



MEDIA RELEASE
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Medical Technology industry welcomes balanced Prostheses List Report

The Medical Technology Association of Australia (MTAA) today welcomed the findings of the Senate Inquiry into the price regulation associated with the Prostheses List Framework.

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

As the committee report itself states, medical devices account for only 14 cents in every dollar paid in private health insurance reimbursements. Overall, spending on life enhancing medical devices accounts for only 1.2% of the entire Australian health budget.

The Senate Committee report clearly reflected the complexity of the issues involved in medical device pricing and rejected the slash and burn approach advocated by the private health insurers.

The recommendations of the report are sensible and MTAA supports them.

MTAA welcomes the committee's serious commitment to examine where the other 86 cents in every private health reimbursement dollar is going through the much-needed Senate inquiry into the private health insurance industry.

For too long the private health insurance industry has escaped scrutiny on the \$6 billion in taxpayer subsidies it receives. The Senate inquiry will no doubt shed some light on this important issue.

Key points of the Committee:

1. The Committee noted the cost of prostheses is one aspect which influences the costs of private health insurance premiums, however, utilisation rates is also a factor.
2. The Department of Health was also unable to verify the accuracy of the private health insurers' claims of \$800 million savings.
3. The Committee notes the decision by the former Minister for Health to make cuts and the size of the cuts on 20 February appears to have been made with limited access to sufficient data.
4. There is considerable support for ongoing reforms and a willingness on the part of stakeholders to participate in the improvement of the PL framework.
5. The Committee considers that opportunities to improve the mechanism for reimbursement of medical devices, including non-implantable, not currently eligible for inclusion on the Prostheses List because they do not fit the current definition should be reformed to reflect innovative, less invasive and clinically proven technologies.

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

“We welcome the recommendations of the Senate Inquiry.

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

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

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

“We look forward to working with both the Prostheses List Advisory Committee and Government to ensure an evidence based approach to delivering long-term reforms.

“And at the end of the day we want Australians to have access to the latest medical technologies.”

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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.