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MEDIA RELEASE

Clinically Equivalent “No-Gap” Prostheses

The medical device manufacturing industry is causing unnecessary concern among Australia’s private insured patients over changes to the August 2009 Prostheses List, the Australian Health Insurance Association’s CEO, Dr Michael Armitage said.

“The Medical Technology Association (MTAA) repeatedly blames private health insurers for the gap payments on prostheses when in fact the gaps are a direct result of the charges demanded by medical suppliers. Health funds comply with the payments schedule produced by the Government,” Dr Armitage said

“All prostheses on the Prostheses List have been clinically assessed and grouped into clinically equivalent groupings. Based on these groupings the Government negotiates the benefits that are then paid by health funds.

“There is **always at least one** prosthesis in each group that is clinically equivalent, which delivers the same result and which does not require a gap payment.”

Dr Armitage said the AHIA had information which demonstrated that the majority of gap payments demanded by multinational companies supplying prostheses into the Australian market in fact are not charged to consumers.

“We have obtained copies of letters from both private hospitals and sponsors of prostheses agreeing to eliminate the charging of gaps to patients and the hospital.”

“Claims from the MTAA that patients could be denied access to a specific product because of the payment problems created by the gap (Australian 22 August 2009) are misleading. It is the Prostheses Company that chooses to charge the gap.

“The demand from multinational prosthetic companies to have their devices listed with a gap, when there are clinically equivalent devices that have no such requirement, is a just ploy in an attempt to discredit the current Government system for the setting of benefits for prostheses in Australia.

“The Prostheses List contains more than 9500 prostheses and there are about 2000 (22.7%) products with a potential gap. If a patient is faced with a gap, they can discuss it with their doctor and health fund and request the use of an equivalent no gap device.”

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