



**Australian Government**  
**Department of Health**

**Ministerial Submission – Standard**  
**MS22-000259**  
**Version (1)**  
**Date sent to MO:03/03/22**

**To: Minister Hunt**

**Subject: Prostheses List Reform – Media release on Revised Implementation Approach –  
Memorandum of Understanding with the Medical Technology Association of Australia (MTAA)**

**Critical date:** 4 March 2022 – as requested by your office and to sign MoU with MTAA by the end of the week.

<b>Recommendation/s:</b>			
1. Approve the draft media release regarding the PL Reforms and the revised implementation approach ( <u>Attachment A</u> ).		1. Approved/Not approved/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 <sup>s22</sup> Mob: <sup>s22</sup>
Clearance Officer:	Penny Shakespeare	Deputy Secretary, Health Resourcing Group	Ph: (02) 6289 <sup>s22</sup> Mob: <sup>s22</sup>

**Issues:**

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

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. Since then, your Office has been negotiating with the Medical Technology Association of Australia (MTAA) to finalise the content of a Memorandum of Understanding (MoU) reflecting the revised policy approach.
3. On 2 March 2022, the Department sought legal advice on a version of the MoU provided by your office, and can confirm the contents were checked for legal issues by the Department's lawyers. It is not clear whether further changes have been negotiated since then, and the Department has not had the opportunity to work through the detail of the 2 March version to ensure that it is consistent with the policy authority provided by the Prime Minister on 15 February 2022.
4. A media release has been drafted to announce the revised implementation approach for the PL Reforms once the MoU has been executed (**Attachment A** refers).
5. A separate Ministerial Submission (**MS22-000195**) has been sent to you providing letters, for your signature, to advise key stakeholders directly of the change in approach to PL Reform.

**Attachments:**

**A:** Draft Media Release

**Election Commitments / Budget Measures:**

The PL Reforms were announced as part of the 2021–22 Budget Measure: Modernising and Improving the Private Health Insurance Protheses List.

**Sensitivities:**

Throughout the discussions on developing an MoU, the Department has raised a number of concerns with your Office regarding the MoU with MTAA.

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. The Department and your office have both received further correspondence from PHA, since you met with them on Wednesday 23 February.

PHA have advised that its members do not support reforms through an agreement made solely between you and the MTAA and have expressed concern about elements of the revised approach, in particular:

- the reduction of the savings which have already been factored into premiums. In particular, in the first year the reforms would have realised \$140 million in savings rather than \$87.2 million with the revised approach. PHA has provided the Department with a number of options for achieving higher levels of savings which the Taskforce is currently reviewing.
- PHA sees these changes as the start of the whole reforms unravelling and have communicated concerns regarding delays to the reform process to date.
- Insurer groups are opposed 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.

Advice from the Independent Hospital Pricing Authority (IHPA) indicates that significant savings will be achieved from the Reforms over four years (2022–23 to 2025–26). Based on annual growth in utilisation and taking into consideration the revised implementation approach, this will be in the region of \$775 million and \$937.5 million.

However, the savings detailed below do not take into account any additional concessions that may have been negotiated by your office in finalising the MoU with the MTAA.

s45



#### **Consultations:**

The Department is continuing to undertake numerous consultations with all key stakeholder groups to implement current Government policy. This includes consumers, private hospital networks, private health insurers, clinicians and medical technology industry.

The Department is currently consulting on the introduction of a three-tiered approach for assessment of PL applications, this consultation closes 25 February 2022. There is also ongoing consultation on structural reforms to the PL.

#### **Communication/Media Activities:**

A draft media release is provided at **Attachment A**.

## Cover Page for Ministers' Offices

Minister	<b>Minister Hunt</b>
PDR Number	<b>MS22-000259</b>
Subject	Prostheses List Reform – Media release on Revised Implementation Approach - Memorandum of Understanding with the Medical Technology Association of Australia (MTAA)
Critical Date	<b>04 March 2022</b>
Quality Assurance Check (completed by line area)	s22 [REDACTED]
Contact Officer	Elizabeth Flynn (02) 6289 s22 [REDACTED] s22 [REDACTED]
Clearance Officer	Penny Shakespeare (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

<b>Adviser/DLO Comments:</b>	Return to Dept for:  Redraft <input type="checkbox"/>
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s22

**From:** s22  
**Sent:** Tuesday, 1 March 2022 4:04 PM  
**To:** Minister Hunt DLO  
**Cc:** HealthCommunications; LEDBROOK, Bianca; FLYNN, Elizabeth; MPS  
**Subject:** RE: URGENT request for Media Release [SEC=OFFICIAL]

