



27 January 2016

The Editor
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Dear Sir or Madam

Letter to the AFR Editor
Reply to 25 Jan 16 Prostheses Article

Senator Dean Smith's article on private health insurance presents a view of prostheses pricing which is simply not correct.

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.

Australians do not want to see the Americanisation of our health insurance system.

Australians want to see patient access to innovative medical technology based upon the clinical advice of medical specialists, free of interference from private health insurance funds.

Official APRA, therefore Government data shows that benefit amounts on the Prostheses List have experienced zero growth in the period 2010-2015 and only 2% in the first five years of the scheme whereas inflation over the 10-year period was approximately 28%.

Unfortunately, Senator Smith and many others have misunderstood that it is the growth in utilisation of prostheses (more patients receiving the health benefits of prostheses) that is driving the 10.8% growth in health funds 2013-14 prostheses expenditure. Private Healthcare Australia, representing health funds, acknowledges this in their recent submission to government.

The Medical Technology Association of Australia (representing prostheses companies) recognises there are concerns about prostheses pricing.

Therefore, we welcome a process whereby health funds as well as prostheses manufacturers can seek a review where pricing discrepancies may exist.

We agree that this is a warranted change to current arrangements which if implemented should ensure funds' concerns over pricing are addressed, while retaining patient access and surgeon choice which should be considered cornerstones of the Australian private health insurance system.

Yours sincerely,

Susi Tegen
Chief Executive
Medical Technology Association of Australia