



Private Healthcare Australia
Better Cover. Better Access. Better Care.



Prostheses List reform – Cost recovery arrangements

May 2023

Contact:

Ben Harris – Director Policy and Research

0418 110 863

ben.harris@pha.org.au

About Private Healthcare Australia

Private Healthcare Australia (PHA) is the Australian private health insurance industry's peak representative body. We have 24 registered health funds throughout Australia as members and collectively represent 98% of people covered by private health insurance. PHA member funds provide healthcare benefits for over 14 million Australians.

Response

PHA welcomes the opportunity to contribute to the ongoing process of medical device and human tissue funding arrangements.

Do you have any significant concerns with the proposed provisions regarding the new cost recovery arrangements?

PHA notes the Australian Government Charging Framework (the Charging Framework) is a policy of the Australian Government and have no concerns applying the Charging Framework to the Prescribed List of medical devices and human tissue products (PL).

Do you have any further comments on the cost recovery proposal?

It is unclear from the discussion paper if the ongoing annual listing fee would continue. PHA have previously expressed concerns about old billing codes being left as dormant sleeper codes which may be used for listing items under or acting as comparators despite no utilisation. This included the Maxframe external fixation system being added under an existing, different design, external fixation system, including a shoulder bolt SY418 charged to consumers at \$1,023 rather than \$45.

PHA recommends that an ongoing listing fee be maintained.

Do you think these proposed arrangements will have a negative impact?

These changes may bring a sense of accountability to the process, and see proper management of billing codes, including those with no utilisation.

The significant negative risk may be a push from sponsors to have more generic listings which will make it impossible to determine what is and is not actually listed, unless all sponsors supplier product codes are listed under billing codes. It is critical each PL listing carries specific brand identification and supplier product code details are made available. This risk can be easily mitigated by the department increasing transparency through listing guidelines.