

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH PORTFOLIO

Budget Estimates 2015 - 2016, 1 – 2 June 2015

Ref No: SQ15-000399

OUTCOME: 3 - Access to Medical and Dental Services

Topic: Prostheses List

Type of Question: Written Question on Notice

Senator: Xenophon, Nick

Question:

The 2012/13 budget included measures to remove poorly performing prostheses from the list as a saving.

Prostheses list — removal of joint replacement prostheses with unacceptably high revision rates

Expense (\$m)

	2011 12	2012 13	2013 14	2014-15	2015-16	
Department of Health and Ageing -			0.1	-1.7	-1.9	-2.1
Related revenue (\$m)						
Department of Health and Ageing -			0.1	0.1

The Government will remove joint replacement prostheses with evidence of higher than acceptable revision rates from the Prostheses List, so that private health insurers are no longer required to pay benefits for those prosthetics.

There are more than 9,000 surgically implanted prosthetic devices on the Prostheses List, including hip and knee replacements. Private health insurers are required to pay a mandatory benefit for each item on the Prostheses List where a Medicare benefit is payable for the associated surgery in a hospital or hospital substitute.

Joint replacement prostheses with high revision rates need to be replaced more frequently than comparable products, resulting in poor outcomes for patients and higher costs to insurers and the health system.

This measure will provide savings of \$5.8 million over four years. Savings from this measure will be redirected to support other Government priorities.

Why is this measure no longer listed in the budget papers? Are there no savings to be made in this regard? What about the associated cost of medical care for people who are forced to go through multiple revisions because they have received poorly performing devices?

Answer:

The measure is not reflected in any Budget Papers as it is a prior year Budget measure which is now an ongoing part of the Forward Estimates.

The National Joint Replacement Registry (NJRR) Annual Report describes data on joint revision procedures. For example, there was a 12.1% decrease in revision hip replacements in 2013 compared to 2012.