12 June 2009

Mr Elton Humphery
Committee Secretary
Senate Standing Committee on Community Affairs
PO Box 6100
CANBERRA ACT 2600

Via email: community.affairs.sen@aph.gov.au

Dear Mr Humphery

RE: JOHNSON & JOHNSON MEDICAL SUBMISSION TO PRIVATE HEALTH INSURANCE (NATIONAL JOINT REPLACEMENT REGISTER LEVY) BILL 2009

Thank you for the opportunity to give evidence to the Committee on 11 June 2009. At the conclusion of the hearing, the Chair invited witnesses present to provide further information to supplement evidence previously given in our submission.

Johnson & Johnson Medical (JJM) wishes to submit the following information:

Funding

JJM is not aware of any other joint registers fully funded by industry. In the UK, the cost of running the NJR (National Joint Registry) is funded by a levy placed on the sale of hip and knee implants.[1]

Suppliers of joint implants collect levies from the purchasing NHS (National Health Service) trust or independent healthcare hospital for each applicable implant. The levies are collected from suppliers by the NJR Centre and then forwarded to the Department of Health to cover the costs of the ongoing operation and development of the NJR.

1. http://www.njrcentre.org.uk/

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Stakeholder representation

The UK NJR is overseen by a Steering Committee which is made up of members and representatives from a range of stakeholder groups.

Members of the UK NJR Steering Committee include:

Chair (1)
Orthopaedic surgical profession (4)
Industry - Orthopaedic Implant Suppliers (2)
Public Health and Epidemiology (1)
Practitioner with special interest in orthopaedics (1)
NHS trust management (1)
Independent healthcare sector member (1)
Patient representatives (2)

Data access

The UK NJR Centre validates the collection of data, and analyses it to provide performance information on hip and knee joint replacements and on outcomes for hospitals and individual surgeons. The analysed data can then be transmitted to stakeholders with due regard for patient and clinician confidentiality.

Clinicians have continuously available online access to their own data. This access allows them to carry out analyses themselves.

Personal patient information is only available to the individual patient and their surgeon. Patients are able to see their own records off-line in accordance with the Data Protection Act. Clinicians and suppliers are able to access anonymised patient data.

The analyses of individual surgeons' data is only available to surgeons and their employing orthopaedic hospitals (where the surgeon has given consent).

Anonymised performance of hospitals and implants is freely accessible to all users.

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Anonymised data is made available for research purposes but the data is aggregated in such a way that it is not possible to identify an individual surgeon or patient.

JJM Proposed Funding Model

JJM recommends the cost of operating the NJRR be funded by adopting a similar model to the UK NJR along with other fees payable.

This would entail a set proportional levy payable by the hospital for each joint replacement implanted. This fee would be remitted to the supplier as a separate fee over and above the implant cost. At the end of each quarter the supplier would aggregate these fees and remit them to the NJRR, along with their own proportional contribution which would be a similar amount per implant. The payment of this fee would entitle payers a set level of data access with additional user fees payable for any further specific data requests.

In addition, individual surgeons who benefit from the NJRR could be levied a flat fee per annum for access to basic data, along with any user pays fees for customised data reports.

This approach would ensure that all parties who are benefiting from the operation of the NJRR would be making a contribution towards its operations.

Conclusion:

JJM reiterates its support of the NJRR and believes it contributes valuable information to surgeons, public and private hospitals, the medical devices industry and the community. On this basis, all beneficiaries of the NJRR should contribute to the funding of the NJRR and be represented on the NJRR's management committee with clear and transparent objectives set in order to strive for better access to data and the research agenda.

JJM views the UK NJR as the most advanced joint registry governance model. Industry is regarded as an equal stakeholder, along with patients. Industry is able to access real time data for the sponsor's own products compared to overall product class. The data should facilitate post marketing surveillance and internal review of data on new products and to identify and assess training effectiveness and learning curves of surgeons.

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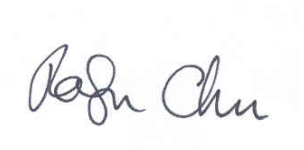
By moving to a user pays system along with broader stakeholder representation, there would be a series of necessary reforms to the operation of the NJRR. This would assist in delivering greater transparency for the community and for patients. This would be in line with the Government's broader agenda for greater information being made available about the performance of the Australian health care sector.

Thank you again for your consideration of our evidence and we look forward to hearing of the outcome of the Committee's recommendations.

Yours sincerely



For

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