

# PROSTHESES LIST ADVISORY COMMITTEE

## COMMUNIQUE No. 1

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**19 October 2016**

### Background

The 2016-17 Commonwealth Budget included the Private Health Insurance and Prostheses Committees measure to improve the listing and reimbursement process for prostheses by reconstituting the Prostheses List Advisory Committee (PLAC). The PLAC has been enhanced to include additional expertise as recommended by the Industry Working Group on Private Health Insurance Prostheses Reform.

The reconstituted Committee builds on the earlier work of the PLAC and is composed of an independent Chair (Professor Terry Campbell) and individuals with expertise in health technology assessment, specialist surgery/interventional work, health economics and consumer issues, and representatives of stakeholders in private health insurance.

The role of the reconstituted PLAC is to:

1. make recommendations to the Minister for Health and advise the Department of Health about the listing of medical devices and their benefits on the Prostheses List
2. develop options for improving application and assessment processes as recommended by the Industry Working Group on Private Health Insurance Prostheses Reform (IWG) to drive improved cost effectiveness of new and current medical devices;
3. revise its governance structure including its sub-committees to ensure alignment with the purpose of the Committee and reform directions outlined by Government;
4. make recommendations to the Minister on moving to a benefit setting mechanism that reflects real market dynamics for medical devices, such as price disclosure and/or reference to pricing in other markets; and
5. assist the Department of Health to advise the Minister on any other policy matters pertaining to the medical device listing arrangements.

### First meeting of reconstituted PLAC

The reconstituted PLAC met on 12 October 2016. The Committee talked about the context and environment of the work of the PLAC, particularly as part of broader reform of private health insurance. The members noted the complexity of the private health sector and the relationships between medical device sponsors, private health insurers, private hospitals, clinicians and consumers.

The PLAC discussed linkages between the prostheses listing arrangements and other health technology assessment bodies with a view to identifying opportunities to share clinical expertise and reduce duplication of processes.

Discussion on the linkages between the PLAC and MSAC highlighted that the clinical effectiveness and cost effectiveness of prostheses in the context of a whole health service is an important consideration for both the Prostheses List and the MBS.

The PLAC also discussed the Medicines and Medical Devices Regulation Review and the Government response, the accepted recommendations of which the TGA has commenced implementing.

### **Proposed Workplan**

Following a presentation from Professor Lloyd Sansom (Chair of the IWG), the PLAC discussed the key components of work to progress.

The proposed Work Plan comprises six components:

- regular review of benefits;
- a review of the criteria for listing;
- development of a long term benefit setting framework;
- working with other health technology assessment bodies to minimise duplication and maximise use of resources;
- reviewing the devices on the Protheses List; and,
- improving prostheses listing processes.

This work will support the Government's commitment to improve the affordability of private health insurance for consumers and in promoting opportunities for competition along the supply chain.

### **Next meeting**

The second meeting of the reconstituted PLAC will be held on 10 November 2016.