

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH PORTFOLIO

Budget Estimates 2015 - 2016, 1 - 2 June 2015

Ref No: SQ15-000389

OUTCOME: 6 - Private Health

Topic: Private Health Insurance

Type of Question: Written Question on Notice

Senator: Xenophon, Nick

Question:

The Western Australian Department of Health has published the prices it pays for Cardiac Pacemakers and Defibrillators online. It makes for interesting reading, especially when compared with minimum prices listed on the Private Health Insurance - Prostheses List. In respect of the WA Product Information Schedule:

Line 214 of the excel document is for a St Jude Medical Unify Assura implantable defibrillator. WA Health pays \$19,000. The Private Health Insurance - Prostheses List price is \$52,000, \$33,000 more than the manufacturer is willing to accept in WA. Why is it that the Prostheses List price is so much higher than that paid elsewhere in Australia? When was this price last benchmarked against domestic and international prices?

Answer:

The grouping and benefits for cardiac prostheses on the Prostheses List were last reviewed in 2011 as part of the implementation of recommendations 12b-e of the *Review of Health Technology Assessment in Australia 2009*.

Group benefits were determined by applying a methodology agreed by stakeholders of the prostheses listing arrangements, based on the current benefits for prostheses on the Prostheses List and utilisation of prostheses within each grouping.

The benefits for prostheses on the Prostheses List at the time of the review resulted from negotiations directly between prostheses sponsors and private health insurers or the Prostheses and Devices Negotiating Group (later the Negotiating Oversight Committee). These negotiations were conducted in confidence and the Department is not able to speculate as to why price differences exists