

11 February 2016

Jessica Gardner  
The Australian  
2 Holt Street  
Surry Hills 2010, NSW  
Australia

Dear Ms Gardner,

**Letter to Editor RE: HBF scales back plea on health premium hike, 11 February 2016**

Jessica Gardner (“Medibank and the prosthetics crackdown explained”) makes a good point that prosthetics reform will not be a simple reform, and indeed it won’t.

This is why the Minister for Health, with the full support of the Medical Technology Association of Australia (MTAA), established the industry working group to come up with workable reform options.

As in the consideration of any reform, the prostheses reform needs to be based upon facts and to date some of the facts have been missing.

It is commonly quoted by the private health insurance lobby in particular that up to \$800m can be saved from reform to the Prosthesis List, this is despite no report or independent government analysis ever having been provided publicly by the private health insurance lobby in support of this figure.

What we do know is that of the total reimbursements paid by private health insurers only 14% represents payments for prosthesis items whereas the remaining 86% accounts for medical and hospital accommodation benefits.

That is not say there are not some pricing anomalies related to the Prosthesis List, anomalies that the medical device industry is happy to work with the Government and other stakeholders to rectify. These anomalies though represent the exception rather than the norm across some 10,000 items on the Prosthesis List.

The MTAA is very much looking forward to working with the Government and other stakeholders on prostheses list pricing reform, but let’s do so with all the facts at hand and not just claimed facts for, which to date, no evidence has been publicly presented to support them.

Yours sincerely,  
Susie Tegen  
**Chief Executive**  
Medical Technology Association of Australia

**About the Medical Technology Association of Australia (MTAA)**

The Medical Technology Association of Australia (MTAA) is the national association representing companies in the medical technology industry. For more information, please visit [www.mtaa.org.au](http://www.mtaa.org.au).