

25th January 2017

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 Reveale Surgical I am writing in support of the Medical Technology Association of Australia (MTAA) submission to the Senate Community Affairs References Committee.

Reveale Surgical 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.

Reveale Surgical 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 puts 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
- reducing or ceasing manufacturer support services that are required to ensure the safety of the prosthesis implanted in the private sector; and
- result in reducing the ability of small Australian companies to continue to introduce new technologies into the Australian healthcare market

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.

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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 this year 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.

Reveale Surgical wants this to continue and therefore fully supports the MTAA Senate submission.

Whilst Reveale Surgical is predominately a company that recognises and introduces new technology in Surgical Medical Devices that are not specifically Implantable items, we make our own significant contribution to the healthcare industry in Australia and receive incidental benefits from the use of Prostheses for patient care. We fear poor policy decisions to the PL will severely impact on our ability to stay in business.

Our mission has always been to source and supply products that complement and assist with surgical procedures, and we have been operating under significant cost pressures as the strain of providing healthcare to Australians becomes more evident.

Hospitals continually demand lower pricing from us and pressure us more each day to provide a significant amount of support and justification for our products. This results in increasing costs to our small Australian company. This impacts on our ability to employ staff and manage our day to day business and services to hospitals. This also impacts on our ability to continue to source and provide products designed by specialist companies and surgeons around the world that may not otherwise be seen in the Australian Market.

All our products are carefully selected for their contribution to improved and streamlined surgical procedures, with the goal of creating better outcomes for patients and surgical teams around the country.

Much of our business is in the Private Hospital Sector in Australia, and we fear that should more patients drop out of private health insurance it will severely limit our ability to continue with our products and services to hospitals as we just will not be able to survive without sales in the private sector, given the already existing pressures.

A reduction in sales will mean the loss of jobs for our employees, the loss of our company's contribution to the economy in terms of outsourcing to contractors and payment for the essential services for running our business. It will also mean the loss of the introduction of many new and innovative products into the Australian healthcare sector. Such new innovations offer improvement and excitement to hospitals, surgical teams and patients and ensure the Australian healthcare sector is always moving forward and keeping pace with the rest of the world.

As a small company, we have benefitted from the introduction of new technologies over the past 14 years we have been in business. We have employed many people, helped them to start careers in this fantastic industry and provided a source of work and income to contractors and service providers for our business. We have also been fortunate to be able to introduce to the market some excellent and revolutionary medical devices and as the cost and effort to provide this service becomes harder every year, the proposed changes to the PL are just another extremely difficult hurdle for us. This will also be the case for all the other Medical Device companies, small and large, that have made significant contributions to the healthcare industry in this country for many years.

We would plead with the Committee and Government to consider these factors every step of the way when it comes to reforms in the healthcare industry, as it would be heartbreaking and have far reaching consequences should small Australian companies like Reveale Surgical close our doors after so many years of hard work, contribution and service.

Although we are small, we are proud of what we have achieved and would very much like to keep participating in this industry that we love and have supported for so long. It is our hope that the Committee in its deliberations and recommendations will be cognisant that any reform to the PL needs to be evidence based and will strongly consider the needs of patients together with the impact on healthcare professionals, industry and hospitals, as without this fundamental infrastructure patient care will no doubt be compromised.

Yours Sincerely

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