



MEDIA RELEASE

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CATHOLIC HOSPITALS WELCOME REFORMS TO LOWER COST OF MEDICAL DEVICES, BUT WARN AGAINST REMOVAL OF ESSENTIAL ITEMS

Catholic hospitals have welcomed the Federal Government's reforms to bring down the cost of medical devices but warn any move to remove essential items like hips, stents and pacemakers could lead to higher patient costs and cuts to regional services.

It has been announced that the pricing of items on the Protheses List, which determines what health insurers have to pay if a member receives that item during treatment, will be benchmarked against public sector pricing, a mechanism Catholic Health Australia has recommended in its submissions.

Catholic not-for-profit hospitals cover about one in ten hospital beds in Australia and one in four private beds and operate 17 hospitals in regional Australia.

"We are pleased the government is pressing ahead with reform on how \$2 billion worth of medical devices are paid for by private health funds," said Catholic Health Australia Health Policy Director James Kemp.

"The prostheses list exists to provide doctors with the products they need to deliver the best possible outcome for patients. It also provides certainty to patients, so they don't face bill shock on out-of-pocket costs.

"It's high time that the cost of medical devices for Australians came down. We welcome the government's intent which is to ensure hospitals deliver the best possible healthcare for patients affordably. However, that can only be done through a system that is fair to all parties – patients first and foremost, and hospitals, doctors and insurers. We look forward to working with all stakeholders to make these reforms work."

Mr Kemp warned an accompanying government plan to start narrowing the scope of the List, which would potentially remove hundreds, even thousands, of items from the prostheses list – without appropriate compensation - would force hospitals to pick up the cost for these items. For Catholic hospitals alone this will lead to an estimated \$80 million hit to services, which will particularly affect Catholic regional hospitals.

"Catholic hospitals in the regions will be out of pocket if items start being removed from the prostheses list without health funds picking up the tab," Mr Kemp said.

"Our mission is to serve those in the community whose needs are the greatest. Catholic Health has always served regional Australia, but it can only keep doing so effectively if the larger Catholic hospitals, which rely on devices on the Protheses List every day, remain financially stable"