

26 July 2013

Department of Health and Ageing  
Chemotherapy Review  
MDP 901  
GPO Box 9848  
CANBERRA , ACT 2601

Dear Secretariat,

### **Review of funding arrangements for chemotherapy services - July 2013**

Thank you for the opportunity to provide feedback on the "Review of funding arrangements for chemotherapy services - June 2013".

Medibank is supportive of a number of the principles that underpin the review into the provision of chemotherapy services, in particular efficient and effective clinical processes, a transparent funding framework and broad access to services.

Our submission is focussed on a number of assumptions within the Discussion Paper and implications to private health insurers and the downstream impacts to consumers.

#### ***Terms of Reference 1 and 2: How chemotherapy medicine infusions are provided, the role of each sector, and how services and funding roles have change over time***

Over the last decade there have been substantial changes in the delivery of chemotherapy services. More than 50% of chemotherapy services are provided in a private health setting. There has been the establishment of speciality oncology centres (primarily same day) and most recently the expansion of the provision of cancer services in the home setting (where clinical circumstances permit). In addition changes have been made to the protocols surrounding chemotherapy.

The funding of the services should be cognisant of the changing delivery modes of chemotherapy services. As a fund we adopt a consistent funding framework irrespective of the delivery mechanism. Our funding is on a bundled service provision rather than a component basis.

The funding for chemotherapy services fall under the "hospital" table of a private health insurer not the ancillary table. The paper makes reference that "...Private Health insurers may extend coverage under ancillary tables for devices such as

specialised or high-cost drug delivery systems....”. To the best of our knowledge that is not the case as the service is only able to be covered under the hospital table.

Consistent with the approach taken in funding other clinical interventions with complex drugs such as Warfarin, health insurers generally do not provide explicit funding for the provision of chemotherapy by an advanced care or oncology pharmacist. The appropriate funding mechanism for these services is via the PBS. We would be concerned about initiatives that seek to transfer the cost of service delivery away from the current funder to a health insurer as this would have a subsequent impact on consumers.

***Terms of Reference 3: other matters pertinent to funding for chemotherapy infusion preparation***

We are supportive of approaches that seek to streamline the administrative burden of providing chemotherapy services whilst maintaining high standards of quality and safety through the use of technology.

It is important as the Committee considers alternatives to funding that consideration is given to the downstream impacts to consumers on access to services. For example if the solution was to disadvantage private patients over public patients or patients receiving treatment in private settings then that could have an impact on the principle of broad access to services.

A helpful example of where this occurred historically was the change to arrangements concerning the provision of dialysis services. The subsequent transfer of costs to the private sector and private funders resulted in changes to Health Insurance products which restricted access to privately funded dialysis treatment to those on mid to top cover products only. Were this to happen with chemotherapy it would be inconsistent with the principle of broad access that the review is aiming to achieve. With more than 50% of chemotherapy services being provided by the private sector this would be a detrimental impact on consumers.

Should you require further information regarding this matter please do not hesitate to contact us.

Yours sincerely,



Cindy Shay  
Executive, Policy and Relationships