

**From:** [FLYNN, Elizabeth](#)  
**To:** [BEHM, Alex](#)  
**Cc:** s22  
**Subject:** TRIM: MoU [SEC=OFFICIAL]  
**Date:** Tuesday, 1 March 2022 4:57:24 PM  
**Attachments:** [Memorandum of Understanding \(Draft 1 Mar 22\) DoH cooments MTA.docx](#)  
[image001.png](#)  
[image002.jpg](#)

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Hi Alex

I am arranging for Maddocks to review over night but I cant see anything major from a legal perspective. However, could you have one last try with Ian about two issues:

2.5 – new text about phasing of billing codes: we don't understand the wording but suspect it may be an attempt not to change anything through regrouping which is impossible to guarantee. Have recommended its removal in the attached (blue text)

Addendum – our preference is not to include it but if we have to, we cannot limit IHPA to only using industry sourced data. Therefore have included some rewording in blue text. So our first preference would be to remove the addendum but if it must stay then we need the text in blue.

I will send similar amendments to Maddocks with a request for a final lookover.

## Elizabeth Flynn

Assistant Secretary, Prostheses List Reform Taskforce

Technology Assessment and Access Division

Australian Government Department of Health

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*The Department of Health acknowledges the traditional owners of country throughout Australia, and their continuing connection to land, sea and community. We pay our respects to them and their cultures, and to elders both past and present.*

100 years signature block



**From:** s22  
**To:** [BEHM, Alex](#); [FLYNN, Elizabeth](#)  
**Cc:** s22  
**Subject:** RE: MoU [SEC=OFFICIAL]  
**Date:** Tuesday, 1 March 2022 7:59:53 PM  
**Attachments:** [image001.png](#)  
[image002.jpg](#)  
[image001.png](#)  
[image002.jpg](#)

Alex hi

s47C

As I said it is not possible to do the regrouping ( a core element of reforms) and comply with what they propose

s22

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Sent from [Workspace ONE Boxer](#)

On 1 March 2022 at 7:50:45 pm AEDT, BEHM, Alex <[Alex.Behm@health.gov.au](mailto:Alex.Behm@health.gov.au)> wrote:

Hi all – to be clear MTTAs preferred wording is:

2.5: Regrouping of the Prostheses List will not result in a recalculation of overall benefit reductions or phasing of individual billing codes over the 4-year period

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**From:** s22 @health.gov.au>  
**Sent:** Tuesday, 1 March 2022 7:28 PM  
**To:** BEHM, Alex <[Alex.Behm@health.gov.au](mailto:Alex.Behm@health.gov.au)>; FLYNN, Elizabeth <[Elizabeth.Flynn@health.gov.au](mailto:Elizabeth.Flynn@health.gov.au)>  
**Cc:** s22 @health.gov.au>  
**Subject:** RE: MoU [SEC=OFFICIAL]

Alex and Elizabeth

It is not possible to do the regrouping and comply with Alex' suggested rewording. If we reduce the number of groups then we reduce the number of benefit levels . ( each group is a benefit level) . At the level of individual products there are necessarily winners and losers from the regrouping. I suggest that MTAA's wording is preferred. It is the overall PL savings that won't be changed

On another point, the MTAA wording infers that there is no 7 percent floor for general use products. There is absolutely no rationale for maintaining a public private gap for these products. I don't see why we would amend this point to require the 7 percent floor . I suggested the opposite ie explicitly reject the 7 percent floor. At least MTAA is ambiguous

Happy to discuss

s22

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Sent from [Workspace ONE Boxer](#)

On 1 March 2022 at 7:13:50 pm AEDT, BEHM, Alex

<[Alex.Behm@health.gov.au](mailto:Alex.Behm@health.gov.au)> wrote:

Hi Elizabeth - is this ok:

2.5: Regrouping of the Prostheses List will not result in a recalculation of ~~overall~~ benefit reductions ~~or phasing~~ of individual billing codes over the 4-year period.

No change to addendum as per your discussion with James Downie.

The Weighted Average Price will be calculated using the most appropriate data including sponsor-supplied data for financial year ended 30 June 2021 as the primary data source.

Ian also asked again about the 7% floor applying to all items including general use, so suggest noting this at 2.3.

Thanks  
Alex

s22

This document was released under the Freedom of Information Act 1982

**From:** [FLYNN, Elizabeth](#)  
**To:** [BEHM, Alex](#) s22  
**Cc:** s22  
**Subject:** RE: MoU [SEC=OFFICIAL]  
**Date:** Tuesday, 1 March 2022 8:35:57 PM  
**Attachments:** [image001.png](#)  
[image002.jpg](#)

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Hi Alex

This is the result that is not acceptable to us. If regrouping is constrained to not having reductions to individual billing codes, there is no point in the exercise.

What we can agree to is that the regrouping exercise does not result in an overall additional savings on top of the reference pricing.

s22

This document was released under the Freedom of Information Act 1982

**From:** [FLYNN, Elizabeth](#)  
**To:** [BEHM, Alex](#); s22  
**Cc:** s22  
**Subject:** TRIM: RE: MoU [SEC=OFFICIAL]  
**Date:** Wednesday, 2 March 2022 7:36:20 AM  
**Attachments:** [image001.png](#)  
[image002.jpg](#)  
[MTAA MOU \(Draft 1 Mar 22\) DoH comments 2Mar22.docx](#)

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Dear Alex

Please see attached marked up copy. s42

Please let me know if there is anything else you need.

Elizabeth

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**From:** BEHM, Alex <Alex.Behm@health.gov.au>  
**Sent:** Tuesday, 1 March 2022 9:21 PM  
**To:** FLYNN, Elizabeth <Elizabeth.Flynn@health.gov.au>; s22  
<[REDACTED]@health.gov.au>  
**Cc:** s22 <[REDACTED]@health.gov.au>  
**Subject:** RE: MoU [SEC=OFFICIAL]

Thanks Elizabeth

Pls reflect the positions in the final draft MOU to go back to MTAA tomorrow AM.

Alex

On 1 March 2022 at 8:40:19 pm AEDT, FLYNN, Elizabeth <[Elizabeth.Flynn@health.gov.au](mailto:Elizabeth.Flynn@health.gov.au)> wrote:

Hi Alex

If we are to surrender on the 7% floor for general use items for 12 months before they are removed completely (which is not what we had understood) then MTAA needs to concede on the matter of overall neutrality from the regrouping exercise rather than anything against individual billing codes – which would be completely unacceptable