

Aus Medtech association: Reimbursements remain constrained

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The Medical Technology Association of Australia (MTAA) is the national association of Australia representing companies in the medical technology industry. MTAA aims to ensure the benefits of modern, innovative and reliable medical technology are delivered effectively to provide better health outcomes to the Australian community. Ms Anne Trimmer, CEO, Medical Technology Association of Australia (MTAA), speaks about the latest developments in Australia's medical technology industry and about MTAA future plans.

What is the total number of members of Medical Technology Association of Australia (MTAA)? What is the eligibility to become a member? What is the size of the medical technology industry in Australia?

The Medical Technology Association of Australia (MTAA) has currently 77 members and 10 associate members. The membership represents approximately 75 percent of the products listed on the private health insurance Prostheses List and approximately half of all medical products in the Australian market. Membership is open to all medical technology companies and subsidiaries in Australia. The size of the medical technology industry is estimated to be around \$10 billion (AUS \$10 billion).

Could you tell us about the major focus areas of MTAA?

MTAA focuses on public affairs and advocacy relevant to the industry. These focus on market access, commercial and regulatory issues, and on policies to advance growth of the industry. MTAA also administers the Medical Technology Industry Code of Practice, a self-regulatory industry code of ethics that regulates the interactions between industry and healthcare professionals, and (if applicable) consumers. MTAA delivers a range of professional development, communication and networking opportunities.

Could you kindly elaborate on the major developments, activities and achievements of MTAA in the last two years?

Over the past two years, MTAA has contributed significantly to policy development in the area of market access for technologies in the public and private health systems. Because of the duality of public and private systems in Australia,

pathways to market are quite different. Both face challenges in the sustainability of healthcare delivery. MTAA's participation on an extensive range of policy committees ensures MTAA actively contributes to the development of policies in areas such as HTA, regulatory reforms, and private health insurance reimbursement. Other activities include the continuous development and review of ethical principles that underpin the industry self-regulatory Code of Practice.

Over the past two years MTAA has developed its Value of Technology (VOT) project to establish the cost-effectiveness of specific medical technologies. The research has supported submissions to government and has been used in advocacy activity. In 2012 MTAA developed a strategic industry policy agenda to increase government awareness of the industry's economic contribution and to argue for increased support for the development of the Australian medical technology sector. MTAA released a white paper Building a sustainable Australian medical technology industry as a roadmap for government and industry to work together more strategically to develop the policy levers industry needs to achieve growth in the sector.

What are the major industry-related policy developments that have taken place in the past year in Australia?

In the last few months in Australia, the federal government has released a draft of new policy positions to strengthen the manufacturing sector. MTAA has contributed to reviews and the setting of the policy agenda on a state and national level and released a major policy paper on the sustainability of the Australian medical technology industry. Medical technology companies will benefit from the developments of industry precincts and other initiatives that are currently being implemented by government.

What is the number of MNCs and domestic companies in the medical technology industry? How many new domestic companies have been formed in the last two years?

Overall there are about 550 companies in the medical technology sector. Additionally there are approximately 60 IVD companies and approximately 50 companies supplying the dental market. There are a range of Australian manufacturers of medical devices like Cochlear, Sirtex, Simavita and Signostics. However, the vast majority of products supplied in Australia are imported by subsidiaries of large multinational companies or by independent distributors. Approximately one-third of the industry is less than 10 years old which reinforces its rapidly evolving nature.

What are the major challenges faced by the industry and how is MTAA helping to deal with the hurdles?

The major challenges for the Australian medical technology sector are similar to those faced by other comparable developed countries. With health budgets under strain through increased utilization, an ageing population and increased chronic disease, reimbursement for the supply of medical technology is constrained. Access to market for new technologies is also an issue with challenging pathways for the introduction of technology.

Another issue is the increase in requirements for data and evidence for regulatory approval and the establishment of a range of post market surveillance initiatives and device registries. A particular hurdle for Australian manufacturers is the mandated requirement to use the Australian regulator, the Therapeutic Goods Administration, for conformity assessment for medical devices manufactured in Australia. MTAA has been an active industry voice in the reform discussions.

What is the plan of action of MTAA for the next two years?

MTAA continues to advocate on behalf of the medical technology industry for better access to life saving and sustaining technologies. A particular focus for MTAA continues to be the establishment of a clear path to market for newer technologies that have a proven health benefit as well as good cost-benefit data. The smart use of modern technology in areas like home care and remote monitoring can help reduce expensive hospital admissions as well as keep patients at home for longer. In 2013 MTAA is working on policies that show the cost effectiveness of these devices.