



**Australian Government**  
**Department of Health**

# AusMedtech 2017 Conference

*Melbourne Crown Conference Centre*  
**Wednesday 24 May 2017**

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## **Policy and politics of reimbursement of medical devices in Australia**

**Tracey Duffy**

**Assistant Secretary, Private Health Insurance Branch, Department of Health**

**Experts agree private health insurance is broken. But how can it be fixed**

The Guardian (Australia)  
18 November 2016

Increased private health insurance premiums don't mean increased value

The Conversation 10 February 2017

**Claims of skyrocketing prostheses costs challenged**

In Daily 4 April 2017

**Crisis looms as Australians look to ditch private health insurance**

Sydney Morning Herald  
17 September 2016



**Med-techs propose new prostheses price model**

The Australian 10 April 2017

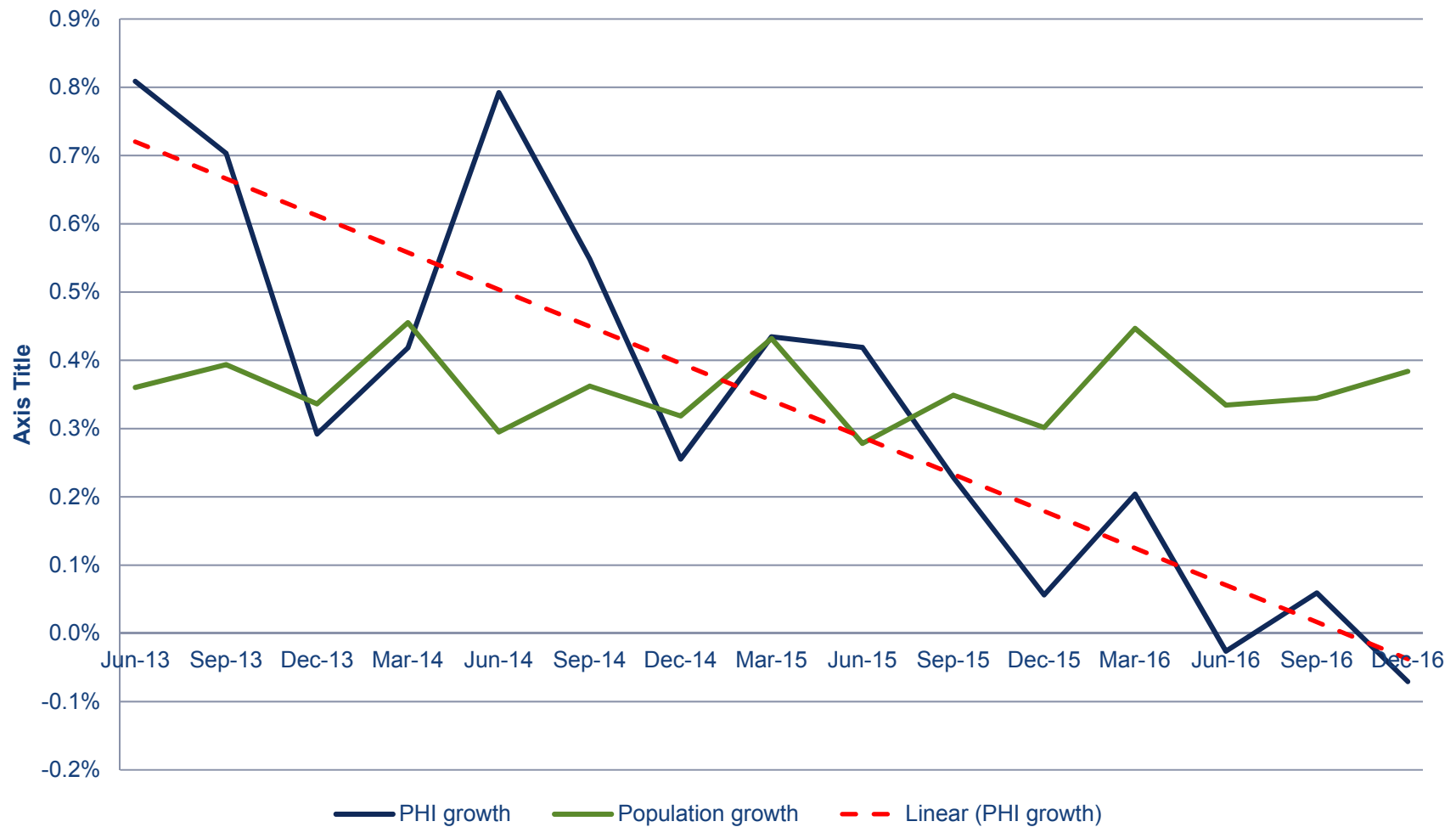
**How the price of pacemakers pumps health insurance fees sky high**

