



Australian Government

Department of Health and Aged Care

Prescribed List Reforms – Consultation Paper 9

Cardiac implantable electronic devices and the
cost of technical support services



Context for the consultation paper

The Prescribed List is the primary mechanism governing the reimbursement for medical devices and human tissue products as part of the private health system in Australia.

Building on the previous reform activities to the [Prescribed List](#), the Government has agreed to maintain it, with some improvements. One of the improvements includes reducing the benefits for devices on the Prescribed List, so they are better aligned with prices paid for the same devices in the public system.

In March 2022, the former Minister of Health and Aged Care signed a Memorandum of Understanding with the Medical Technology Association of Australia, by which benefit reductions to cardiac implantable electronic devices (CIED) were deferred by 12 months. This deferral was to allow the Medical Services Advisory Committee (MSAC) to advise on a reasonable cost of providing technical support services (TSS) for patients with CIEDs. [MSAC advice](#) was finalised and published in April 2024.

This consultation paper seeks views and suggestions on implementing the MSAC advice in the context of benefit paid for CIEDs. The Government considers these improvements necessary to benefit consumers, as CIED benefit reductions will help to reduce growth in private health insurance premiums.

Purpose

The purpose of this paper is to:

- provide a summary of [MSAC advice](#) on CIED technical support services (TSS), and
- canvas stakeholder views, suggestions, and ideas to implement the MSAC advice about the cost of technical support services for CIEDs

MSAC advice

MSAC considered that the cost of TSS provided to public or privately insured patients should not be funded via Prescribed List (PL) benefits for CIEDs.

MSAC advised that the current model of care for provision of TSS relying on the sponsors of these devices on the PL is problematic. Cross-subsidising TSS through the PL benefit is not a suitable nor transparent mechanism of funding for these services. MSAC advised that further reform is needed to encourage uptake of other ways to provide this essential care for patients with CIEDs. This may include private cardiologists employing cardiac technicians directly to provide these services. MSAC advised that this would have to be addressed through longer-term reform.

MSAC reiterated that further consideration is required to identify:

- alternative, evidence-based models of care for all patients with CIEDs
- how TSS are most appropriately funded at the MSAC assessed reasonable value
- how the funding of TSS is transitioned out of the PL benefit.

MSAC advised that the costs for TSS should be excluded from the current scheduled PL benefit reductions that are due to be completed 1 July 2025. MSAC recommended that the estimated value of peri-implantation services are included in the device component of the PL benefit.

Anticipated stakeholder impact

Stakeholder feedback suggests that amendments to the PL benefits for CIEDs could reduce a sponsor's ability to continue providing TSS through their industry employed technicians, given the PL benefit is currently used to cover the costs associated with the provision of TSS as well as the cost of the device.

To maintain the current care of patients with CIEDs and not inadvertently increase any out-of-pocket costs associated with the receipt of these services, TSS benefit reductions have been excluded from the current staged PL benefit reductions.

State and territory run public hospitals (metropolitan, regional and rural) may be impacted by any changes to the current model of care as there is some reliance on the sponsors' technician workforce to deliver these technical support services to public patients with CIEDs.

Next Steps

The department would like to hear from stakeholder groups to gain their perspectives on this matter.

This feedback will be used to inform further detailed stakeholder engagement as well as the development of implementation options for implementation of the MSAC advice.

What we invite you to do

This consultation is an opportunity for you to put forward views, suggestions, and ideas about how to implement MSAC advice in the context of the reasonable value of TSS for CIEDs. We ask that you raise any matters of concern or negative implications for your organisation, you and/or your sector.

In drafting your response we would ask that you provide as much detail and evidence as possible about the impacts as well as any options for consideration. Please ensure your suggestions remain in the context of the Prescribed List and are reasonable and pragmatic. Please consider the questions below and provide your answers via our consultation hub. We strongly encourage you to include any data or evidence to support your arguments.

Commercial-in-confidence information

The department may publish stakeholder submissions, so we ask that any commercial-in-confidence information is submitted under a separate attachment clearly denoting it as such.

Stakeholders should note that submissions may still be accessible under FOI processes.

1. How is your organisation, you or your sector involved in the current cross-subsidisation model of TSS through the Prescribed List? To what extent does this model impact your organisation (positively and/or negatively)?
2. What are the alternative options for funding the reasonable value of TSS?
3. Are there specific stakeholders/group(s) that have the responsibility to develop and own an alternative model of care? Who are they and why do you/your group hold this view?
4. What do your organisation, you or your sector see as the likely options for a new model of care? What the key features of these options? Is there a clear preference?
Please provide ideas for alternative, evidence-based models of care for all patients with CIEDs (both private and public health systems).
5. What is required to transition from the current funding of the reasonable value of TSS through the PL benefits for CIEDs to the proposed alternative model/s of care?
6. What is the likely timeframes required for your organisation, you or your sector to transition from the current to the proposed model/s of care? A timeline of key events/stages would be beneficial.
7. What are the consequences for your organisation, you or your sector of moving away from the current cross-subsidisation of CIED TSS through the Prescribed List benefits for CIEDs?
8. What additional information is important for the consideration of the development of implementation options for implementation of the MSAC advice?