



MEDIA RELEASE

Medibank prostheses numbers don't add up

Australian Orthopaedic Association

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The Australian Orthopaedic Association (AOA) believes it is unfortunate and disappointing for Australia's largest health insurer to misinterpret figures relating to prostheses performance in Australia's public and private hospitals in order to explain half yearly results.

Commenting on recent media reporting, AOA President Dr Andrew Ellis said, "Medibank CEO Craig Drummond is not correct with respect to comments about the comparative performance of hip and knee prostheses in Australia's private and public hospital systems. By promulgating misleading information, Mr Drummond is eroding community trust in an already strained and under-resourced health system."

"AOA would welcome the opportunity to assist Medibank understand the AOA National Joint Replacement Registry data and the correct methods of interpreting the highly respected data available," Dr Ellis said.

Data reveals that the current price regulatory system has not only stabilised prices for many years, but has also enabled the Federal Government to negotiate a significant cost reduction, including further reductions which commenced in February 2020. The Medical Technology Association of Australia has previously stated that in the last two premium years (April – March) private health insurers have not paid extra for prostheses. Prices for hips and knees on the Prostheses List have decreased at least three times since 2017¹.

"Comparing public and private hip and knee replacement performance is difficult unless it is adjusted for both patient and system factors. There are differences in the patient populations treated in public and private hospitals that need to be addressed, which Medibank doesn't factor in their statement. Public patients tend to be older and more frail, therefore the type of prostheses selected and used varies on this basis. As an example, there is increased use of cemented stems to deal with issues of poor bone quality and these are cheaper. Even though the same device performs similarly when used in private and public systems the patient population overall is different and hence there will be a difference based on patient factors when the two groups are compared.

"An additional factor is that patients treated privately have better, more timely access to health care, are less frail and are more active and younger at the time of surgery all of which will affect the rates of revision. In addition, the threshold for revision is greater in older individuals. None of this has been addressed by Medibank in its ill-informed analysis of the data," said Dr Ellis.

AOA has been very successful at improving health standards, reducing costs to the Australian community in excess of \$600m, as reported by the Australian Commission for Quality and Safety in Health Care, and will continue to ensure that Australians receive the highest possible quality of orthopaedic care.

"Australian orthopaedic surgeons act in the best interests of their patients and select medical devices based upon clinical need and what will provide the optimal clinical outcomes for each particular patient," Dr Ellis added.

¹ [MTAA Agreement](#) and [Prostheses List February 2017 Price Cut](#) announcement).



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