

**APPENDIX TO THE RANZCR FACULTY OF RADIATION ONCOLOGY'S SUBMISSION
ON THE HEALTH INSURANCE AMENDMENT (SAFETY NET) BILL 2015**

Past correspondence with the Health Minister and other Members of Parliament on this issue
(from the Faculty [REDACTED])



The Royal Australian and New Zealand College of Radiologists®

19 March 2015

The Hon. Sussan Ley MP
Minister for Health
Minister for Sport
Parliament House
Canberra ACT 2600

Re: Proposed Simplified Medicare Safety Net

Dear Minister,

I write on behalf of The Royal Australian and New Zealand College of Radiologists regarding the proposed changes to the Medicare Safety Net.

The Royal Australian and New Zealand College of Radiologists (RANZCR) is the peak body advancing patient care and quality standards in the clinical radiology and radiation oncology sectors.

RANZCR has some concerns regarding the proposed changes to the Medicare Safety Net, particularly the manner in which they may impact on patients access to radiation therapy.

While many patients access radiation oncology through our public health system, private providers of radiation oncology also account for a significant portion of treatment.

Further, for many patients a private provider is the only option for treatment. This is particularly true for some patients in regional or remote areas. The nature of radiation therapy treatment requires regular, daily, visits to a treatment centre for up to 8 weeks. For regional patients this can mean a choice between travelling to a metropolitan area for long periods or accessing a private provider closer to home or even forgoing the recommended treatment.

For example, a patient in Albury Wodonga can visit a private centre locally or else travel more than 300 km to a public facility. A patient in Nambour can attend a local private treatment centre, or else face a 100 km drive to Brisbane to access a public facility.

Cancer patients in regional and remote areas are already at a disadvantage. There is evidence that the further patients live from a radiation oncology centre, the less likely they are to access treatment and have poorer cancer outcomes.

The proposed changes to the safety net will mean that those patients paying for private radiation therapy services may face significant out of pocket costs. This represents an unacceptable barrier to accessing cancer treatment.

Radiation therapy is a critical component of cancer treatment in Australia, involved in about 40% of cancer cures, as well as reducing pain or other symptoms.

It is worth noting, that the MBS Schedule for radiation oncology consistently underfunds radiation therapy and does not reflect recent innovations. In particular, the difficulty of

progressing the MSAC applications for Intensity Modulated Radiation Therapy (IMRT) and Image Guided Radiation Therapy (IGRT) reflects these issues.

We urge the Federal Government to reconsider these proposed changes to the Medicare Safety Net, which would be detrimental to cancer patients' access to affordable radiation therapy.

For more information, please contact RANZCR's Senior Advocacy Officer, Kate Scott-Murphy [REDACTED]

Yours sincerely,

[REDACTED]

Dr Dion Forstner
Dean, Faculty of Radiation Oncology

8 MAY 2015



**THE HON SUSSAN LEY MP
MINISTER FOR HEALTH
MINISTER FOR SPORT**

Ref No: MC15-004844

Dr Dion Forstner
Dean, Faculty of Radiation Oncology
The Royal Australian and New Zealand College of Radiologists
Level 9
51 Druitt Street
SYDNEY NSW 2000

Dear Dr Forstner

Thank you for your correspondence of 19 March 2015 regarding the proposed changes to the Medicare safety net arrangements.

The Government is committed to ensuring cancer patients have access to high quality and affordable cancer treatment, regardless of their location or financial means. The new Medicare safety net will continue to provide additional support to people with high out-of-pocket costs for out-of-hospital Medicare services, including patients receiving radiotherapy.

For many patients, the thresholds of the new Medicare safety net are significantly lower compared to the current Extended Medicare Safety Net. For example, the threshold will be reduced from \$638.40 to \$400 for Commonwealth concession cardholders, from \$2,000 to \$700 for single people without concession cards and from \$2,000 to \$1,000 for families without concession cards.

My Department is keen to work with the College and the profession to ensure the Medicare Benefits Schedule and the Radiation Oncology Health Program Grants Scheme continue to support patients' access to high quality cancer care. I understand that there have been recent discussions between the College and officials from my Department regarding the Medicare safety net.

