



MEDIA RELEASE
10 November 2016

Senate inquiry needs to look at the bigger picture

The Medical Technology Association of Australia (MTAA) acknowledges the announcement today by Senator Nick Xenophon and Senator Stirling Griff of plans to establish a Senate inquiry into the medical devices industry.

The MTAA welcome the opportunity to inform the Senate inquiry, however, a process is currently underway that will deliver reform and improved transparency around the benefit setting arrangements for medical devices.

Medical devices account for only 14 cents in every dollar paid in reimbursements by private health insurers under their hospital cover policies. If the Senators are serious about the pressure on private health insurance they need to look at the other 86 cents in every dollar driving up health insurance premiums.

Without gaining a holistic understanding of the healthcare continuum there is a risk the Senate will make inaccurate recommendations that compromise the private healthcare system.

The MTAA urges the Senate to expand the terms of reference to include the wider costs of private healthcare in Australia.

Andrea Kunca, co-lead of the Medical Technology Association of Australia said:

"There have been a number of misleading and false claims put in the public arena in regards to the medical device industry. A Senate inquiry will allow these false claims to be answered once and for all.

"From the MTAA's perspective we look forward to presenting the facts rather than anecdotal misinformation put forward by some.

"The medical devices account for only 14 cents in every dollar paid in reimbursements by private health insurers under their hospital cover policies. If the Senate was serious about looking at pressures in the private health system then it should look at the other 86 cents in every dollar driving up health insurance premiums.

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

"The MTAA believes the expanded Prostheses List Advisory Committee and new Private Health Ministerial Advisory Committee announced by the Government working with all stakeholders is the right vehicle to progressing this work to deliver long-term evidence based reform.

“Unfortunately some stakeholders have sought to compromise that process which seeks to ensure Australians have access to the latest medical technologies.”

ENDS

Media contact:

Polo Guilbert-Wright | 0409 631 828 | polo@mtaa.org.au

Notes to Editors:

ReachTel polling figures:

1. 77.9% of respondents strongly agree or agree with the statement “private health insurers put profits before patients”.
2. 69.2% have considered downgrading or dropping their policy in the past 12 months because it doesn't represent good value for money.
3. 67.5% of respondents opposed PHI companies being able to limit doctor choice in regards to what medical device they can select for their patients.
4. Only 20.1% of respondents believe they would pass the savings onto consumers through reduced premiums.
5. 50% of respondents think PHI companies are responsible for the 35% increase in premiums since 2010, meanwhile respondents only thought medical devices were 7.7% responsible.
6. 55.9% of respondents aged 18-34 years of age oppose medical devices companies being paid less for its products if it meant cuts to research, developments and local manufacturing.

Facts and Figures:

1. The medical technology industry currently employs more than 19,000 people and generates approximately \$11 billion in revenue.
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.