



Modernising and Improving Private Health Insurance – Prescribed List

Improving the scope and definition: general use items

July 2023

The Australian Government is investing \$22 million over 4 years to modernise and improve the Prescribed (formerly Prostheses) List (PL). This includes addressing issues raised by recent reviews of the scope and operation of PL.

The purpose of this paper is to provide updated data from the [previously published dataset](#), and quantify the revised approach to data collection and analysis related to the General Miscellaneous (GM) category of the PL.

Supporting data

For historical context around the removal of general use items from the PL, this position has been reached following recent reviews of the PL, including a review in 2020 of the General Miscellaneous (GM) category. Additionally, the Department has quantified the data related to the GM category of the PL from the Hospital Casemix Protocol 1 (HCP1) data set across multiple financial years. A comparison of the HCP1 2018-19 and 2020-21 financial year datasets follows, with all three financial years' (2018-19, 2019-20 and 2020-21) datasets provided immediately after.

Note: there is a minor variation in the 2018-19 dataset previously published. The reasons for the differences are:

- the Department previously used 03 - General Miscellaneous category to identify general use items while the general use definition now used is a lot more targeted.
- On 01 July 2022, general use items were moved to Part D of the PL. The Department has used Part D in the coding to extract data relating to general use items.
 - There were 12 billing codes that were moved from Part A to Part D in February 2023 as per the circular PHI-13/23 and these billing codes were also treated as general use for the retrospective years.

Key statistics

In 2018-19, 622 private hospitals were included in HCP: 298 being private overnight and 325 being classified as private day hospitals. Of these:

- 271 overnight hospitals and 254 day hospitals had at least one PL payment (84% of participating private hospitals)
- 239 overnight hospitals and 157 day hospitals had at least one GM category payment (63% of participating private hospitals)

Comparatively, in 2020-21, 608 private hospitals were included in HCP: 290 being private overnight and 318 being classified as private day hospitals. Of these:

- 266 overnight hospitals and 248 day hospitals had at least one PL payment (84%)
- 237 overnight hospitals and 151 day hospitals had at least one GM category payment (63%)

In 2018-19 total annual PL expenditure for private hospitals was around \$1.79 billion, including benefits of around \$253 million for GM items. This equates to approximately 14% of the total annual PL expenditure for private hospitals being benefits paid for GM items.

These figures remain comparatively steady in 2020-21, with the total annual PL expenditure for private hospitals being around \$1.93 billion, which includes benefits of around \$233 million for GM items. This equates to approximately 12% of the total annual PL expenditure for private hospitals being benefits paid for GM items.

For more information about PL expenditure in private hospitals, please refer to Tables 1-4 across each financial year below.

Prostheses Benefit Distribution*, including General Miscellaneous (GM) Category Benefit Distribution in Australian Private Day Hospitals and Australian Private Overnight Hospitals in 2018-19

Source: 2018/19 Hospital Casemix Protocol 1 (HCP1), Department of Health and Aged Care (analysis undertaken by the Department in June 2023)

Table 1: Total and Median Benefits paid to Private Day and Overnight Hospitals in 2018-19.

	Private Day Hospital		Private Overnight Hospital	
	All Prostheses List Items	GM Category Items	All Prostheses List Items	GM Category Items
Separations	97,634	11,452	615,970	339,677
Prostheses Benefits Paid	\$65,965,000	\$1,883,000	\$1,728,033,000	\$226,072,000
Median Prostheses Benefits per hospital	\$26,000	\$4,000	\$1,748,000	\$221,000

Table 2: The annual distribution of Prostheses Benefits for General Miscellaneous prostheses items for Private Day hospitals in 2018-19.

Private Day Hospitals Annual Prostheses GM Benefit Paid	< \$5,000	\$5,000 - <\$10,000	\$10,000 - <\$20,000	\$20,000 - <\$50,000	\$50,000 and over	TOTAL
Private Day Hospitals with Prostheses GM Benefit	83 (53%)	20 (13%)	26 (17%)	18 (11%)	10 (6%)	157 (100%)
Prostheses GM Benefits paid (\$)	\$115,000 (6%)	\$135,000 (7%)	\$345,000 (18%)	\$573,000 (30%)	\$716,000 (38%)	\$1,883,000 (100.0%)

Table 3: The annual distribution of Prostheses Benefits for General Miscellaneous prostheses items for Private Overnight hospitals in 2018-19.

