



Historical background of the 2021-2025 Prostheses List reform

July 2021 – The Prostheses List Reform Taskforce was officially established on 1 July 2021. The taskforce is responsible for implementing the reforms over the next four years.

May 2021 – In the [2021–22 Federal Budget](#), the Australian Government committed \$22 million over four years to reduce the cost of medical devices used in the private health sector and streamline access to new medical devices, which will improve the affordability and value of private health insurance for Australians. The changes are known as the Prostheses List reforms.

Policy development work that forms the base of the current reforms

December 2020 – Release of Consultation Paper: [Options for reforms and improvements to the Prostheses List](#). The aim of this paper was to inform Government considerations around the direction and implementation of options for the Prostheses List reform.

In line with the result of the consultation it was decided to progress the reforms based on the second option proposed to stakeholders: To consolidate and redesign the prostheses list with extensive changes to pre- and post-listing assessment and benefit setting processes, with administration of benefit setting supported by the Department.

December 2020 – The Department commissioned an external [Review of the General Miscellaneous Category of the Prostheses List](#). The Review, undertaken by Ernest and Young (EY), was initiated as a result of higher than anticipated utilisation of products listed in this category, and concerns about whether these products meet the Prostheses List criteria.

December 2020 – The Industry Working Group on Cardiac Technical Support Services was tasked with detailing the clinical need and extent for the technical support services provided to Australian patients with Cardiac Implantable Electronic Devices (CIEDs). They provided a [Working paper on Cardiac Technical Support Services](#) in December 2020. This report provides an assessment of the clinical needs and impacts of technical services in association with CIEDs.

June 2020 – The Industry Working Group on Revised Benefit Setting and Review Framework was asked to develop and provide a final report to the Minister for Health and MTAA Chairman on [Options for a revised framework for setting and reviewing benefits for devices on the Prostheses List](#). This report describes the proceedings of the Revised Benefit Setting and Review Framework Industry Working Group (BSRIWG) over 8 meetings held between April 2018 and February 2020.

October 2017 – The Government signs an [Agreement with the Medical Technology Association of Australia \(MTAA\)](#). The agreement – which will be effective from 15 October 2017 to 31 January 2022 – supports sponsors and suppliers of medical devices to change Prostheses List arrangements to support Australian medical technology innovation and improve access to Medical

Technology. The Government's agreement with the MTAA has underpinned the current reform work.

May 2017 – The Senate Community Affairs Reference Committee released the [Price regulation associated with the Prostheses List Framework](#) report. In its response, the Government recognised that reform of the prostheses listing arrangements and price regulation is necessary to put downward pressure on private health insurance premiums for consumers.

February 2017 – Release of report from the [Industry working group \(IWG\) on Private Health Insurance Prostheses Reform](#). Also known as the Sansom Report. The IWG operated between January and March 2016 and was established to examine opportunities for reform of the arrangements governing prostheses and pricing in the private health insurance sector.

History of the Prostheses List

December 2009 – Release by the Productivity Commission of the [Performance of Public and Private Hospital Systems](#) report. The Report responded to a request by the Australian Government to examine three aspects of the health care system - the relative performance of public and private hospitals; rates of informed financial consent for privately-insured patients; and the most appropriate indexation factor for the Medicare Levy Surcharge income thresholds.


2009 – Release of the Health [Technology Assessment in Australia Review](#). The HTA review recommended that the process to establish consistent groupings be completed by a dedicated resource within the Department of Health and that negotiations of benefits for individual prostheses should cease and that a single benefit level should be established for all prostheses in each particular group.

October 2007 – In accordance with section 12 of the National Health Amendment (Prostheses) Act 2005, The Honourable Robert Doyle undertook an independent review of the prostheses arrangements entitled the Review of the Prostheses Listing Arrangements – also known as the Doyle Review.

October 2005 – The new arrangements announced in 2003 came into effect and ensured that independent clinical advice was integral to determining the clinical effectiveness of a device listed on the Prostheses List.

April 2003 The Government announced new arrangements in April in response to concerns about the rapid increase in prostheses benefits during deregulation.

1999 – Prostheses List benefit amounts were deregulated in response to concerns raised by the private health insurance industry about the rate of increase of benefits. However, under the period of deregulation, private health insurers negotiated the benefit amount directly with device manufacturers on the condition that there would be no gap payment for patients. This condition undermined the private health insurers' ability to negotiate benefit amounts and prostheses benefits almost doubled between 2000-01 and 2002-3.



1985 - The Prostheses List was introduced with a view to reduce hospital waiting list for procedures involving surgically implanted prostheses. The government passed legislation to require private health insurers to pay a benefit equal to the amount determined by the Minister, or the price of the prosthesis if it was less than the amount determined by the Minister.