



Private health insurance reforms: Agreement between the Government and the Medical Technology Association of Australia

A compact to support sponsors and suppliers of medical devices

The compact commits to maintaining Prostheses List benefits for a period of four years and implements process improvements by:

- reducing prostheses benefits by \$1.1 billion over four years with the savings passed on in full to consumers
- reducing the evidence requirements for some devices to decrease the time it takes to reach the market and increasing listings on the Prostheses List from two to three times a year
- assessing the expansion of the Prostheses List to include non-implantable devices, such as high-cost cardiac catheters
- continuing the Prostheses List Advisory Committee's (PLAC) reform work with major reforms to begin from 1 February 2022
- establishing a med-tech and biotech grants program for small to medium size enterprises and research partners to support the development of new and innovative device technologies, clinical trials and associated registries, researcher exchanges and workforce development.

Why is this important?

The agreement outlines the medical device industry's commitment to:

- support the affordability of private health insurance by rebalancing the costs of medical devices to privately insured patients
- support the collaborative work with the Government and the PLAC to develop a world-class, evidence-based and value-based reimbursement process for medical devices.

Who will benefit?

- Consumers will benefit from lower private health insurance premium increases.
- The medical devices industry benefits from sector stability and sustainability, together with a reduction in the time to market and improvements in the transparency and efficiency of prostheses listing arrangements.

What impact will this change have on private health insurance?

The Prostheses List benefit reductions that are part of the agreement (see separate fact sheet) will result in reduced private health insurance premium increases.