

02 February 2016

Sean Parnell  
Weekend Australian  
The Australian  
2 Holt Street  
Surry Hills 2010, NSW  
Australia

Dear Mr Parnell,

**Letter to Editor RE: Fee hikes crackdown on insurers, 30 January 2016**

I write regarding an article in the Weekend Australian, *Fee hikes crackdown on insurers*. The Medical Technology Association of Australia (MTAA) represents manufacturers and distributors of innovative medical technologies that treat disease and disability and save lives. MTAA wants to ensure that any major policy changes proposed in the private health insurance sector that impact the Prostheses List and ultimately patient access to appropriate medical technologies are factually based.

Much of the commentary critical of the Prostheses List ignores the key facts that private health insurance premium increases have been more than 6% per annum, or 35% since 2010. According to APRA, growth in the average benefit paid per item on the Prostheses List, for example hips, knees, and lenses, between 2010 and 2015 was zero.

Unfortunately, private health funds are claiming this growth as though it is an increase in the device cost, rather than an increase in utilization of prostheses. This is not true. More prostheses are being implanted due to the growth in the ageing sector, living longer and chronic disease which is resulting in more patients receiving their health benefits.

The regulation of the Prostheses List has its genesis back in 1985 when health funds would not leave clinical choice of prostheses to specialist surgeons. Because of this important regulatory system, for the past thirty years, privately-insured Australians have been able to access innovative surgically implanted medical devices, chosen by their physician, based on clinical need.

Australians do not wish to see the Americanisation of our health insurance system. Australians are not unreasonable in expecting patient access to innovative medical technology based upon the clinical advice of medical specialists, free of interference from their private health insurance funds.

MTAA recognises there are concerns with the delivery and cost of healthcare including, prostheses pricing. We welcome a process where health funds, government and prostheses manufacturers can seek a review where pricing discrepancies may exist. This will ensure necessary changes can be made while preserving the foundations of our private health insurance system which are patient access and surgeon choice to the most appropriate medical technologies for their patients.

Our aim is to keep people healthy and contributing to the economy and society. This should also be the aim of private health funds.

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