The Australian 22 August 2016

Private health insurance nears crisis point as costs soar

The Australian 14 January 2017

## Quarterly growth in PHI hospital coverage and total population



Australia has a key role to play in global health



\$2.0 TRILLION OVER 10 YEARS

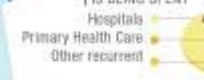


\$171 BILLION ANNUALLY



HEALTH SYSTEM FUNDING

WHERE THE MONEY IS BEING SPENT



WHERE THE MONEY COMES FROM

\$50B Individuals and Private Sector  
\$41B State and Territory Governments  
\$80B Australian Government

AUSTRALIAN GOVERNMENT FUNDING

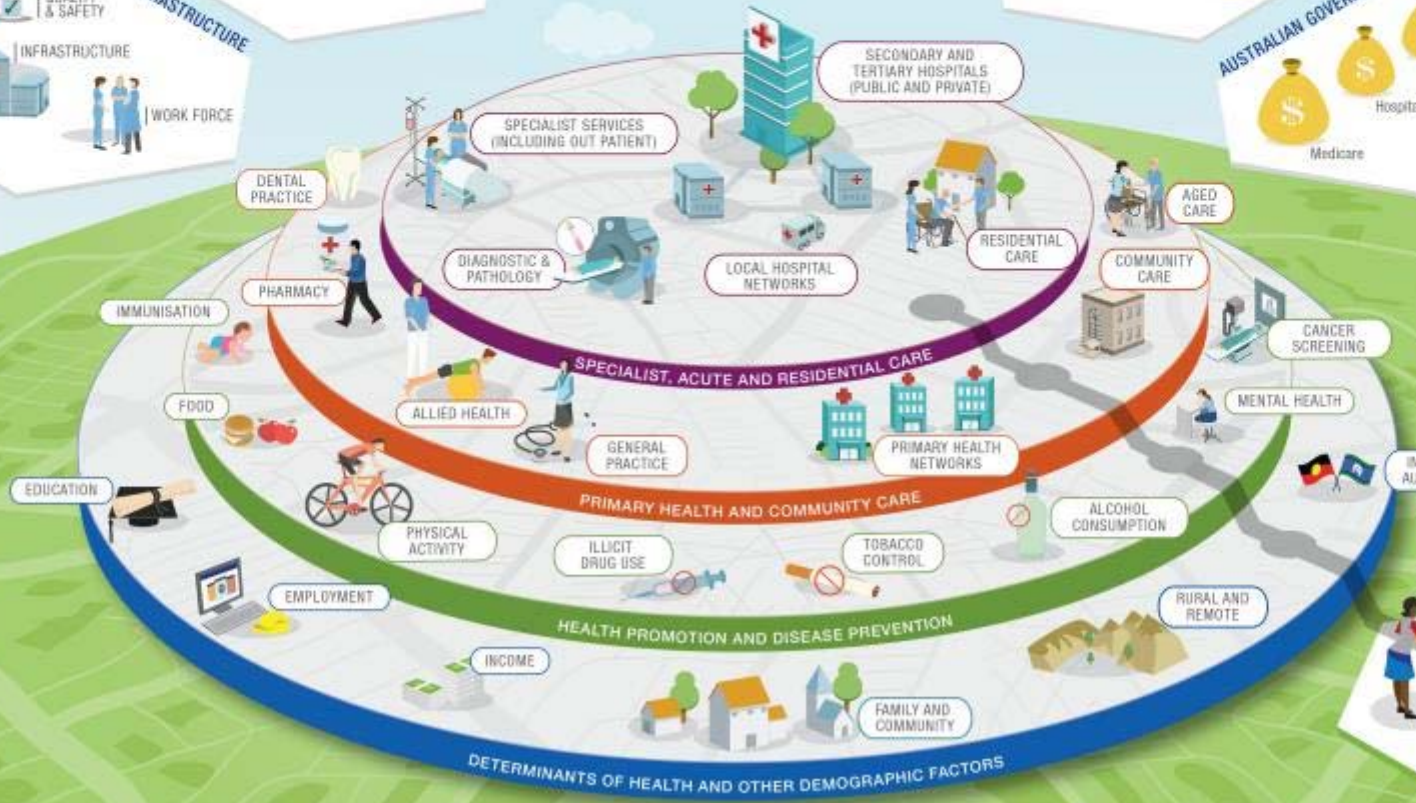
- Research
- Consolidated Funds
- Private Health Insurance
- Pharmaceutical Benefits Scheme
- Aged Care
- Hospital Funding
- Medicare

