



Link Orthopaedics Australia Pty Ltd
Surgical Instruments & Implants

A.C.N. 089 021 278
Unit 1
6-8 Enterprise Street
Ashmore, QLD 4214
PO Box 249
Ashmore City, QLD 4214
Tel: +61 - 7 - 5656 1900
Fax: +61 - 7 - 5597 1822
E-mail: info@linkopaus.com.au
Internet: www.linkhh.de

29th June 2009

Senate Community Affairs Committee
Via email: community.affairs.sen@aph.gov.au

Dear Secretariat,

I am writing in response to the Private Health Insurance (National Joint Replacement Register Levy) Bill 2009.

As a manufacturer and one of the members of the industry that is directly affected by the proposed Bill, I wish to communicate my concerns. In particular we disagree with funding of the National Joint Replacement Registry. Our view is that the underwriting of such registries should be a public health responsibility which Government should continue to meet in future as it has done in the past. To our knowledge Government has funded the NJRR since it began operations in 1998 and has not made a case for why it should no longer meet its public health responsibilities in this respect. We also believe it is unwarranted for all suppliers irrespective of size to meet the cost of the Orthopaedic registry. As it stands this is clearly inequitable since we already track our own devices and funding of the NJRR for us would be an additional unrelated unrecoverable cost.

I believe that the review of the proposal lacks thoughtful consideration towards the impact of such a Bill. This kind of proposal should follow appropriate consultation to achieve a result fairly across the spectrum of all stakeholders, and there has been no consultation so far from the Department of Health and Ageing with the industry on this matter.

Some concerns are as follows:

- *What do we as Industry receive in return for payment of this Levy?*
- *Bearing in mind the Privacy Act, what detailed information can Industry expect to receive for the Levy?*
- *What contribution will be levied for Industry, and is this amount directly proportionate to the quantity of items on the registry or volume of those that are implanted?*
- *What about items that are not listed on the NJRR? For example revision systems.*

As a Manufacturer of Medical Devices to Australia's health system, I fear that this levy may well jeopardise the commercial viability of both current and future innovations.

HealthAlerts.com.au revealed not too long ago that a major problem in Hip and Knee surgical revision rates are far too high in Australia.

Once a person's hip or a knee has been replaced, any need to revise it can be considered to be an UNAMBIGUOUS INDICATION OF FAILURE.

Sadly, in Australia, according to studies undertaken by the National Joint Replacement Registry (NJRR), the revision rate for Joint Replacement Surgery is estimated to be 25% (1 in 4 patients need it redone), while in Sweden the revision rate is only 10%.

While we all think of Australia as the lucky country, it would appear that Sweden is the place to go if you need to have a hip or a knee operation involving a prostheses implant. Australia's proportion of Knee prostheses implant procedures that are a revision procedure is 10% compared with Sweden's 7% - almost a third more. More staggering is that Australia has about DOUBLE the proportion of procedures that are revisions for Hip implant procedures - Australia 14.2% vs. Sweden 7-8%!!!

The effect of this is that millions of scarce health dollars are being spent every year revising Joint Operations. Reducing revision rates by a mere 1% would prevent 650 unnecessary hospital procedures every year. This would save between \$16 million and \$32 million annually! If Australia had the same rate of revisions for hip and knee replacement as Sweden, there would be 3,250 fewer revisions a year. This alone would save Australia's Health Care System between \$81 and \$162 million every year. This would go a long way in funding the Levy.

I hope that this Bill is reconsidered and future developments achieved through consultation with industry. I look forward to hearing of its review.

Yours sincerely

A handwritten signature in black ink, appearing to read 'R Braxton', with a small dot at the end.

Rob Braxton
Managing Director

Copy Emailed.