

SURGERY

Your choice of prosthesis



The Federal Government has made it easy to choose an effective prosthesis that won't leave you out of pocket.

What is a prosthesis?

Prostheses include pacemakers, defibrillators, cardiac stents, joint replacements, intraocular lenses and other devices that are surgically implanted during a stay in hospital.

Before you have surgery, your surgeon will tell you if a prosthesis is required. For most surgical procedures there is a choice of prostheses available. They can vary in cost and comparative benefits. Until now there has been no simple way to compare the costs and benefits.

What has changed?

The Department of Health and Ageing has been working with doctors and experts from the health industry to evaluate prostheses. The doctors, who are all specialists in their fields, have evaluated clinical evidence on the prostheses available in Australia and worked out which ones are clinically comparable based on the evidence.

The evidence shows that the most expensive prostheses are not necessarily the most appropriate ones. As a result of this initiative, from 31 October 2005, changes are being made. You and your surgeon will be able to choose a prosthesis for every in-hospital Medicare procedure from the prostheses list that will be fully covered by your private health insurance. When you and your doctor choose a prosthesis from this list you will have no gap amount to pay.

Other more expensive prostheses may be available for your surgery, but if you agree to have one of these, you will have to pay a gap amount. The gap amount is the difference between the prosthesis chosen by you and your surgeon and the no gap alternative.

Gap payments apply only where there is a choice of other effective, clinically similar products available at no gap.

95% of listed prostheses are available without a gap payment.

Examples of prosthesis choice:

1. Bill is going to have a knee joint replacement operation

Bill's surgeon has recommended a brand of prosthesis (Brand A) which is a no-gap prosthesis costing \$3,000. Because it is a no-gap prosthesis, Bill's private health insurance will pay the full cost for the item.

2. Sharon is going to have a knee joint replacement operation

Sharon's surgeon has recommended an alternative brand of prosthesis (Brand B) which costs \$200 more than the no-gap prosthesis. Sharon's private health insurance will still pay \$3,000 towards the cost of the prosthesis (the no-gap amount). Sharon will be billed \$200 — the difference between the no-gap amount and the cost of her prosthesis.

(The examples above are for illustrative purposes only and do not take into account waiting periods, restrictions or any exclusions on the policy.)

Why have the changes to prostheses been introduced?

The reason for change is twofold:

1. Until now there has been no formal independent clinical evaluation of prostheses in Australia. This Government and industry initiative allows benefits paid and prices charged to be more closely linked to the relative clinical effectiveness of the prostheses.
2. Health fund expenditure on prostheses has been increasing at an average rate of 25% per year over recent years. This has contributed to increasing premiums for all health fund members.

The new arrangements will ensure that you will continue to have access to safe and clinically effective prostheses that are fully covered by your health fund, while helping to ease the pressure on premiums.

What do I need to do?

1. Before you have any surgery, check that your private health insurance covers you.
2. If your surgery requires a prosthesis, ask your surgeon which prosthesis will be the best one for you and which no-gap prostheses are available.
3. If the surgeon recommends a prosthesis for which a gap is payable, ask why this one is being recommended. You will only have to pay part of the prostheses cost if you agree to have one of these devices.
4. Ask the surgeon to explain the costs of the surgery including the prosthesis gap payment (if any) and any other expenses involved. If there are any gaps for you to pay, ask for a written cost estimate.
5. Then contact your private health insurance fund again to confirm if your surgery will result in any gap payment/s.

Find out more about private health insurance at www.privatehealth.com.au or contact your health fund.