PHI 38/23 Private Health Insurance (Medical Devices and Human Tissue Products) Rules (No. 1) 2023

This circular provides information about the Private Health Insurance (Medical Devices and Human Tissue Products) Rules (No. 1) 2023, commencing on 1 July 2023.

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General public

This circular provides information for stakeholders about the July 2023 Prescribed List of Medical Devices and Human Tissue Products (PL).

The delegate of the Minister for Health and Aged Care has made the Private Health Insurance (Medical Devices and Human Tissue Products) Rules (No. 1) 2023 (legislation.gov.au), to replace the Private Health Insurance (Prostheses) Rules (No. 1) 2023.

The Private Health Insurance (Medical Devices and Human Tissue Products) Rules (No. 1) 2023 (the Rules) were registered on the Federal Register of Legislation on 16 June 2023 and will commence on 1 July 2023.

The changes effected in the Rules

The Rules give effect to all changes resulted from completion of the Prostheses List applications (new, amendment, deletion and sponsors' transfers).

Other changes

Benefit reductions

As part of the Prostheses List reforms the Prostheses List [Prescribed List] benefits are set up to be reduced in three instalments (in 2022, 2023, and 2024), with the reduction commencing in July 2022 Prostheses List. The Reductions for the cardiac implantable electronic devices will occur in 2023, 2024 and 2025.

The July 2023 Prescribed List is the previously announced deadline for reducing the benefits for the Part A billing codes, for which the benefits are larger than the estimated Weighted Average Prices by more than 7%. For these billing codes, the benefits are reduced based on the difference between the Prostheses List benefits and the Weighted Average Prices or to the Weighted Average Prices plus 7 percent, whatever is the larger amount.

It is the first benefit reduction that has been applied to the Cardiac Implantable Electronic Devices, refer PHI 36/23.

Listing criteria

The Rules incorporate the listing criteria, the medical devices and human tissue products are required to meet in order to be eligible for listing on the PL (refer Part 3 of the Rules).

Cost-Recovery arrangements

The Rules outline the final cost recovery arrangements under the PL from 1 July 2023 (refer Part 4 of the Rules).

Final changes to Part D

Existing General Use Items (Part D) will remain on the PL for a further 12 months. In line with advice provided to the sector since 2021, these items are not considered to meet the eligibility of listing of medical devices or human tissue products as defined in the Private Health Insurance Act 2007 and as such, will be removed from the PL on 1 July 2024.

The PL (Part A, Part B, Part C and Part D) and reports on changes are provided in Excel and Portable Document Format at Prescribed List of Medical Devices and Human Tissue Products | Australian Government Department of Health and Aged Care.