

PROSTHESES LIST ADVISORY COMMITTEE COMMUNIQUE No. 2

The Protheses List Advisory Committee (PLAC) met for the second time on 10 November 2016.

Collaboration between PLAC, TGA, MSAC and PBAC

The Committee was briefed on a meeting of the Chairs of the PLAC, MSAC and PBAC and departmental staff in the Health Products Regulation Group (TGA) and Health Benefits Group (PLAC, MSAC and PBAC) held on 25 October 2016 to discuss regulation and reimbursement of medical devices. The group was convened with the common objective of improving assessment processes to allow for timely access for patients to clinically effective and cost effective medical devices.

The group is developing a workplan to map processes and identify opportunities for streamlining application and assessment processes and avenues to share application information.

Health Economics Sub Committee (HESC)

The Committee was advised that Dr Ian McRae, Dr Rosemary Korda, Adjunct Professor Jim Butler, and Ms Letitia Hope (Department of Veterans' Affairs) have accepted offers of membership of the HESC.

Protheses Listings

The Committee considered 129 applications to list new devices on the Protheses List:

- 128 were recommended for granting
- 1 application was not recommended for granting as the device is novel and the applicant did not provide clinical evidence specific to the device so the Clinical Advisory Group was unable to assess its comparative clinical effectiveness.

The Committee considered 37 requests to change current listings:

- 35 requests were recommended
- 2 requests were not recommended as the applicant sought to list new devices that have not undergone clinical assessment. The applicant will need to submit applications to list these as new devices.

Reform Work Plan

The Committee continued to discuss the key packages of work outlined in the reform work plan and agreed to release a public summary of the work plan on the Department's website to promote transparency and to identify when consultation opportunities occur for stakeholders.

Benefit Setting Project

Professor Philip Clarke from the Centre for Health Policy at the University of Melbourne has been engaged by the Department to undertake a project to research pricing models for medical devices and develop potential options for a future benefit setting framework for prostheses. Professor Clarke spoke to the Committee about potential pricing models, such as price disclosure, reference pricing, market-based approaches, regulated pricing, mixed models and tendering. He talked about issues relating to pricing of medical devices, such as competition, providing more scope for changes in benefits, direct costs and indirect costs for medical devices, assessing value for patients, identifying reasons for differentials between public and private sector pricing, differences in purchasing arrangements, cross subsidisation and costs of inducements. Professor Clarke invited PLAC members to provide him with their thoughts and ideas.

Review of Superior Clinical Performance suffix and benefit premium

The Committee discussed advice from a PLAC sub-committee that considered the Superior Clinical Performance suffix and benefit premium currently applied to devices in the hip and knee categories. The Committee agreed to review this arrangement and will consider a paper on proposed options at the next meeting in December.

Next Meeting

The next Committee meeting is scheduled for 9 December 2016.