Private Overnight Hospitals Annual Prostheses GM Benefit Paid	<\$50,000	\$50,000 - <\$100,000	\$100,000 - <\$250,000	\$250,000 - <\$500,000	\$500,000 - <\$1,000,000	\$1,000,000 - <\$2,500,000	\$2,500,000 and over	TOTAL
Private Overnight Hospitals with Prostheses GM Benefit	82 (34%)	17 (7%)	23 (10%)	26 (11%)	23 (10%)	39 (16%)	29 (12%)	239 (100%)
Prostheses GM Benefits paid (\$)	\$710,000 (0.2%)	\$1,252,000 (0.8%)	\$3,464,000 (2%)	\$9,771,000 (4%)	\$15,551,000 (7%)	\$64,395,000 (28%)	\$130,929,000 (58%)	\$226,072,000 (100.0%)

Table 4: Counts of Private Day and Private Overnight Hospitals by type of Prostheses Benefit paid in 2018-19

	No. of Private Day Hospitals	No. Of Private Overnight Hospitals
No Prostheses Benefits paid	70	27
Prostheses Benefits paid with no GM paid	97	32

***Notes:**

- (1) Prostheses benefits paid for privately insured hospital separations in 2018-19
- (2) Excludes separations where the type of care was reported as *Newborn (without qualified days)*, *Posthumous organ procurement* and *Hospital boarder*.

	157	239
Prostheses Benefits paid with GM paid		
TOTAL	324	298

(3) Completeness of source data (Hospital Casemix Protocol 1 (HCP1)) is estimated by comparing statistics with those published by the Australian Prudential Regulation Authority (APRA).

For Private Day and Overnight hospitals combined, completeness was estimated at 97% for episode records and 95% for prosthesis records.

(4) Rounding has been applied.

Prostheses Benefit Distribution*, including General Miscellaneous (GM) Category Benefit Distribution in Australian Private Day Hospitals and Australian Private Overnight Hospitals in 2019-20

Table 1: Total and Median Benefits paid to Private Day and Overnight Hospitals in 2019-20.

	Private Day Hospital		Private Overnight Hospital	
	All Prostheses List Items	GM Category Items	All Prostheses List Items	GM Category Items
Separations	93,411	11,730	594,546	342,047
Prostheses Benefits Paid	\$63,667,000	\$1,851,000	\$1,717,534,000	\$216,787,000
Median Prostheses Benefits per hospital	\$31,000	\$5,000	\$1,766,000	\$183,000

Source: 2019-20 Hospital Casemix Protocol 1 (HCP1), Department of Health and Aged Care (analysis undertaken by the Department in June 2023)

Table 2: The annual distribution of Prostheses Benefits for General Miscellaneous prostheses items for Private Day hospitals in 2019-20.

Private Day Hospitals Annual Prostheses GM Benefit Paid	< \$5,000	\$5,000 - <\$10,000	\$10,000 - <\$20,000	\$20,000 - <\$50,000	\$50,000 and over	TOTAL
Private Day Hospitals with Prostheses GM Benefit	84 (53%)	23 (14%)	24 (15%)	22 (14%)	7 (4%)	160 (100%)
Prostheses GM Benefits paid (\$)	\$122,000 (7%)	\$160,000 (9%)	\$336,000 (18%)	\$680,000 (37%)	\$552,000 (30%)	\$1,851,000 (100.0%)

Table 3: The annual distribution of Prostheses Benefits for General Miscellaneous prostheses items for Private Overnight hospitals in 2019-20.

Private Overnight Hospitals Annual Prostheses GM Benefit Paid	<\$50,000	\$50,000 - <\$100,000	\$100,000 - <\$250,000	\$250,000 - <\$500,000	\$500,000 - <\$1,000,000	\$1,000,000 - <\$2,500,000	\$2,500,000 and over	TOTAL
Private Overnight Hospitals with Prostheses GM Benefit	86 (35%)	16 (7%)	29 (12%)	25 (10%)	23 (9%)	37 (15%)	28 (11%)	244 (100%)
Prostheses GM Benefits paid (\$)	\$849,000 (0.4%)	\$1,185,000 (0.6%)	\$4,590,000 (2%)	\$9,519,000 (4%)	\$16,987,000 (8%)	\$62,019,000 (29%)	\$121,638,000 (56%)	\$216,787,000 (100.0%)