Yes Min Sub is being drafted as we speak and will progress tomorrow morning – MS22-000259

s22

Director, Prostheses Reform Policy and Communication Section

Prostheses List Reform Taskforce Branch | Technology Assessment and Access Division  
Australian Government Department of Health

T: 02 6289 s22

s22

E: s22 @health.gov.au

Location: Sirius Building, Level 9 North (NWOW)

GPO Box 9848, Canberra ACT 2601, Australia

Please note: I do not work Fridays

*The Department of Health acknowledges the Traditional Custodians of Australia and their continued connection to land, sea and community. We pay our respects to all Elders past and present.*

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**From:** Minister Hunt DLO  
**Sent:** Tuesday, 1 March 2022 3:55 PM  
**To:** s22  
**Cc:** HealthCommunications ; LEDBROOK, Bianca ; FLYNN, Elizabeth ; MPS ; Minister Hunt DLO  
**Subject:** FW: URGENT request for Media Release [SEC=OFFICIAL]

Good afternoon all

Please find advice below on timing – Alex is requesting this comes up with the MinSub.

Can this MR please be attached to the MinSub which I am assuming is in train.

Thank you

s22

Departmental Liaison Officer

Office of the Hon Greg Hunt MP  
Minister for Health and Aged Care

T: s22 M: s22 93

E: s22 @health.gov.au

Suite M1.41, PO Box 6022, Parliament House, Canberra ACT 2600, Australia

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**From:** BEHM, Alex <Alex.Behm@health.gov.au>  
**Sent:** Tuesday, 1 March 2022 3:45 PM  
**To:** Minister Hunt DLO <s22 @health.gov.au>  
**Subject:** RE: URGENT request for Media Release [SEC=OFFICIAL]

We just need it to come up with the min sub (MOU with MTAA needs to be signed before can announce)

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**From:** Minister Hunt DLO <[REDACTED]@health.gov.au>  
**Sent:** Tuesday, 1 March 2022 3:40 PM  
**To:** BEHM, Alex <Alex.Behm@health.gov.au>  
**Cc:** Minister Hunt DLO [REDACTED]@health.gov.au>  
**Subject:** FW: URGENT request for Media Release [SEC=OFFICIAL]

Hi Alex

Are you able to confirm when you would like the MR for this – is tomorrow morning ok?

Thanks

[REDACTED]  
Departmental Liaison Officer  
[REDACTED]  
Office of the Hon Greg Hunt MP  
Minister for Health and Aged Care  
T: [REDACTED] M: [REDACTED]  
E: [REDACTED]@health.gov.au  
Suite M1.41, PO Box 6022, Parliament House, Canberra ACT 2600, Australia

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**From:** [REDACTED]@health.gov.au>  
**Sent:** Tuesday, 1 March 2022 3:36 PM  
**To:** HealthCommunications <HealthCommunications@health.gov.au>; Minister Hunt DLO  
<[REDACTED]@health.gov.au>  
**Cc:** [REDACTED]@health.gov.au>; FLYNN, Elizabeth <Elizabeth.Flynn@health.gov.au>; MPS  
[REDACTED]@health.gov.au>  
**Subject:** RE: URGENT request for Media Release [SEC=OFFICIAL]

Hi [REDACTED]

DLO would need to advise on due date/time – Adviser has asked for it ASAP so I am assuming today/first thing tomorrow morning.

[REDACTED]  
[REDACTED]  
Director, Prostheses Reform Policy and Communication Section  
[REDACTED]  
Prostheses List Reform Taskforce Branch | Technology Assessment and Access Division  
Australian Government Department of Health  
T: 02 6289 [REDACTED] [REDACTED]  
E: [REDACTED]@health.gov.au  
Location: Sirius Building, Level 9 North (NWOW)  
GPO Box 9848, Canberra ACT 2601, Australia

Please note: I do not work Fridays

*The Department of Health acknowledges the Traditional Custodians of Australia and their continued connection to land, sea and community. We pay our respects to all Elders past and present.*

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**From:** [REDACTED]@health.gov.au> **On Behalf Of** HealthCommunications  
**Sent:** Tuesday, 1 March 2022 3:34 PM

To: s22 @health.gov.au>; Minister Hunt DLO <s22 @health.gov.au>  
Cc: s22 @health.gov.au>; FLYNN, Elizabeth <Elizabeth.Flynn@health.gov.au>;  
HealthCommunications <HealthCommunications@health.gov.au>; MPS s22 @health.gov.au>  
Subject: RE: URGENT request for Media Release [SEC=OFFICIAL]

Thanks Nicola, do you have a due date/time?

