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# PHI 29/23 Benefit reductions to Cardiac Implantable Electronic Devices

Cardiac electronic implantable devices on the Protheses List will have a proportion of their benefits reduced by 40% of the gap on 1 July 2023

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## Notification

Cardiac implantable electronic devices (CIEDs) will have their Protheses List (PL) benefits reduced by 40% of the gap on 1 July 2023. These reductions will only be applied to the proportion of the PL benefit that corresponds to the estimated cost of the device.

The cost of the device has been estimated at ~54% of the current CIED PL benefit. The gap was then calculated between this 54% of the PL benefit and the weighted average price of a CIED in the public hospital system.

This estimate-based reduction allows CIED benefits reductions to progress as per the objectives of the PL reforms.

The Medical Services Advisory Committee (MSAC) will continue work on establishing the reasonable cost of CIED technical services. Any additional reductions recommended by MSAC as well as adjustments to the estimates applied on 1 July 2023, will be applied to the CIED benefit reductions scheduled for 1 July 2024.

View the [CIED PL benefits effective from 1 July 2023](#).

## Background

CIEDs require ongoing technical services after implantation to optimise the outcomes from device therapy and monitor patients.

The current PL benefit for CIEDs is made up of two components:

- the value of the device, and
- the value of CIED technical services that come with managing the device after implantation.

As PL benefits typically relate to the cost of devices and not the services associated with them, further work was required to establish the benefit reductions for CIEDs.

Benefit reductions were deferred by one year (until 1 July 2023), to allow the MSAC to establish the reasonable cost of CIED technical services. While MSAC work is ongoing, an estimate-based reduction to 54% of the current CIED PL benefit will take place on 1 July 2023.

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