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CATHOLIC HEALTH AUSTRALIA WELCOMES ANNOUNCEMENT OF MANDATORY FUNDING OF SURGICAL ITEMS AS SENSIBLE REFORM

Catholic Health Australia welcomes the announcement that health insurers will still have to pay for essential surgical items such as sutures and skin glues when reforms of the prostheses list come into force.

Not for profit hospitals have faced months of uncertainty over how around 400 “general consumables” will be funded once they are removed from the prostheses list which dictates the surgical items that health insurance funds must pay for.

Today Health Minister Butler and the Department of Health acted on the concerns of CHA members who have been warning that removing these items with no alternative funding arrangements would have dire consequences.

The 75 member hospitals that are part of the CHA network were facing a \$100 million annual funding hole which would have forced them to stop offering economically unviable procedures to avoid huge financial losses.

Under the new system a typical basket of the items used will be lumped together and funded per procedure rather than each individual item used being funded.

Minister Butler today said insurers will still have to pay a minimum price to hospitals for each bundle used. These default benefits for the General Use Bundles will be mandated through changes to the Private Health Insurance Act (Benefit Requirements) Rules 2011.

CHA Health Policy Director Caitlin O’Dea said today’s announcement was a sensible decision.

“Our member hospitals always wanted to preserve the choice that is at the heart of good private health care. The last thing that we wanted is for some procedures to become too expensive for hospitals to stage.

“Mandatory funding will ensure that breast cancer, bariatric and gynaecological surgeries will no longer be at risk of cutbacks.

“Our hospitals are struggling to absorb rising costs of keeping patients and staff safe from COVID and a further \$100 million annual funding reduction would have really hit them hard.”

Ms O’Dea said CHA would work with the Government now to determine the final mandated price of each item in the new ‘bundled system’ as well as other details of the reform yet to be determined.

“We want to thank the Minister and the Department for listening and for reaching a sensible solution.

“We look forward to working closely with them and other stakeholders to develop the pricing of the bundles and a reasonable time frame for implementation,” she said.