

PHI 15/19
26 February 2019

AMENDMENT TO MARCH 2019 PROSTHESES LIST

The delegate of the Minister for Health has made the *Private Health Insurance (Prostheses) Amendment Rules 2019 No. 2* (the Amendment Rules), to amend the *Private Health Insurance (Prostheses) Rules 2019 No. 1* (the Prostheses Rules) that were registered on 20 February 2019.

The Amendment Rules:

- amend Rule 9 to set out the methods for calculating minimum benefits for these devices; and
- add 21 cardiac ablation devices (ablation catheters, mapping catheters and patches) to Part C of the Prostheses List;
- fix an error in the benefit for newly listed MN237 – Stratafix; and
- add conditions of listing for three newly listed devices – DE678, DE679 and DE680 – icotec Anterior Cervical Plate System.

The Rules have been registered on the Federal Register of Legislation and come into effect on 1 March 2019.

The spreadsheet at **Attachment A** lists the new cardiac ablation devices and their default minimum benefits on Part C.

The spreadsheet at **Attachment B** provides information about the changes to listings of four devices on Part A.

Methods for calculating minimum benefits for cardiac ablation devices

The amendments to Rule 9 set out methods for calculating benefits that are new to the prostheses listing arrangement. The methods provide for a combined benefit of not more than \$6,399 to be payable for the sum of a cardiac ablation catheter, mapping catheter and patch used in a surgical procedure described in Medicare Benefit item 38290. The combined benefit of \$6,399 is the maximum cost effective price of the devices in this service as advised by the Medical Services Advisory Committee (MSAC).

Sponsors negotiated default benefits for their cardiac ablation catheters, mapping catheters and patches to ensure that the sum of the benefits would not exceed \$6,399. A formula for calculating the combined benefits has been included in the Amendment Rules to deal with the situation where a combination of devices is used and the sum of the default benefits exceeds \$6,399, as follows:

Where the default benefit for the cardiac ablation catheter is X, the default benefit for the mapping catheter is Y and the default benefit for the patch is Z:

- the minimum benefit for the cardiac ablation catheter is calculated as $X \div (X+Y+Z) \times \$6,399$.
- the minimum benefit for the mapping catheter is calculated as $Y \div (X+Y+Z) \times \$6,399$.
- the minimum benefit for the patch is calculated as $Z \div (X+Y+Z) \times \$6,399$.

The sum of the three minimum benefits is \$6,399.

This is illustrated in the following example:

- The cardiac ablation catheter has a default minimum benefit of \$3,500
- The mapping catheter has default minimum benefit of \$3,000
- The patch has a default minimum benefit of \$350.
- The sum of the default benefits is \$6,950.

The benefit for the cardiac ablation catheter will be $3500 \div (3500+3000+350) \times 6399 = \mathbf{\$3270}$ (rounded)

The benefit for the mapping catheter will be $3000 \div (3500+3000+350) \times 6399 = \mathbf{\$2802}$ (rounded)

The benefit for the patch will be $350 \div (3500+3000+350) \times 6399 = \mathbf{\$327}$ (rounded).

The updated Prostheses List – Parts A and C – are available on the Department of Health Prostheses List webpage, including a version in Extensible Markup Language (XML) format.

NOTE:

The information provided on the Prostheses List webpage is for the use of stakeholders and in formats useful for their purposes. While care has been taken in preparing these documents, the information contained therein does not take precedence over the latest Private Health Insurance (Prostheses) Rules registered and in force on the Federal Register of Legislation.