be passed on to them by the 24 Members Health funds, who always put people first, not profits."

Members Health is the peak industry body for an alliance of 24 health funds that are not-for-profit or part of a member-owned group, regional or community based. They all share the common ethic of putting their members' health before profit. Our funds represent the interests of more than 5.4 million Australians.

Media Queries

Matthew Koce
mkoce@membershealth.com.au
0407 852 010

Members Health FUND ALLIANCE

Medically Implanted Devices (Prostheses) Public v Private cost variation: Cardiac and Orthopedic

			2022/23 FY					
			PHDB (ARDRGv10) - Private Sector		NHCDC (ARDRGv11) - Public Sector		Private / Public Comparison	
Specialty	AR-DRG v10	AR-DRG description	Total Private Separations	Avg Private Pros Charge	Total Public Separations	Avg Total Public PROS Charge	Variation (Private vs public)	% Variation (Private vs public)
Cardiac	F01A	Implant / Replacement of AICD, Total System, Major Complexity	290	$42,124	999	$16,493	$25,630	-61%
	F01B	Implant / Replacement of AICD, Total System, Minor Complexity	2300	$38,373	2027	$14,488	$23,885	-62%
	F02Z	Other AICD Interventions	120	$11,913	139	$4,925	$6,987	-59%
	F03A	Cardiac Valve Int W CPB Pump W Invasive Cardiac Inv, Major Complexity	230	$16,695	183	$8,707	$7,989	-48%
	F03B	Cardiac Valve Int W CPB Pump W Invasive Cardiac Inv, Minor Complexity	720	$20,240	240	$8,018	$12,222	-60%
	F04A	Cardiac Valve Int W CPB Pump W/O Invasive Cardiac Invest, Major Comp	330	$14,746	637	$8,088	$6,658	-45%
	F04B	Cardiac Valve Int W CPB Pump W/O Invasive Cardiac Invest, Interm Comp	1400	$14,686	1045	$6,891	$7,795	-53%
	F04C	Cardiac Valve Int W CPB Pump W/O Invasive Cardiac Invest, Minor Comp	3800	$17,256	1073	$6,024	$11,232	-65%
	F07A	Other Cardiothoracic/Vascular Int W CPB Pump, Major Complexity	60	$9,578	322	$5,352	$4,226	-44%
	F07B	Other Cardiothoracic/Vascular Int W CPB Pump, Intermediate Complexity	120	$7,756	331	$3,337	$4,419	-57%
	F07C	Other Cardiothoracic/Vascular Int W CPB Pump, Minor Complexity	430	$5,214	460	$2,288	$2,926	-56%
	F08A	Major Reconstructive Vascular Int W/O CPB Pump, Major Complexity	160	$8,952	783	$7,264	$1,687	-19%
	F08B	Major Reconstructive Vascular Int W/O CPB Pump, Interm Complexity	510	$10,442	1299	$7,451	$2,991	-29%
	F08C	Major Reconstructive Vascular Int W/O CPB Pump, Minor Complexity	1500	$8,221	1775	$5,687	$2,535	-31%
	F09A	Other Cardiothoracic Interventions W/O CPB Pump, Major Complexity	280	$5,467	398	$2,709	$2,758	-50%
	F09B	Other Cardiothoracic Interventions W/O CPB Pump, Minor Complexity	410	$6,926	667	$2,708	$4,219	-61%
	F10A	Interventional Coronary Procedures, Admitted for AMI, Major Complexity	370	$2,942	2910	$1,946	$996	-34%
	F10B	Interventional Coronary Procedures, Admitted for AMI, Minor Complexity	3000	$2,723	12975	$1,602	$1,121	-41%
	F12A	Implant / Replacement of Pacemaker, Total System, Major Complexity	1800	$11,844	3410	$4,733	$7,111	-60%
	F12B	Implant / Replacement of Pacemaker, Total System, Minor Complexity	7600	$11,141	5270	$4,008	$7,133	-64%
	F17A	Insertion and Replacement of Pacemaker Generator, Major Complexity	250	$11,606	250	$4,589	$7,017	-60%
	F17B	Insertion and Replacement of Pacemaker Generator, Minor Complexity	3000	$10,698	2089	$3,601	$7,097	-66%
	F18Z	Other Pacemaker Interventions	500	$4,505	558	$2,625	$1,880	-42%
	F24A	Interventional Coronary Procs, Not Adm for AMI, Major Comp	1300	$4,504	2257	$3,085	$1,419	-32%
	F24B	Interventional Coronary Procs, Not Adm for AMI, Minor Comp	25000	$4,071	10791	$2,141	$1,931	-47%
Ortho	I03A	Hip Replacement for Trauma, Major Complexity	230	$6,949	1634	$4,281	$2,668	-38%
	I03B	Hip Replacement for Trauma, Minor Complexity	1200	$6,520	5774	$4,444	$2,077	-32%
	I04A	Knee Replacement, Major Complexity	4100	$7,391	2834	$5,587	$1,804	-24%
	I04B	Knee Replacement, Minor Complexity	42000	$6,925	13182	$4,569	$2,356	-34%
	I06Z	Spinal Fusion for Deformity	810	$35,242	602	$20,893	$14,349	-41%
	I09A	Spinal Fusion, Major Complexity	600	$29,247	557	$11,181	$18,065	-62%
	I09B	Spinal Fusion, Intermediate Complexity	3000	$20,097	1074	$8,120	$11,977	-60%
	I09C	Spinal Fusion, Minor Complexity	8500	$14,959	1948	$5,674	$9,286	-62%
	I31A	Revision of Hip Replacement, Major Complexity	320	$9,474	582	$8,932	$542	-6%
	I31B	Revision of Hip Replacement, Intermediate Complexity	530	$9,269	662	$8,121	$1,147	-12%
	I31C	Revision of Hip Replacement, Minor Complexity	960	$7,217	519	$6,734	$482	-7%
	I32A	Revision of Knee Replacement, Major Complexity	440	$11,145	522	$9,143	$2,002	-18%
	I32B	Revision of Knee Replacement, Minor Complexity	2500	$9,429	820	$7,900	$1,530	-16%
	I33A	Hip Replacement for Non-Trauma, Major Complexity	2800	$8,839	2104	$5,973	$2,865	-32%
	I33B	Hip Replacement for Non-Trauma, Minor Complexity	29000	$8,671	9321	$5,073	$3,598	-41%