



The Secretariat
Senate Community Affairs Committee
Parliament House
Canberra ACT

June 4 2009

Dear Senators

Re: Private Health Insurance (National Joint Replacement Registry Levy) Bill 2009

St Jude Medical Australia Pty Ltd is a major supplier of advanced cardiac and neurosurgical technology in Australia. We are very involved in industry matters through our participation in and representation on various Medical Industry Association of Australia (MTAA) committees. It is with concern that we note the advertisement in the Australian newspaper yesterday. It is our experience that the Department of Health and Ageing would generally consult with stakeholders prior to any proposed Legislation. There has been no such consultation on this matter. Appropriate consultation with all stakeholders should take place in order to deliver good outcomes for all parties.

St Jude Medical Australia supports the use of registries to inform doctors, hospitals (both public and private), industry, health administrators, and the public on the long term result of procedures involving our products and is certainly willing to contribute towards a portion of the costs. However registries of this nature primarily provide a public benefit. This has been acknowledged by the Federal Government which has provided funding for the NJRR since 1998. Although we are not a supplier of orthopaedic products, we are concerned that it is proposed that the medical technology industry, supplying to the private sector, alone bear the cost of the joint registry.

The Explanatory Memorandum to the Bill lists several moderate benefits that may accrue to industry but makes no mention of benefits that accrue to private health insurers, private hospitals, doctors, the public sector and consumers. It seems inequitable that industry only is to fund a registry that should be considered a public good.

Many products on the Prostheses list attract quite small benefits. Over recent years benefits on the Prostheses List have been reduced by 8% in real terms. An additional tax could easily make some products commercially unviable, particularly if they are used infrequently or are specialised items. It is already disproportionately expensive and time consuming to market products in Australia which is only a tiny proportion of the international market.

St Jude Medical would urge the Committee to consider the points we have raised before imposing an additional and burdensome tax. We would be happy to be of assistance to the Committee in its work in any way. Please feel free to contact us.

Regards

Sarah Griffin
Manager Reimbursement and Government Affairs.