

7 February 2025

Via email: prescribedlist.reform@health.gov.au

Catholic Health Australia Submission: Prescribed List — Clarifying definitions under the current Grouping Scheme

Thank you for the opportunity to provide feedback on the Department of Health and Aged Care's consultation *Prescribed List — Clarifying definitions under the current Grouping Scheme*.

Catholic Health Australia (CHA) is concerned that the short timeframes for this consultation has significantly hindered stakeholders' ability to engage meaningfully with their members for comment. Furthermore, characterising these changes as merely 'administrative' fails to acknowledge their substantial impact on patient access, healthcare sustainability, and industry viability.

We urge the government to implement an immediate freeze on all disruptive changes to the PL until transparent and evidence-based consultation is undertaken. We welcome the opportunity to engage further with DoHAC to ensure that any amendments support both the long-term viability of the sector and continued access to high-quality care for patients.

If you wish to discuss anything further, please contact Dr Katharine Bassett, Director of Health Policy on 0420 727 709 or at katharineb@cha.org.au.

Yours sincerely,



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Catholic Health Australia

www.cha.org.au

Catholic Health Australia (CHA) is Australia's largest non-government grouping of health, community, and aged care services accounting for over 15 per cent of hospital-based healthcare in Australia. Our members operate hospitals in each Australian state and in the Australian Capital Territory, providing about 30 per cent of private hospital care and 5 per cent of public hospital care in addition to extensive community and residential aged care. CHA Members also provide approximately 12 per cent of all aged care facilities across Australia, in addition to around 20 per cent of home care provision.

CHA not-for-profit providers are a dedicated voice for the disadvantaged which advocates for an equitable, compassionate, best practice and secure health system that is person-centred in its delivery of care.

Response

Introduction

The Department of Health and Aged Care (DoHAC) is clarifying some definitions under the current Prescribed List (PL) grouping scheme. The goal is to help stakeholders understand the correct grouping for different types of devices.

Concerns with the consultation process

The consultation process for clarifying and refining some definitions and descriptors for different categories of the PL has been notably flawed. Firstly, the DoHAC released the consultation and announced the proposed amendments on 23 December 2024 without prior notice. This sudden release has significantly hindered the ability of stakeholders to engage meaningfully with their members for comment. The timing, right before the holiday season, further exacerbated the issue, as many stakeholders were unavailable to review and respond to the proposed changes.

Secondly, while DoHAC has characterised the current consultation on clarifying definitions under the grouping scheme as 'administrative', this characterisation is both inaccurate and potentially misleading. The proposed changes in definitions could arbitrarily alter the PL, undermining its role in ensuring patient access and sustainable care provision. By labelling these changes as merely administrative, DoHAC downplays the substantial impact they could have on the healthcare system, including potential disruptions to patient care and access to necessary treatments.

Finally, many of the proposed definitions have already been implemented by Expert Clinical Advisory Groups (ECAGs) without prior consultation. This pre-emptive implementation bypasses the essential step of stakeholder engagement, which is crucial for ensuring that the definitions and descriptors are both accurate and fair. The lack of consultation with stakeholders not only undermines the transparency of the process but also raises concerns about the legitimacy and acceptance of the new definitions.

Impact of proposed definition changes

The proposed changes to definitions pose significant risks, including increased costs and burdens for manufacturers of medical devices, private hospitals, and patients. Firstly, these changes could restrict access and choice, with some products potentially falling outside PL coverage or being downgraded to lower benefit groups. This could result in non-viable benefit amounts, making it financially unsustainable for manufacturers to continue supplying these products, which would limit patient access and choice.

Additionally, there is a significant risk that private health insurers will discontinue funding these items before the definitions are officially changed. As DoHAC is aware, this is an issue which is currently occurring with several items. Not only will this exacerbate the administrative burden and costs associated with payment delays, but it will exacerbate the cash flow issues which hospitals are currently experiencing due to payment delays.

If these risks materialise, the financial viability of private hospitals will continue to decline. This could lead to the closure of more services and facilities, reducing patient access. Additionally, increased barriers to achieving appropriate PL grouping may discourage manufacturers from supplying products in Australia, further undermining clinician and patient access.

Specific concerns with proposed definitions

DoHAC should be aware of inconsistent approaches to device grouping. Some definitions proposed by DoHAC, based on ECAG advice, will require significant changes to groups, necessitating careful implementation. Sponsors should not be charged for listing changes resulting from redefinitions. Additionally, CHA is concerned about significant movement of products between groups, particularly from higher to lower benefit groups. This movement will require recalculation of the weighted average public

price (WAPP) and adjustment of benefit levels, as it is unfair for products to be pushed into lower-priced benefit groups when more sophisticated technologies were not part of the original WAPP calculation by IHACPA.

While CHA members are unable to comment on the technical descriptions (medical device manufactures are best placed for this), CHA members raised the following concerns:

- removing recognition of the value of fixation plates that conform to specific anatomies
- downgrading soft tissue fixation anchors without an accompanying suture to a basic category
- removing payments for screws integral to securing devices, potentially making multiple products unviable
- eliminating accessories to External Pulse Generators (EPGs) for neuromodulation, which are critical for trialling neurostimulation before implantation.

Call to action

CHA is urging the government to implement an immediate freeze on all disruptive changes to the PL until significant progress is made in restoring the sector's viability. DoHAC should also provide evidence for its proposed and approved decisions to ensure confidence in the governance of the PL and better enable full consultation of proposals.

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