

Standing Committee on Finance and Public Administration

ANSWER TO QUESTION ON NOTICE

Budget Estimates Hearing – May 2010

Finance and Deregulation Portfolio

Program General, Outcome General

Topic: Medibank Private

Question reference number: F94

Type of Question: Written

Date set by the committee for the return of answer: 9 July 2010

Number of Pages: 1

Senator Abetz asked:

- a) When did Medibank Private become a shareholder of the company, Joint Research Pty Ltd?
- b) What is the purpose of the company?
- c) Did Medibank Private take legal advice on the proposed shareholding? If so, what was the nature of that advice?
- d) Did Medibank Private inform the government of its investment in Joint Research?
- e) If so, when was the government informed and what explanation was given for the investment?
- f) Does the government support this type of investment activity?
- g) Was there any direction given to Medibank Private about the need to disclose any conflict of interest while health insurers are also participants in the benefit setting process for products on the Prostheses List, and negotiations are undertaken by negotiators paid for by the industry body?
- h) If the government was not informed, who took the decision not to inform the government and when was that decision taken?

Answer:

- a) August 2009.
- b) Joint Research is seeking to develop clinically equivalent, cost-effective partial and total generic hip prostheses based on proven designs with strong market acceptance. The purpose is to stimulate availability of lower cost prostheses that have equivalent quality to patented prostheses.
- c) Medibank did seek and obtain legal advice in relation to the proposed shareholding. The nature of the legal advice received by Medibank is subject to legal professional privilege.
- d) Yes.
- e) Medibank informed the government of our investment on 25 June 2009. The information given included Medibank Private's participation as a provider of start-up capital to the venture and the nature of the company and its products.
- f) That is a matter for government.
- g) No.
- h) Government was informed.