SUPPORTING REGULATIONS & INFRASTRUCTURE

- RESEARCH, DATA ANALYTICS
- INFORMATION TECHNOLOGY
- QUALITY & SAFETY
- INFRASTRUCTURE
- WORK FORCE

OPPORTUNITIES & CHALLENGES

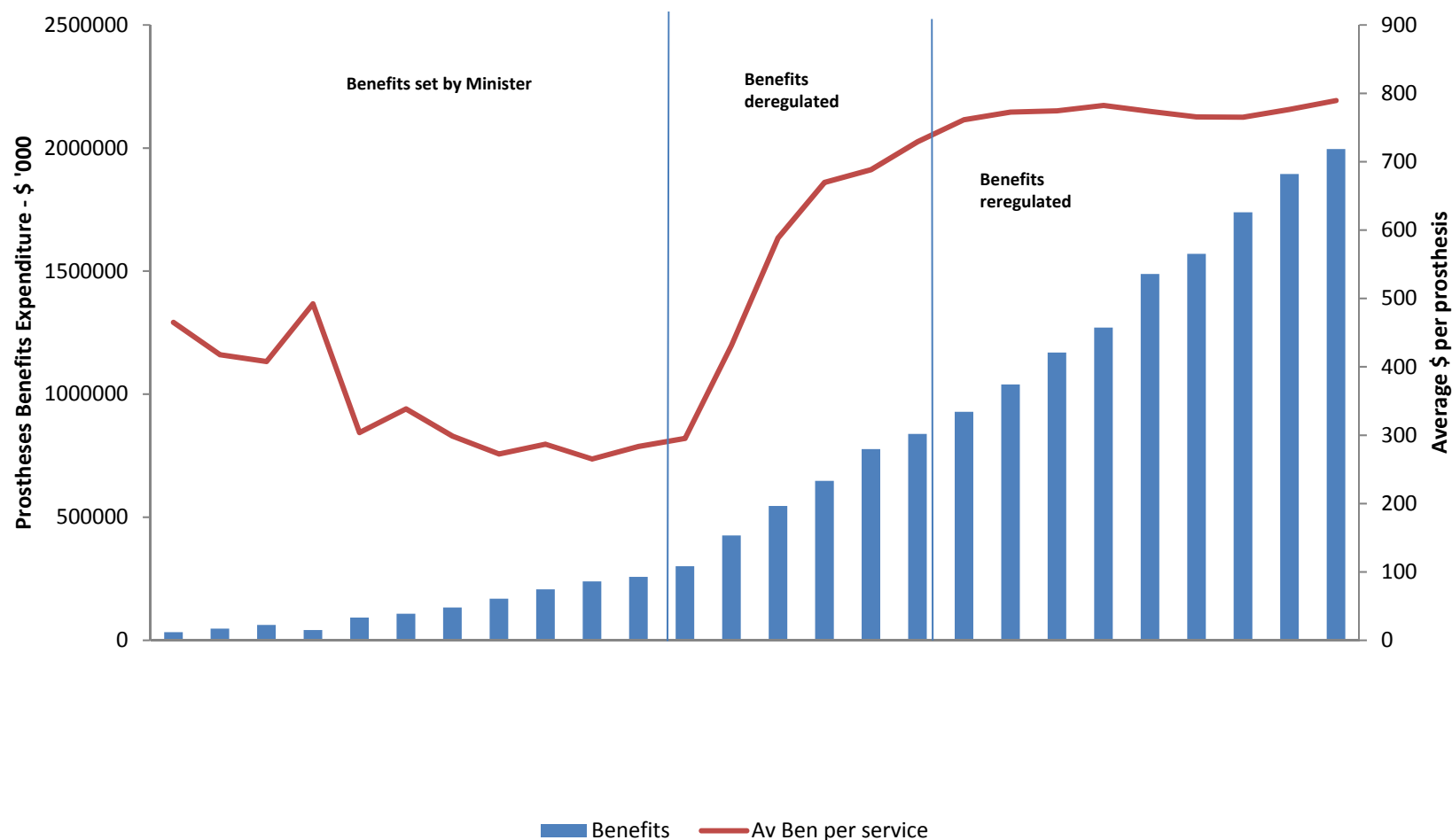
- CONSUMER & CLINICIAN EXPECTATION
- AGEING POPULATION
- IMPACT OF TECHNOLOGY
- CHRONIC DISEASE



