



Press Release

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Senate Committee confirms Prostheses List benefits unacceptably high

Private Healthcare Australia's CEO, Dr Rachel David said the Senate Community Affairs Reference Committee has reaffirmed the industry's long held position on prostheses pricing reform.

"The recommendations of the inquiry in to "Price regulation associated with the Prostheses List Framework" endorse the private health insurance industry's independent advice and if adopted will deliver significant savings for consumers on PHI premiums," she said.

Dr David said Recommendations 8 and 9 should be implemented as soon as possible to deliver savings to health fund members:

- The committee recommends that action is needed to reduce the prostheses costs and that savings should be delivered as soon as possible and have an evidence base; (Recommendation 8)
- The committee recommends that guidelines for targeted prostheses reviews be finalised at the earliest opportunity and published with a schedule of proposed targeted reviews to enable stakeholders sufficient time to prepare for the review. (Recommendation 9)

"In addition, Recommendation 16 calls for the nature and the cost of services associated with a medical device on the PL be disclosed separately to the cost of the device. This is important to ensure that additional services being paid for are clinically relevant," said Dr David.

"Services of proven clinical relevance can then be priced and evaluated in a transparent way in contract negotiations with hospitals, rather than provided 'under the counter' as a consequence of inflated benefits.

"Private Healthcare Australia supports the action being taken by concerned Parliamentarians on behalf of consumers to improve healthcare affordability.

"The Government's recent announcement that the Prostheses List Advisory Committee (PLAC), will commence targeted reviews of the hip, knee, cardiac and spinal categories, is encouraging. Inflated benefits identified as a result of this process should be urgently reduced to market value, to give consumers much needed relief from rising health fund premiums.

"More than 13.5 million Australians have some form of private health insurance and almost half of them have an annual disposable income of less than \$50,000. They value their PHI and right to choose where and when they have medical care, as well as a fully trained health professional to be responsible for their care.

"Keeping private health sustainable and premiums affordable ultimately benefits all Australians by keeping pressure off the public hospital system. Health funds have guaranteed all savings made by reducing inflated prostheses list benefits will be passed on to consumers in the next premium round."

Private Healthcare Australia is the peak representative body for Australia's private health insurance industry. PHA represents 20 Australian health funds with a combined membership of 12.9 million Australians, or 96% of the sector on membership. Promoting the value of private health insurance to consumers in the Australian economy and keeping premiums affordable for our members is the number one priority of PHA members. PHA's CEO Dr Rachel David and PHA Chair Rob Bransby are available for interview.

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