



20 January 2016

Committee Secretary
Senate Standing Committees on Community Affairs
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Parliament House
Canberra ACT 2600

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Dear Secretary

Submission to the Committee Inquiry into the Prostheses List (PL) Framework

On behalf of AMO Australia Pty Ltd, I am writing in support of the Medical Technology Association of Australia (MTAA) submission to the Senate Community Affairs References Committee.

AMO Australia Pty Ltd is fully supportive of the reform process into private health insurance arrangements that the Government has committed to and is aware that further reform of the PL, as part of this broader scale review of private health insurance, is a key Government objective.

AMO Australia Pty Ltd would ask the committee in its deliberations and recommendations to also be cognisant that any reform to the PL needs to be evidence based and put the needs of patients first.

There is a significant risk that an arbitrary approach to PL reform will result in patients being significantly disadvantaged as follows:

- being out of pocket for the cost of prostheses;
- reducing prostheses choice; and
- reducing or ceasing manufacturer support services that are required to ensure the safety of the prosthesis implanted in the private sector.

In turn, these are likely to see more patients drop out of private health insurance and increase pressure in the public sector, leading to increased waiting times for elective surgery.



It is therefore vital that, while our industry is absorbing arbitrary cuts to PL benefits from February 2017, any future benefit reductions need to be based on appropriate market data. Claims made by private health insurers that there are up to \$800m in savings to be made from the PL are simply not true and can have devastating consequences for patients and the healthcare sector.

The medical device industry is innovative, employs thousands of people and is a major export earner.

Additionally, at a time when the Government has committed to an innovation agenda it is important that an innovative industry like the medical device industry has certainty around its policy and operating environment and that it receives ongoing support. The PL is a key component for ensuring this occurs.

The PL is about ensuring patients with private health insurance have access to best medical technology supported by their medical professional free of external interference.

AMO Australia Pty Ltd wants this to continue and therefore fully supports the MTAA Senate submission.

Yours Sincerely

Marius Fourie
Country Manager
AMO Australia Pty Ltd