

Media Release

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Private Healthcare Australia
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Sponges, glues and staples will be funded but not at five times the market value

Private Healthcare Australia CEO Dr Rachel David says the removal of 400 'general and miscellaneous' items from the Prostheses List (PL) is long overdue and will not impact patient care.

"To suggest that operations will be cancelled, and regional health services shut down because the Government has adopted the independent expert advice to remove overpriced consumable items that should never have been on the Prostheses List in the first place (staples, sponges, glues), is completely absurd," she said.

The PL sets prices for implantable medical devices such as replacement hip joints. Consumable items such as staples and glues have no place on the PL as identified by the [Ernst & Young review](#), "*Since most, if not all, of the items in this review can be considered disposable and/or consumable, it would be more consistent for these items to be included in case based or bundled payments with other disposable and consumable items.*"

"Using a government price list to pay for consumable items like sponges, glues and staples is completely inefficient. Prices have been too high for too long and international medical device companies have profited at the expense of Australian consumers."

"These items remain wildly overpriced in Australia relative to other markets. The items will all be funded but not at five times market value. Suggesting that any health fund offering to roll up the funding for these consumable items into general contracting arrangements is refusing to fund the items is just mischievous.

"Last August, PHA put a proposal to hospitals that would have provided certainty of funding for these items. Hospitals rejected this proposal. We have consistently asked Catholic Health Australia to provide a counter proposal for funding these items in a way that works for them, but instead the hospital sector has asked the government to reject the independent Ernst & Young recommendations.

"Health funds are doing everything they can to keep a lid on health inflation to protect members and taxpayers from soaring costs. Hospitals need to work with us to drive the prices of these items down by engaging proactively with suppliers," Dr David said.

- ENDS -

Private Healthcare Australia is the peak representative body for Australia's private health insurance industry. PHA represents 23 Australian health funds with a combined membership of over 13 million Australians, or 97% of the sector on membership.

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