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## Private hospitals welcome sensible path to prostheses reforms

The Australian Private Hospitals Association (APHA) has welcomed the Governments' approach to Prostheses List reform announced in the Federal Budget.

APHA CEO Michael Roff said there was broad agreement across the sector that pricing reform of prostheses was required.

"While there is still much detail to be worked through, the pathway the Government has chosen to bring public and private sector prostheses prices into line appears sensible and is consistent with the approach advocated by APHA.

"A phased approach to pricing reform will enable necessary changes to be made in a planned and managed way, allowing continued access by doctors to a full range of technologies for their patients while minimising any shocks to the system.

"We are pleased the Government has rejected the radical DRG funding model, which would have resulted in significant cost increases for consumers, a reduction in choice of technologies and threatened the viability of many private hospitals.

"They have listened to the sector and we look forward to engaging constructively on the reform consultations.

In addition, APHA welcomed recognition of the need for an improved understanding of the effectiveness of private hospital default benefit arrangements in supporting out-of-hospital care for more Australian patients. This study needs to look at how private hospitals have been held back from providing innovative patient centred care; particularly in mental health and rehabilitation.

Mr Roff said there were some issues he was disappointed not to see addressed in the Budget.

"There have not been any changes that will meaningfully reduce the cost of private health insurance for low-income earners, many of whom have struggled through the pandemic. In the years since it was introduced, the effective rate of the health insurance rebate has been reduced from 30 percent to less than 25 percent. Low-income households face a 'double whammy' of increased premiums and reduced rebates because every year the value of their private health insurance rebate goes down.

"The Federal Government had an opportunity in the 2021 Budget to provide significant relief to these families and make the rebate count again, but unfortunately that has been missed. Not only that, but the policies have been locked in for another two years, effectively meaning the rebate's value will be reduced further."

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Australian  
Private Hospitals  
Association



The Australian Private Hospitals Association (APHA) is the largest peak industry body representing the private hospital and day surgery sector. The private hospital sector treats 4.6 million patients a year, including treatment of more than a third of chemotherapy, about 60 percent of all surgery, 60 percent of all elective musculoskeletal surgery.