Table 4: Counts of Private Day and Private Overnight Hospitals by type of Prostheses Benefit paid in 2019-20

	No. of Private Day Hospitals	No. Of Private Overnight Hospitals
No Prostheses Benefits paid	73	28
Prostheses Benefits paid with no GM paid	86	24
Prostheses Benefits paid with GM paid	160	244
TOTAL	319	296

***Notes:**

- (1) Prostheses benefits paid for privately insured hospital separations in 2019-20
(2) Excludes separations where the type of care was reported as *Newborn (without qualified days)*, *Posthumous organ procurement* and *Hospital boarder*.
(3) Completeness of source data (Hospital Casemix Protocol 1 (HCP1)) is estimated by comparing statistics with those published by the Australian Prudential Regulation Authority (APRA). For Private Day and Overnight hospitals combined, completeness was estimated at 97% for episode records and 95% for prosthesis records.
(4) Rounding has been applied.

Prostheses Benefit Distribution*, including General Miscellaneous (GM) Category Benefit Distribution in Australian Private Day Hospitals and Australian Private Overnight Hospitals in 2020-21

Table 1: Total and Median Benefits paid to Private Day and Overnight Hospitals in 2020-21.

	Private Day Hospital		Private Overnight Hospital	
	All Prostheses List Items	GM Category Items	All Prostheses List Items	GM Category Items
Separations	112,651	12,733	642,096	367,411
Prostheses Benefits Paid	\$75,947,000	\$1,979,000	\$1,856,498,000	\$231,071,000
Median Prostheses Benefits per hospital	\$42,000	\$5,000	\$1,918,000	\$201,000

Source: 2020-21 Hospital Casemix Protocol 1 (HCP1), Department of Health and Aged Care (analysis undertaken by the Department in June 2023)

Table 2: The annual distribution of Prostheses Benefits for General Miscellaneous prostheses items for Private Day hospitals in 2020-21.

Private Day Hospitals Annual Prostheses GM Benefit Paid	< \$5,000	\$5,000 - <\$10,000	\$10,000 - <\$20,000	\$20,000 - <\$50,000	\$50,000 and over	TOTAL
Private Day Hospitals with Prostheses GM Benefit	74 (49%)	23 (15%)	20 (13%)	26 (17%)	8 (5%)	151 (100%)
Prostheses GM Benefits paid (\$)	\$99,000 (5%)	\$168,000 (8%)	\$269,000 (14%)	\$780,000 (39%)	\$662,000 (33%)	\$1,979,000 (100.0%)

Table 3: The annual distribution of Prostheses Benefits for General Miscellaneous prostheses items for Private Overnight hospitals in 2020-21.

Private Overnight Hospitals Annual Prostheses GM Benefit Paid	<\$50,000	\$50,000 - <\$100,000	\$100,000 - <\$250,000	\$250,000 - <\$500,000	\$500,000 - <\$1,000,000	\$1,000,000 - <\$2,500,000	\$2,500,000 and over	TOTAL
	72	26	28	19	20	41	31	237



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Private Overnight Hospitals with Prostheses GM Benefit	(30%)	(11%)	(12%)	(8%)	(8%)	(17%)	(13%)	(100%)
Prostheses GM Benefits paid (\$)	\$504,000	\$1,827,000	\$4,806,000	\$7,420,000	\$12,997,000	\$66,447,000	\$137,070,000	\$231,071,000
	(0.2%)	(0.8%)	(2%)	(3%)	(6%)	(29%)	(59%)	(100.0%)

Table 4: Counts of Private Day and Private Overnight Hospitals by type of Prostheses Benefit paid in 2020-21

	No. of Private Day Hospitals	No. Of Private Overnight Hospitals
No Prostheses Benefits paid	70	24
Prostheses Benefits paid with no GM paid	97	29
Prostheses Benefits paid with GM paid	151	237
TOTAL	318	290

*Notes:

(1) Prostheses benefits paid for privately insured hospital separations in 2020-21

(2) Excludes separations where the type of care was reported as *Newborn (without qualified days)*, *Posthumous organ procurement* and *Hospital boarder*.

(3) Completeness of source data (Hospital Casemix Protocol 1 (HCP1)) is estimated by comparing statistics with those published by the Australian Prudential Regulation Authority (APRA). For Private Day and Overnight hospitals combined, completeness was estimated at 97% for episode records and 95% for prosthesis records.

(4) Rounding has been applied.