The contact on the issues you raise in your letter continues to be Dr Megan Keaney, Acting Assistant Secretary of the Medical Specialist Services Branch, phone number [REDACTED]

Thank you again for bringing this matter to my attention and I look forward to hearing of the outcomes of any further discussions.

Yours sincerely

A large black rectangular redaction box covering the signature of The Hon Sussan Ley MP.

The Hon Sussan Ley MP

5 MAY 2015



The Royal Australian and New Zealand
College of Radiologists®

The Faculty of Radiation Oncology

18 September 2015

Alexander White
Chief of Staff, Shadow Minister for Health

Dear Mr White,

Re: Impact of proposed changes to the Medicare Safety Net on radiation therapy for cancer patients

Thank you for your enquiry to The Royal Australian and New Zealand College of Radiologists (RANZCR) regarding the impact of the proposed changes to the Medicare Safety.

The RANZCR Faculty of Radiation Oncology is the peak bi-national body advancing patient care and the specialty of radiation oncology through setting of quality standards, producing excellent radiation oncology specialists, and driving research, innovation and collaboration in the treatment of cancer.

Radiation therapy is one of the key pillars of cancer treatment, involved in about 40% of cancer cures¹, as well as reducing pain or other symptoms.

Radiation therapy is also a very cost effective treatment modality. Cancer in Australia costs more than \$4.5 billion in direct health system costs² per year. The total Commonwealth spend on radiation therapy in 2014 amounted to \$389.90 million – a combination of \$327.9 million in Medicare benefits (including \$49.9 million in Medicare Safety Net benefits) and \$62 million in capital funding through the Radiation Oncology Health Programme Grant scheme³. Therefore, **the total cost of radiation therapy to the Commonwealth amounts to less than 9 cents in every dollar spent on cancer**, compared to the \$595.9 million spent by the Commonwealth on chemotherapy drugs alone (i.e. excluding hospitalisation costs) in the financial year to 30 June 2014⁴.

It is also worth noting that the Medicare Benefits Schedule consistently underfunds radiation therapy and does not reflect recent innovations. In particular, the difficulty in recent months of progressing the MSAC applications for Intensity Modulated Radiation Therapy (IMRT) and Image Guided Radiation Therapy (IGRT) reflects these issues.

Given this context, the Faculty has concerns regarding the proposed changes to the Medicare Safety Net, particularly the manner in which they may impact on cancer patients' access to radiation therapy.

While many patients access radiation oncology through the public health system, private providers of radiation oncology also account for a significant portion (at least 40%) of

¹ SBU, The Swedish Council on Technology Assessment in Health Care: radiotherapy for cancer, ACTA ONCOL 1996; 1:35

² Facts and Figures: Cancer in Australia. Available at <http://www.cancer.org.au/about-cancer/what-is-cancer/facts-and-figures.html>. Accessed on 11 June 2015

³ Australian Government Department of Options Paper on Future Funding Options for the Australian Clinical Dosimetry Service, May 2015

⁴ Expenditure and prescriptions twelve months to 30 June 2014. Available at <http://www.pbs.gov.au/statistics/2013-2014-files/expenditure-and-prescriptions-12-months-to-30-june-2014.pdf>. Accessed on 11 June 2015

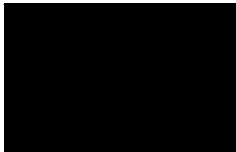
treatment. Indeed, a private provider is the only option for treatment for many patients; this is particularly true for some patients in regional or remote areas. It is estimated that the proposed changes to the Safety Net will on average double out-of-pocket costs for some cancer patients accessing these services – an increase which many patients will be unable to meet.

The nature of radiation therapy treatment requires regular, daily visits to a treatment centre for up to eight weeks. For regional patients this can mean a choice between travelling to a metropolitan area for long periods or accessing a private provider closer to home or even forgoing the recommended treatment.

Cancer patients in regional and remote areas are already at a disadvantage. There is evidence that the further patients live from a radiation oncology centre, the less likely they are to access treatment and have poorer cancer outcomes.

