



Australian Government
Department of Health

Ministerial Submission – Standard
MS22-000195
Version (1)
Date sent to MO:03/0/22

To: Minister Hunt

Subject: Prostheses List (PL) Reforms – further implementation issues - letters to stakeholders

Critical date: 18 March 2022 – to inform stakeholders of revised approach to reforms

Recommendation/s:			
1.	Note that on 15 February 2022, the Prime Minister gave policy authority for changes to be made to the implementation approach for the PL Reforms (MS22-000121 refers).	1. Noted	
2.	Sign letters to key stakeholders (<u>Attachments A to I</u>), advising of the revised arrangements and providing a copy of the final Memorandum of Understanding that you enter into with the Medical Technology Association of Australia (MTAA).	2. Signed/Not signed/Please discuss	
Signature		Date: / /	
Media Release required? YES/ NO			
Comments:			
Contact Officer:	Elizabeth Flynn	Assistant Secretary, Prostheses List Reform Taskforce, Technology Assessment and Access Division	Ph: (02) 6289 s22 Mob: s22
Clearance Officer:	Penny Shakespeare	Deputy Secretary, Health Resourcing Group	Ph: (02) 6289 s22 Mob: s22

Issues:

- On 14 February 2022, a Ministerial Submission (MS22-000121) was provided with a letter to the Prime Minister, seeking his policy authority for the revised implementation approach to

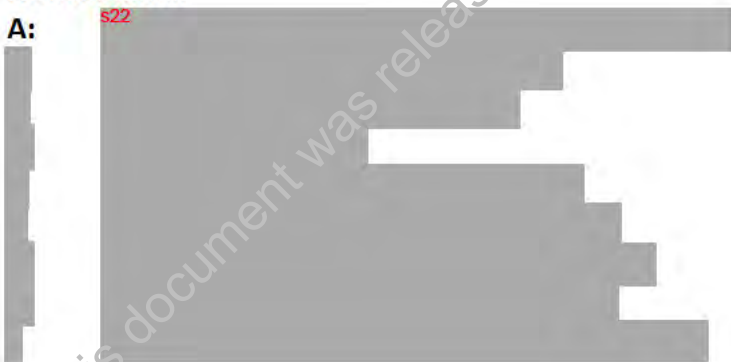
the PL reforms. The Prime Minister has responded on 16 February 2022 agreeing your revised approach.

2. On 15 February 2022, the Prime Minister provided his approval of the revised approach and asked that you inform all stakeholders about the changes.
3. Since then, you have been working with the Medical Technology Association of Australia (MTAA) to develop a Memorandum of Understanding (MoU) regarding the revised implementation approach, and your Office advises that you are near to reaching agreement with the MTAA and signing the MoU.
4. The Department has drafted letters for your signature to the following key stakeholders to provide them with information about the revised implementation of the PL Reforms:

• s22


5. The Department suggests that your office attach a copy of the finalised MoU to each letter. This will ensure that information about the reforms accurately reflects the content of the MoU entered into with the MTAA. The Department will also make arrangements to publish the MoU on the Department's website once finalised and the media release and letters to stakeholders have been issued.

Attachments:

A: s22


Election Commitments / Budget Measures:

The PL Reforms were announced as part of the 2021–22 Budget Measure: Modernising and Improving the Private Health Insurance Prostheses List. These have now been modified by policy authority provided by the Prime Minister on 15 February 2022.

Sensitivities:

You have met with and discussed the revised approach to the implementation of the PL Reforms with Private Healthcare Australia (PHA), Catholic Hospital Australia (CHA) and Australian Private

Hospitals Association. Other stakeholders receiving the letter have not been consulted at this stage, however they may have heard about the changes through other stakeholders.

The revised approach to the implementation of the PL Reforms has been negotiated between your office and the MTAA but has not yet been formally advised to other key stakeholders (insurer groups and other stakeholders involved in the reform process, including consumer groups and groups representing doctors).

Advice to the Department through the PHA is that insurer groups are aware of the MTAA proposal and are unlikely to support it. In particular, insurer groups have identified opposition to any delay in reducing the gap for cardiac devices, as cardiac devices represent some of the most inflated (double or more) benefits when compared to prices in the public hospital system.

CHA has expressed concern about how the funding of bundling arrangements for the general use items will be mandated once these items are removed from the PL on 1 July 2023. The Department is exploring options in response to this concern and will work with private hospitals and private health insurers over the next year to alleviate concerns.

Consultations:

The Department is continuing to undertake consultations with all key stakeholder groups on reforms to the PL, including consumers, private hospital networks, private health insurers, clinicians and medical technology industry.

Communication/Media Activities:

Nil, a separate submission with draft media release has been provided.

Cover Page for Ministers' Offices

Minister	Minister Hunt
PDR Number	MS22-000195
Subject	Prostheses List Reforms – further implementation issues - letters to stakeholders
Critical Date	18 March 2022
Quality Assurance Check (completed by line area)	s22 [REDACTED]
Contact Officer	Elizabeth Flynn (02) 6289 s22 [REDACTED] s22 [REDACTED]
Clearance Officer	Adriana Platona (02) 6289 s22 [REDACTED] s22 [REDACTED]
Division/Branch	Health Resourcing Technology Assessment & Access Prostheses List Reform Taskforce
Has Budget Branch been consulted if there are financial implications?	Not Applicable

Adviser/DLO Comments:	Return to Dept for: Redraft <input type="checkbox"/>
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
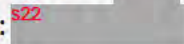

2. Signed

Signature: 

Date: 14/3/2022

Media Release required? YES/ NO

Comments:

Contact Officer:	Elizabeth Flynn	Assistant Secretary, Prostheses List Reform Taskforce, Technology Assessment and Access Division	Ph: (02) 6289  Mob: 
Clearance Officer:	Penny Shakespeare	Deputy Secretary, Health Resourcing Group	Ph: (02) 6289  Mob: 