IMPACTS ON INDIVIDUALS HEALTH AND HEALTHCARE SUPPORT



## Prostheses expenditure and average benefit per prosthesis – 1989/90 to 2015/16



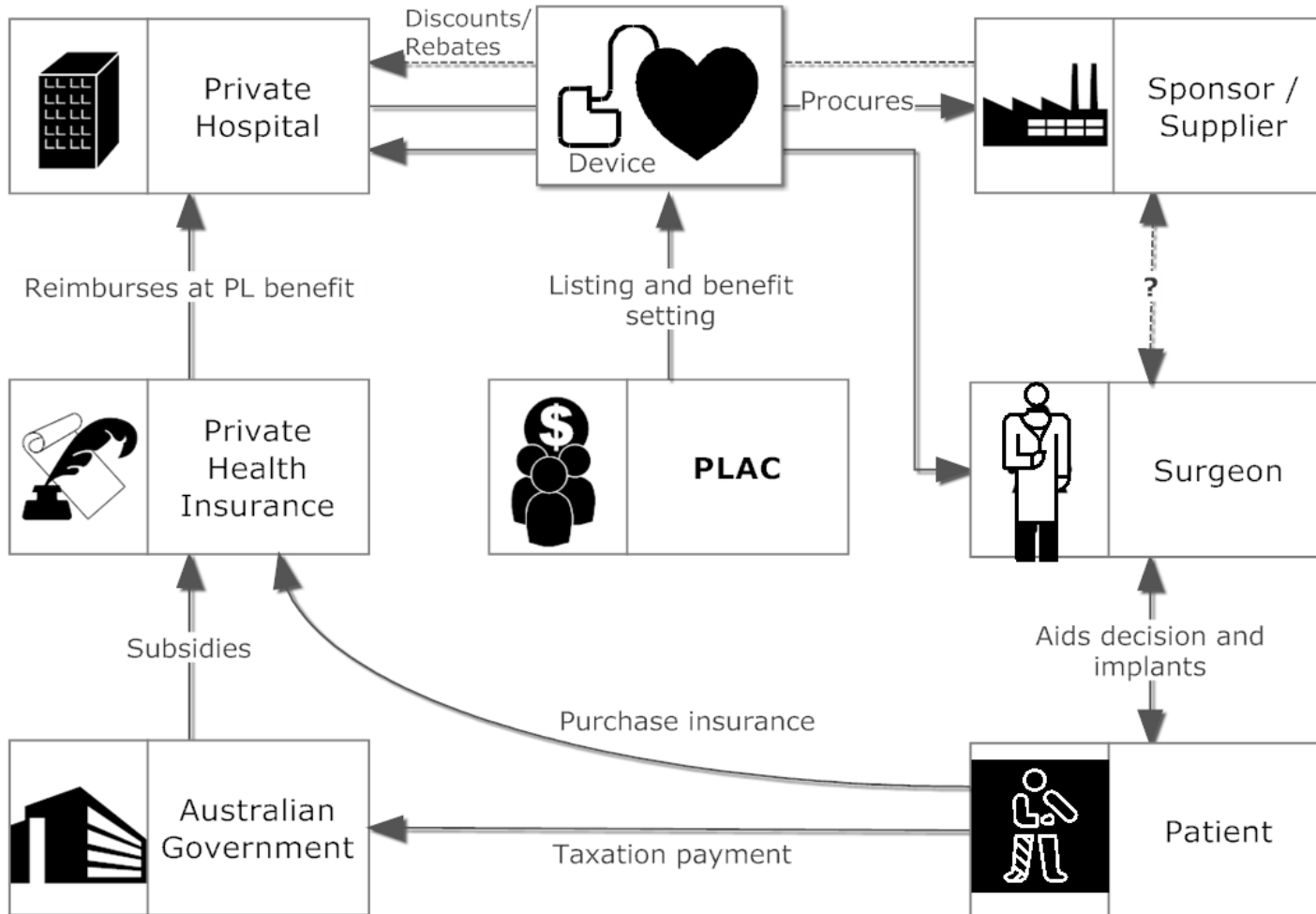


## Our **stakeholders** are:

- **consumers** - who pay premiums and receive prostheses;
- **private health insurers** - health insurance products and pay benefits for;
- **medical device sponsors** - prostheses to hospitals;
- **private and public hospitals** - healthcare services to privately insured patients;
- **surgeons and medical specialists** - healthcare services to privately insured patients, including implantation or application of prostheses;
- **health technology assessment experts** - epidemiological, clinical and economic outcomes;
- **learned colleges, craft groups, lobbying organisations and peak bodies;**
- the **Therapeutic Goods Administration** - regulate the market entry of medical devices into the Australian market place;
- the **Department of Veterans' Affairs** - which has an interest in prostheses arrangements for Veterans; and
- the **Australian taxpayer** - paying the tax rebates on private health insurance premiums.



# Private healthcare market for medical devices





## Reviews:

- the **Private Health consultations** starting in 2015, one of the largest public consultations ever undertaken by the Government. The input informed the establishment of the **Private Health Ministerial Advisory Council** in 2016.
- The TGA's Expert Panel **Review of Medicines and Medical Devices Regulation 2015-2016**.
- the **Industry Working Group on Private Health Insurance Prostheses Reform 2016**; and
- the **Senate Community Affairs References Committee**, which has just concluded its **inquiry into price regulation associated with the prostheses list framework**.





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[www.health.gov.au](http://www.health.gov.au)