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Prostheses List agreement delivers for patients

Australia's private hospitals have welcomed the agreement reached between the Federal Government and medical device companies on prostheses list reforms.

Australian Private Hospitals Association (APHA) CEO Michael Roff said Health Minister Greg Hunt had achieved a good outcome which preserved clinical choice for doctors, allows patients to access technology with no out-of-pocket costs and delivers additional savings for health insurers.

"The reforms aim to reduce the price gap between prostheses supplied to the public and private sectors, which will deliver \$900 million in savings to health insurers. Insurers now need to commit to passing on these savings in full to their members.

"Through negotiation and compromise the industry has been able to work with Government to find a result for Australians that retains choice in our health system, and choice is what Australians expect."

He said a number of 'general use' items will be removed from the list in July 2023 and subject to new 'bundling' arrangements, which raised concerns about ongoing access to these items for private hospital patients.

However, Mr Roff confirmed he had received assurances from the Federal Health Minister that a formal process will be established involving the Independent Hospital Pricing Authority (IHPA) and industry stakeholders to develop bundling arrangements and ensure a viable alternative funding model is established.

"This is essential to ensure patients are not hit with new out-of-pocket costs once these items are removed from the list."

Mr Roff said the APHA would continue to work with Government to deliver on the deal.

"There have been a wide range of stakeholders involved in reaching this outcome including private hospitals, medical technology companies, consumers, doctors and health insurers.

"As a key stakeholder, APHA will be working to deliver the objectives of this MoU. The health insurer lobby group appears to be complaining about the outcome, but after accumulating profits of \$1.8 billion during the pandemic, I would urge private health insurers to pass on these new savings to their members," he said.

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