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Coronavirus (COVID-19) health alert



Australian Government

Department of Health



PHI 19/21 Update on Prostheses List Reforms

Summary of stakeholder feedback on the proposed options for reforms and improvements to the Prostheses List.

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Health sector

The Department of Health would like to thank all stakeholders who have contributed to discussions about reforms and improvements to the Prostheses List (PL), including those individuals and organisations who submitted a response to the recent [consultation paper](#).

The Consultation Paper was released on 18 December 2020 and closed for comment on 15 February 2021. The Paper sought feedback about better defining the scope of the PL, reducing benefits, and consolidating the PL. It offered two options for reform:

1. Consolidate the PL based on the Diagnosis Related Groups (DRGs) model and set benefits with reference to the prostheses price components of relevant DRGs, with administration moved to the Independent Hospital Pricing Authority (IHPA).
2. Consolidate and redesign the PL with extensive changes to pre- and post-listing assessment and benefit setting processes, with administration of benefit setting supported by the Department of Health.

Feedback received

A total of 80 submissions were received. The majority of submissions were from clinical groups and medical device suppliers. The department also received submissions from consumers, individuals, private hospitals, private health insurers, tissue banks and think tanks.

Many submissions were provided in confidence. As such, there is no plan to publish the submissions on the department's website (noting the many organisations have published their submission on their own website). The key themes are outlined below.

- All stakeholders have agreed that reform is needed. However, opinion remains divided about which options would work best.
- Most support using reference pricing to the public sector to close the gap between average prices paid in the public sector and average PL benefits.
- There is strong support for a clear definition of scope and many agree that some items have been incorrectly listed.
- There was less feedback about consolidating the PL. Those stakeholders that did comment support a less complex grouping structure

A number of responses relating to a single, specific issue, were also received by the department.

Next Steps

All information received is being considered by the department and is being used to provide advice to Government.

The Strategic Agreement with Medical Technology Association of Australia is in place until 31 January 2022. Subject to Government approval, it is likely that reform would commence from February 2022; although improvements could commence sooner. The reform plan and timing remain a matter for Government decision.

The department remains committed to working with the private health sector to improve the PL.

Tags:

Private health insurance