

21<sup>st</sup> February 2005

Productivity Commission  
Ms. Helen Owens  
Locked Bag 2  
Collins Street East  
Melbourne VIC 3000

Dear Ms. Owens,

**Study of the Impact of Advances in Medical Technology on Healthcare Expenditure in Australia**

It was good to chat with you last week regarding the industry perception of NICE as a HTA model. I think we confirmed that while Paul Gross may hold some reservations regarding NICE, MIAA considers that:

- NICE is probably the best organised and most transparent of the current HTA bodies in Europe.
- The NICE process of consultation with all stakeholders at several stages of an appraisal, a defined timetable and process, public consultation on its forward work program, and its attention to avoiding potential conflicts of interest, are all notable and desirable. Few of the other HTA bodies in Europe operate in the same way.
- There are weaknesses within NICE which should be noted, for instance the potential for appraisals to be protracted and extend over many months.
- Some of the work completed by NICE (and indeed the other major and reputable organizations, such as Blue Cross Blue Shield in the US) could usefully inform Australian HTA, particularly if transposed to an Australian medical/economic model, thereby avoiding reassessment of a new technology and further delay in access to it.
- The best aspects of practices adopted by NICE could be examined for utilization in any future Australian HTA Agency.

As we discussed during the call on you in January, we believe that one of the key issues to consider about HTA in general, is the question of when in the life cycle of a new device or diagnostic technology is the "appropriate" time to do an appraisal? Done "too early", it can actually inhibit clinical and technical development. A related issue is the need for assessment criteria which will be meaningful to healthcare providers and payors, but require data that can be acquired in a timely and cost-effective manner.

Again, I offer any support you may require from the industry side to tackle the many questions you will be considering.

With kind regards,

Brian Vale  
Chief Executive Officer