



PHI 21/22 Prostheses List Reform – Schedule of Prostheses List Price Reductions

This circular provides information on the schedule of Prostheses List Price Reductions, to commence on 1 July 2022.

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Schedule of Prostheses List Price Reductions

The Independent Hospital Pricing Authority has provided the Department of Health with the weighted average prices paid for prostheses in the public sector, excluding general use items. This information has been used by the Department to calculate the gap between the public sector weighted average price and the Prostheses List benefits, creating a new reference price to be established and the Prostheses List benefits thus reduced.

The sequential reduction, noting devices with a gap of less than 7% above the weighted public price will not be reduced (as set out in the [Memorandum of Understanding for the policy parameters of the Prostheses list reforms \(MoU\)](#) with the Medical Technology Association of Australia (MTAA)), is as follows:

- 40% reduction of the gap on 1 July 2022
- 20% reduction of the gap on 1 July 2023
- 20% reduction of the gap on 1 July 2024.

This does not include Cardiac Implantable Electronic Devices (CIEDs) which, under the MoU with MTAA, will have their reduction delayed by 12 months to allow for consideration by the Medical Services Advisory Committee (MSAC) on the value of the technical support services. Reductions will instead take place on 1 July 2023 (40%), 1 July 2024 (20%) and 1 July 2025 (20%).

Where relevant, this list also includes any general use items your company manufactures that are set to be removed from the Prostheses List from 1 July 2023 when bundling arrangements are implemented. These items will receive reductions to the difference between the weighted public price and the Prostheses List benefit, as follows:

- 60% from 1 July 2022
- the remaining 40% of the difference from 1 March 2023.

All Sponsors who have medical devices listed on the Prostheses List will receive correspondence of their finalised Prostheses List benefit for each of their devices commencing 1 July 2022 and 1 July 2023, by 14 April 2022.

Further to this, in of May 2022 the Department will publish a draft list of the Prostheses List with adjusted benefits for the 1 July 2022 update. This will assist stakeholders in preparing their respective systems for the change.