The proposed changes to the Safety Net will mean that those patients paying for private radiation therapy services may face significant out of pocket costs. This represents an unacceptable barrier to accessing cancer treatment.

Yours sincerely,

A solid black rectangular box used to redact the signature of Sonja Cronjé.

Sonja Cronjé
Senior Executive Officer, Faculty of Radiation Oncology



The Royal Australian and New Zealand College of Radiologists®

The Faculty of Radiation Oncology

The Faculty send the letter below to the following Senators on Monday 16 November:

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| <ul style="list-style-type: none">• Senator Sam Dastyari (NSW)• Senator Glenn Lazarus (QLD)• Senator Claire Moore (QLD)• Senator Nick Xenophon (SA) | <ul style="list-style-type: none">• Senator Richard Di Natale (VIC)• Senator John Madigan (VIC)• Senator Zhenya Wang (WA) |
|--|--|

Dear [NAME OF SENATOR],

Re: Impact of proposed changes to the Medicare Safety Net on radiation therapy for cancer patients

I am writing to you on behalf of the Faculty of Radiation Oncology of the Royal Australian and New Zealand College of Radiologists (RANZCR) – the peak body advancing patient care and the specialty of radiation oncology through the setting of quality standards, producing excellent radiation oncology specialists, and driving research, innovation and collaboration in the treatment of cancer.

Radiation therapy (also called 'radiotherapy') involves the controlled use of radiation to treat cancer either for cure, or to reduce pain and other symptoms. It can be used to treat almost all cancers, anywhere in the body.

Radiation therapy's contribution to the fight against cancer is significant. It has been estimated to be involved in 40% of all cancer cures, compared to 49% of patients being cured by surgery and 11% through systemic treatments¹ – making it a key pillar of cancer treatment.

Cancer in Australia costs more than \$4.5 billion in direct health system costs² per year. The total Commonwealth spend on radiation therapy in 2014 amounted to only \$389.9 million, including \$49.9 million in Medicare Safety Net benefits³. Therefore, the total cost of radiation therapy to the Commonwealth amounts to less than 9 cents in every dollar spent on cancer. When comparing this cost to the \$595.9 million spent by the Commonwealth on chemotherapy drugs alone (i.e. excluding hospitalisation costs) in the financial year to 30 June 2014⁴, it is evident that radiation therapy is also a very cost-effective treatment modality.

About one in two people diagnosed with cancer would benefit from radiation therapy at some point in their cancer journey⁵, yet the actual utilisation rate in Australia ranges between 26%⁶ and 38%⁷ – which means that thousands of Australians are currently missing out on potentially beneficial treatment. The reasons for this underutilisation are a complex mix of lack of awareness of radiation therapy as a viable treatment option (by consumers and referrers), physical access to a treatment centre (particularly in non-urban settings), and patients not being provided with comprehensive information about all possible treatment options.

The significant investments in radiation therapy infrastructure in Australia over the last decade or so appear merely to have kept pace with increases in the number of patients for whom there is an indication for radiation therapy, and this very effective and cost effective cancer treatment is still very much underutilised.

The current Medicare Benefits Schedule (MBS) for radiation therapy is out of date, as it was last reviewed more than 25 years ago. The schedule does not reflect technological innovations or contemporary practice, particularly the greater emphasis on planning, designing and delivering highly complex and technologically advanced care. Therefore the Faculty welcomes the establishment of the MBS Taskforce as a clinician-led initiative, and fully supports the proposed MBS Review process

¹ SBU, The Swedish Council on Technology Assessment in Health Care: radiotherapy for cancer, ACTA ONCOL 1996: 1:35

² Facts and Figures: Cancer in Australia. Available at <http://www.cancer.org.au/about-cancer/what-is-cancer/facts-and-figures.html>. Accessed on 11 June 2015

³ Australian Government Department of Health Options Paper on Future Funding Options for the Australian Clinical Dosimetry Service, May 2015

⁴ Expenditure and prescriptions twelve months to 30 June 2014. Available at <http://www.pbs.gov.au/statistics/2013-2014-files/expenditure-and-prescriptions-12-months-to-30-june-2014.pdf>. Accessed on 11 June 2015