**Minister Hunt DLO – please send a formal request through to MPS and we will allocate a writer.**

Cheers

s22

s22

Health Communications  
Department of Health  
T: 02 6289 s22 | M: s22

*The Department of Health acknowledges the traditional owners of country throughout Australia, and the continuing connection to land, sea and communities. We pay our respects to the traditional owners and to elders past, present and future.*

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From: s22 @health.gov.au>  
Sent: Tuesday, 1 March 2022 3:26 PM  
To: HealthCommunications <HealthCommunications@health.gov.au>  
Cc: s22 @health.gov.au>; FLYNN, Elizabeth <Elizabeth.Flynn@health.gov.au>;  
Minister Hunt DLO s22 @health.gov.au>  
Subject: URGENT request for Media Release [SEC=OFFICIAL]

Hi Health Comms

Minister Hunt's office have sent through an urgent request for a draft media release (see below) – we will work on pulling the dot points together ready for when you allocate a writer.

Thanks

s22

s22

Director, Prostheses Reform Policy and Communication Section

Prostheses List Reform Taskforce Branch | Technology Assessment and Access Division  
Australian Government Department of Health  
T: 02 6289 s22 | s22  
E: s22 @health.gov.au  
Location: Sirius Building, Level 9 North (NWOW)  
GPO Box 9848, Canberra ACT 2601, Australia

Please note: I do not work Fridays

*The Department of Health acknowledges the Traditional Custodians of Australia and their continued connection to land, sea and community. We pay our respects to all Elders past and present.*

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From: BEHM, Alex <Alex.Behm@health.gov.au>  
Sent: Tuesday, 1 March 2022 3:22 PM



To: FLYNN, Elizabeth <[Elizabeth.Flynn@health.gov.au](mailto:Elizabeth.Flynn@health.gov.au)>

Cc: s22 [REDACTED] <[\[REDACTED\]@health.gov.au](mailto:[REDACTED]@health.gov.au)>

Subject: RE: LEX 41184 - MTAA MoU [SEC=OFFICIAL]

Hi Elizabeth

Attached are MTAA's requested changes.

Note clause 4 is unchanged:

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#### 4. Status

- 4.1 This MoU is not intended to create legal relations or constitute a legally binding contractual agreement between the parties.
- 4.2 Notwithstanding section 4.1, the parties will, to the greatest extent wherever possible, comply with the terms of this MoU.

Please progress a final version for the Minister's approval ASAP.

A draft Media Release would also be appreciated as discussed.

Thanks

Alex

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From: FLYNN, Elizabeth <[Elizabeth.Flynn@health.gov.au](mailto:Elizabeth.Flynn@health.gov.au)>

Sent: Monday, 28 February 2022 12:45 PM

To: BEHM, Alex <[Alex.Behm@health.gov.au](mailto:Alex.Behm@health.gov.au)>

Cc: s22 [REDACTED] <[\[REDACTED\]@health.gov.au](mailto:[REDACTED]@health.gov.au)>

Subject: RE: LEX 41184 - MTAA MoU [SEC=OFFICIAL]

Hi Alex

The attached version includes a new 2.3.3 as discussed with you. Also, in relation to the addendum, I suggest we wait to see if MTAA wants to include it – legal advice was to leave it out.

Elizabeth

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From: FLYNN, Elizabeth

Sent: Monday, 28 February 2022 10:54 AM

To: BEHM, Alex <[Alex.Behm@health.gov.au](mailto:Alex.Behm@health.gov.au)>

Cc: s22 [REDACTED] <[\[REDACTED\]@health.gov.au](mailto:[REDACTED]@health.gov.au)>

Subject: FW: LEX 41184 - MTAA MoU [SEC=OFFICIAL]

Importance: High

Dear Alex

Attached in both clean and track changes is the draft MoU. I circulated it internally over the weekend and have received no major comments. Let me know what you think.



**Elizabeth Flynn**

Assistant Secretary, Prostheses List Reform Taskforce

Technology Assessment and Access Division

Australian Government Department of Health

T: 02 6289 s22 | s22

E: [elizabeth.flynn@health.gov.au](mailto:elizabeth.flynn@health.gov.au)

Location: Sirius Building 9.N.114

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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.*



Building a stronger,  
healthier country  
Yesterday  
today and  
tomorrow

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