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

Biomodels and surgical guides Prescribed List draft determination

June 2026

Contact:

Ben Harris, Director Policy and Research

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 15 million Australians.

Introduction

Private Healthcare Australia (PHA) is profoundly disappointed by the draft decision to maintain current funding for surgical guides and biomodels under the Prescribed List of Medical Devices and Human Tissue Products.

The findings from the expert review for biomodels and surgical guides were:

> *"No convincing data were identified to support the use of patient-matched surgical guides and/or biomodels is more effective or safer than conventional procedures without the use of such devices. This limits the ability to determine whether the current PL benefit levels reflect their clinical value and underscores the need for higher quality evidence."*

After 11 years of these simple and cheap devices being provided to patients, there is no evidence they work. Spending in the categories has increased ten-fold over a decade, yet the department is electing not to make any changes.

The decision ignores independent advice commissioned by the department, locks in low value care, and rewards deceptive behaviour from industrial vested interests. Further, the decision is economically illiterate as it allows for the fixed cost component of the work to be billed to consumers multiple times, while the marginal cost of producing additional models is negligible. This decision favours a small and wealthy cohort of local sponsors over the interest of Australian consumers and taxpayers.

The department appears to have elected to appease vested interests who are claiming this issue is complicated, rather than ensuring Australian consumers are protected. It creates an appalling precedent that where the value of a technology cannot be established, consumers are required to pay for it anyway. This will enable suppliers of these devices to continue to use the force of law to increase their wealth at the expense of health funds, taxpayers and consumers.

Table 1: Increase in spending over a decade

	2013/14	2023/24
Total spend Group 07.01, 07.02 & 07.04	$3,569,369	$35,199,360
Total units group 07.01, 07.02 & 07.04	38,571	107,736
Average Device Cost	$92.54	$326.72
Cost of Biomodels/Guides in these groups	$0	$16,633,790
Number of Biomodels/Guides invoiced	0	10,688
% of Category spend in disposable models	0%	47.3%
Number of plates/mesh/anatomic plates	8,600	16,390
Combined cost of those plates	$2,126,346	$11,692,239
Average plate/mesh/anatomic plate cost	$195.52	$713.38
TOTAL PL Spend (all groups)	$1.74B	$2.19B
CAGR $ growth 07.01, 07.02 & 07.04		**25.72%**
CAGR growth all PL		**2.33%**
CAGR units plates/mesh/anatomic plate		**6.66%**

These devices were introduced to the then Prostheses List to assist with complex craniomaxillofacial procedures involving orthognathic osteotomies and maxilla and mandibular reconstructions for benign and malignant pathologies, of which there are around 150 per year. They were priced on the assumption that one device would be used. Now, it is not uncommon for six to be billed. Likewise, when these devices were repriced to the public benchmark, that benchmark was for one device, not six. More concerningly, these devices are able to be used for simple dental procedures, with the plastic models costing consumers many multiples of the actual device – devices which are regularly implanted without the additional cost.

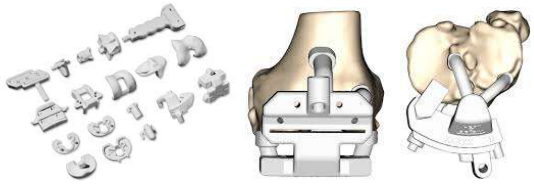
Several reviews have concluded that these devices should not be funded for non-complex craniomaxillofacial (CMF) procedures. The current arrangements permit thousands of dollars to be billed for inexpensive plastic models used in conjunction with low-cost abutments, representing a clear example of low-value care. Despite these findings, concerns raised by vested interests regarding the definition of "complex" procedures appear to have created sufficient uncertainty for the department to abandon the recommended reforms. As a result, the department has elected to retain the current legislative settings, allowing the funding of low-value care to continue.

This design technology has been around for more than two decades and is used in mundane areas such as car parts and golf clubs; it is no longer revolutionary. The plastic models themselves are generated automatically when using the industry standard Materialise MIMICS software (there is no human design input, the software generates this from the loaded MRI/CT scan). Suppliers can set up with a Materialise software account and a basic computer and 3D plastic printer.

PHA has provided several submissions to the department and commissioned reviews, which demonstrate:

- The current treatment of surgical guides and biomodels on the Prescribed List has driven significant low-value expenditure with widespread use despite limited clinical justification.
- There is no convincing evidence that these devices improve patient outcomes with only limited evidence of efficiency benefits in a small number of complex procedures.
- The existing per-item funding model creates incentives for overuse, including excessive volumes per patient, use outside intended indications, and behaviour consistent with system gaming.
- Reimbursement levels are not aligned with actual production costs; these devices have low marginal costs yet attract disproportionately high benefits, leading to excessive margins.
- Reform is needed to move away from per-item funding toward bundled or per-procedure payments that better reflect costs and reduce opportunities for exploitation.
- Funding should be restricted to clearly defined complex procedures where benefit is plausible, with low-value uses removed and remaining support potentially time-limited pending stronger evidence.

SYMBIOS SYSTEM BIOMODELS/GUIDES supplied at no additional cost with their four knee implants - for under $6,500.



By contrast within CMF and dental, sponsors can supply six of these (often more basic) plastic models for up to $10,572 before a single implant is included under this determination.

If there is no evidence of effectiveness, then a medical device should not be funded.

This is a poor decision which support a small and vocal set of stakeholders who continue to extract super profits from consumers, protected by government fiat.