

Dear Sir / Madam,

I am writing to you to express my concern at the NJRR Bill that is proposed, having just been made aware yesterday that the deadline for comment is this Friday 5th June. I have read through the Bill and am surprised that there has not been any consultation with industry given the significant implications for companies such as my own.

Industry has been and remains a strong supporter of the NJRR, having been responsible for the majority of the funding for the Pilot Study and set up costs in the late 90's. We believe in the sustainability of the NJRR and the benefits to the wider community are well accepted. Having said this, I would like to make the following points,

1. Based on Prostheses List Billing Codes, the tax will apply indiscriminately regardless of utilisation. The Explanatory Memo identifies the most expensive orthopaedic device at \$67K but omits the detail that these two specialised items are outliers with extremely limited utilisation and:
 - o 47% of products have minimum benefits less than \$1k
 - o 89% of products have minimum benefits less than \$4K
 - o 99% of products have minimum benefits less than \$8K
 - o See attached analysis
2. The tax is proposed to apply to one stakeholder group only and does not seek to attribute costs to other beneficiaries. Government has been funding the registry since 1998 as it provides benefit to the public most of all and so should reasonably be expected to continue to carry that burden,
3. The tax may well challenge the commercial viability of listed products, particularly revision items which may have extremely low utilisation.
4. The Prostheses List benefits have stagnated over recent years – minus 8% growth adjusted for CPI. There is no effective mechanism for passing on these costs by adjusting benefits
5. The public sector benefits from the NJRR yet all costs will be channelled through the private health arrangements
6. There has been no consultation by DoHA with industry to attempt to develop a fair and equitable plan which should be a prerequisite to achieving the best outcomes possible for all. Passage of the Bill should follow appropriate consultation.

I would urge the Department to consult widely with industry and other stakeholders to ensure that these issues are adequately considered prior to passing a bill that could have far reaching consequences for industry viability.

Yours Sincerely,

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