⁵ Barton M., Jacob S., Shafiq J., Wong K., Thompson S., Hanna T., Delaney G. National & International Benchmarks set following study of delivery of Radiotherapy Services: Review of Radiotherapy Optimal Utilisation Rates: Collaboration for Cancer Outcomes Research and Evaluation (CCORE), Liverpool Hospital, Sydney, Australia, 2013: p6. Available from www.ingham.institute.org.au/sites/default/files/RTU%20Review%20Final%20Dec%202012%20v2%2019032013.pdf

⁶ Gabriel G, Barton M, Delaney G. Does travel distance affect radiotherapy utilisation in NSW and the ACT? Presentation at 2014 Innovations in Cancer Treatment and Care Conference. Available at <http://www.cancerinstitute.org.au/events/innovations-in-cancer-treatment-and-care-2014/does-travel-distance-affect-radiotherapy-utilisation>

⁷ Morgan, G. Why has Radiotherapy Utilisation not improved since 1999? Journal of Medical Imaging and Radiation Oncology. 2011 August; Volume 55 (Number 4) p347-350

in principle – to provide affordable universal access to best practice health services that represent value for individual patients as well as to the health system.

The consistent underfunding of radiation oncology by the MBS is evidenced by the increasing level of funding for these services through the Medicare Safety Net. As noted above, \$49.9 million (or almost 13%) of the total MBS funding for radiation oncology in 2014 was spent through the Safety Net⁸ – particularly for modern treatment techniques.

Funding by individuals accounted for 56.4% (\$26.3 billion) of the estimated non-government funding of health care in 2012–13, or 17.8% of total (government and non-government) health expenditure. Growth in funding by individuals had an average annual real growth rate of 6.7% between 2002–03 and 2012–13⁹.

In light of this growing rate of out-of-pocket health care expenses contributed by individuals, the Faculty has very real concerns regarding the proposed changes to the Medicare Safety Net announced in the 2014-15 Budget, which include a benefit cap for each service and an accumulation cap on the amount of out of pocket costs per service that can accumulate to the eligibility threshold.

While many patients access radiation oncology through the public health system, private providers of radiation oncology account for a significant portion (about 40%) of treatment. Indeed, a private provider is the only option for treatment for many patients; this is particularly true for some patients in regional or remote areas. The proposed changes to the Safety Net will significantly increase out-of-pocket costs for cancer patients paying for private radiation therapy services these services. Many patients will be unable to meet this increase – which represents an unacceptable barrier to accessing cancer treatment.

In an attempt to minimise out-of-pocket payments, some private radiation therapy centres could also become unviable and under pressure to close, in-turn limiting treatment options to patients in these areas and further amplifying the current underutilisation of radiation therapy. The proposed changes to the Safety Net would also put more pressure on the provision of radiation therapy in the public sector, which could lead to a blow-out of waiting times for radiation therapy.

The proposed changes to the Medicare Safety Net come at a time of unparalleled uncertainty for radiation therapy – given the current MBS Review, the simultaneous review of the vital Radiation Oncology Health Program Grants by the Australian National Audit Office and the Department of Health, as well as the Government's Reform of the Federation White Paper. The Faculty also still awaits formal advice on two major MSAC applications (1182 and 1319) submitted several years ago. Radiation Oncology is a small and vulnerable medical specialty – any small change has the potential to severely impact on the timely affordable care our consumers expect. All these factors and potential changes must be considered in a coordinated way rather than in isolation, as is currently occurring.

We urge the Federal Government to reconsider these proposed changes to the Medicare Safety Net, which would be detrimental to cancer patients' access to affordable radiation therapy.

For more information, please contact the Faculty's Senior Executive Officer, Sonja Cronjé [REDACTED]
[REDACTED]

Yours sincerely,

[REDACTED]

Dr Dion Forstner
Dean, Faculty of Radiation Oncology

⁸ Australian Government Department of Health Options Paper on Future Funding Options for the Australian Clinical Dosimetry Service, May 2015
⁹ AIHW 2014. Health expenditure Australia 2012-13. Health and welfare expenditure series no. 52. Cat. no. HWE 61. Canberra: AIHW