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MEDIA RELEASE

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AHIA Calls for Prostheses Listing Overhaul

The Australian Private Health Industry's peak representative body is calling on the Federal Government to overhaul the listing arrangements for surgically implanted prostheses immediately, allowing only one prosthesis per billing code.

The Australian Health Insurance Association says current arrangements enable medical suppliers to place more than one prosthesis on one billing code.

"When this occurs, it is impossible for health funds to match a prosthesis accurately to a billing code, which restricts the ability of funds to ascertain if the appropriate prostheses are being used for any given procedure," AHIA Chief Executive Officer, Hon. Dr Michael Armitage said today.

The situation also means that Quality and Safety measures are suspect, as the data collected may not refer exactly to a specific prosthesis.

"This logical change needs to be made with urgency, in an attempt to bring down soaring health care costs and to improve Quality and Safety in both the Public and the Private Sectors", Dr Armitage said

Speaking at the Australian Health Insurance Summit in Sydney, Dr Armitage said health funds could not be certain what they were paying for.

"Theoretically each prosthesis has a billing code associated with it. That is how funds know what to pay for what device. Presently, the Department of Health and Ageing allows multiple prostheses per billing code on the assumption that they are identical in nature and in price. i.e. small, medium, and large femoral stem.

"However, the AHIA has been made aware that some suppliers are placing more than one type of prosthesis on the one billing code with differential prices - mesh and a screw for example. Even the Department of Health and Ageing is uncertain as to which prosthesis is located under each billing code. The negotiations always favour the highest price item. This practice results in health fund members paying a high price that may not be in any way be linked to the prostheses that has been implanted.

"This sort of profiteering by medical suppliers only contributes to increasing premiums for private health fund members."