

10 June 2009



Committee Secretary
Senate Standing Committee on Community Affairs
PO Box 6100
Parliament House
Canberra ACT 2600

PO Box 330
DEAKIN WEST ACT 2600

Dear Committee Secretary

Level 1
Rowland House
10 Thesiger Court
DEAKIN ACT 2600

RE: Inquiry into Private Health Insurance (National Joint Replacement Register Levy) Bill 2009

Telephone
02 6260 5980

CHA considers the National Joint Replacement Registry has been very effective in enabling the development of an evidence base in the Australian environment of the outcomes of joint replacement surgery as well as the performance of the devices used.

Facsimile
02 6260 5486

The reports produced by the National Joint Replacement Registry (NJRR) since its inception highlight the highly complex nature of factors that contribute to the successful outcome of joint replacement surgery. These include patient related factors such as age, lifestyle, extent of pre-existing muscular skeletal morbidity, skill of the surgeon in undertaking the procedure and selecting the most appropriate device combination and adhesive materials, hospital infrastructure and infection-control as well as the effectiveness of the devices themselves.

Email
secretariat@cha.org.au

Web
www.cha.org.au

Nevertheless, with sufficient data over time, it has been instructive to observe the variation in success and failure rates in particular devices. Even more instructive has been to observe the response of industry participants - with suppliers removing underperforming devices once it becomes clear that they have an apparent high failure rate when compared to other similar devices. Surgeons themselves, having observed the outcome data, have also moved to drop the poorer performers in favour of incorporating greater use of the better performing devices in their practices.

The Catholic health, aged and community care sector

The existence of the NJRR has undoubtedly lead to better outcomes for patients with the avoidance of unnecessary and costly revision surgery.

Catholic Health
Australia Incorporated

ABN 30 351 500 103

As the reports from the Registry are published on the Internet, they also provide consumers with the opportunity to more effectively participate in the decision-making process in relation to their surgery. Whilst the complexity of the subject matter means in reality that only the most well-informed patients will be able to fully take advantage of this information, it is nevertheless a right that can and should be provided to consumers.

Cost Recovery

CHA contends that the NJRR and future registries should be publicly funded on the basis that the savings realised will more than compensate for their running costs.

The avoidance of revision surgery will have also have lead to significant savings for funders (governments through paying for a lesser number of medical services under Medicare and private health insurers paying for fewer and less expensive hospital admissions).


Since the NJRR was established, it estimates that there has been a significant reduction in the proportion of revision operations, equivalent to about 1,200 fewer revisions per year and savings (through reduced expenditure) about \$16-\$32 million per year.

We are concerned that the NJRR has been a voluntary initiative of the orthopaedic profession and the goodwill inherent in establishing a registry and providing data is likely to be less forthcoming from this and other surgical specialties if governments are perceived to be running a short-term penny-pinching agenda.

We further note that as the NJRR costs will be borne by the private sector suppliers, the private sector will subsidising benefits that will also flow to State/Territories public hospital system as the public system benefits from the data made available by the NJRR.

As the reports from the Registry are published on the Internet, they also provide consumers with the opportunity to more effectively participate in the decision-making process in relation to their surgery. Whilst the complexity of the subject matter means in reality that only the most well-informed patients will be able to fully take advantage of this information, it is nevertheless a right that can and should be provided to consumers.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Martin Laverty', written in a cursive style.

Martin Laverty
Chief Executive Officer