



**MEDIA RELEASE**  
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## **Medical Technology industry cautious of outcome for patients**

Today's announcement from the Government to commence a targeted review of hip, knee and cardiac categories comes only three months after a 7.5% and 10% cut took place.

The \$86 million per year in cuts delivered price reductions to around 2,400 medical devices. Industry expects private health insurance (PHI) companies will continue to pass on every dollar of savings to consumers through reduced premiums.

Very few industries are subject to arbitrary pricing reductions with little time to implement making it hard for industry to adapt.

The sector needs certainty moving forward – it cannot absorb any further arbitrary cuts.

Last year in Australia more than 2.5 million surgeries took place, for each and every one of these surgeries medical technology played a part.

Despite nearly one in four patients of Australian hospitals requiring surgery (24%), the Prostheses List accounts for 1.2% of the entire health budget.

There has been practically no growth in the average Prostheses List benefit over 10 years meaning that in real terms the growth has been negative in the order of 20%.

**Ian Burgess, Chief Executive of the Medical Technology Association of Australia said:**

“The initial \$86m cut to the Prostheses List which only took place in February has already had huge ramifications.

“Any further cuts will have an impact on patients and may compromise further the value of private health insurance which is already being questioned by many PHI consumers.

“Our Australian SME members may have to reduce their workforce, reduce investment in research and development and clinical trials in an effort to avoid direct patient impacts.

“We've been, and remain, fully supportive of the Government's efforts to achieve lasting and meaningful fact based reform of medical device benefits.

“We look forward to working with both the Prostheses List Advisory Committee and Government to ensure an evidence based approach to the targeted review process.”

## ENDS

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### Did you know?

1. The medical technology industry currently employs more than 19,000 people.
2. The industry is highly skilled with over 52% of employees having a tertiary qualification, and 25% having a postgraduate qualification.
3. More than half of Australian medical device companies have grown from start-ups. 40% of all medical device businesses have been established since 2000.
4. In 2013-14, Australia exported medical devices to 167 different countries around the world for a total value of \$2.1 billion.
5. Medical technology (7.76%) is second only to Civil Engineering (8.5%) and pharmaceuticals in third (6.3%) when it comes to filing patents for innovative technology.

### About MTAA

The Medical Technology Association of Australia (MTAA) is the national association representing companies in the medical technology industry. MTAA aims to ensure the benefits of modern, innovative and reliable medical technology are delivered effectively to provide better health outcomes to the Australian community.

MTAA represents manufacturers and suppliers of medical technology used in the diagnosis, prevention, treatment and management of disease and disability. The range of medical technology is diverse with products ranging from familiar items such as syringes and wound dressings, through to high-technology implanted devices such as pacemakers, defibrillators, hip and other orthopaedic implants. Products also include hospital and diagnostic imaging equipment such as ultrasounds and magnetic resonance imaging machines.

MTAA members distribute the majority of the non-pharmaceutical products used in the diagnosis and treatment of disease and disability in Australia. Our member companies also play a vital role in providing healthcare professionals with essential education and training to ensure safe and effective use of medical technology.