



14 March 2013

www.epworth.org.au
ABN 97 420 694 950

Committee Secretary
Senate Standing Committees on Community Affairs
PO Box 6100
Parliament House
CANBERRA ACT 2600
Australia

By email transmission: community.affairs.sen@aph.gov.au

Dear Committee Secretary,

Senate Committee - The supply of chemotherapy drugs such as Docetaxel

I have been following the public discussion on the supply and funding of chemotherapy drugs and I welcome this opportunity to make this submission to the Senate Committee.

By way of background, Epworth HealthCare is Victoria's largest not-for-profit private health care group, renowned for excellence in diagnosis, treatment, care and rehabilitation. Epworth is an innovator in Australia's health system, embracing the latest in evidence-based medicine to pioneer treatments and services for our patients. We invest all surplus funds back into training our staff, developing our facilities and purchasing the latest technology to keep us at the forefront of medical treatment. We have eight hospitals in the Melbourne metropolitan area, including Epworth Richmond, Epworth Eastern, Epworth Freemasons, Epworth Cliveden, Epworth Hawthorn and Epworth Rehabilitation at Richmond, Brighton and Camberwell. We have last week opened a new day chemo and medical unit at Epworth Richmond with 24 day chemo chairs plus 16 dialysis chairs. This is part of a major development of Epworth Richmond which will see it grow to some 777 beds and 39 theatres. We are also in advanced stages of planning a new teaching hospital at Geelong with the teaching and research activities being in partnership with Deakin University.

The Epworth Group's Cancer Services Clinical Institute focuses on the diagnosis, treatment and care of patients with cancer. Specialists in medical oncology and radiation oncology treat patients as part of multidisciplinary teams that may include surgical specialists, general physicians, diagnostic experts, nursing and allied health personnel, our dedicated pharmacy team, palliative care, and counseling and support services.

In the year ending 30 June 2012, the Epworth had 17,058 medical oncology admissions, the vast majority of which included the administration of chemotherapy medication.

Continued 2/....

Epworth HealthCare comprises:

Epworth Corporate
Epworth Medical Foundation

Epworth Richmond

Epworth Eastern

Epworth Freemasons
Victoria Parade
Clarendon Street

Epworth Rehabilitation
Richmond
Brighton
Camberwell
Dandenong

The Epworth is reliant on its long term pharmacy partner, Slade Pharmacy, to prepare and supply its patients' chemotherapy medication. Many of these drugs are not "off the shelf" prepared doses. Rather, a range of patient-specific variables such as age, weight, sex, blood type and stage of medication cycle will determine the specific dose, which must then be prepared by the pharmacist specifically for that patient. This requires the handling of some highly dangerous cytotoxic products, as well as a high level of skill to ensure that the correct dose is prepared for each individual patient. Additionally, many of these products have a very short expiry, and can only be prepared in the hour immediately before the patient's treatment. We are reliant on pharmacy to provide this service.

I understand that the 1 December 2012 and 1 April 2013 Pharmaceutical Benefits Scheme (PBS) price reductions do not recognise the services that pharmacy provides to ensure the timely supply of the individualised chemotherapy medication requirements of each of our patients. Furthermore it is commonly known that there was cross subsidisation going on in the industry to enable this type of service to be provided.

Slades, our pharmacy supplier, have raised with Epworth their ability to continue to supply the full range of our chemotherapy medication requirements given the impact on their business and the PBS price reduction.

We are concerned that these further PBS price reductions will add to the Epworth's costs of providing optimal patient outcomes, through additional costs of chemotherapy medication supply. Our health fund contracts will not permit us to seek health fund recovery or contribution to any such additional costs, nor will they permit us to pass on the costs to our patients. The Epworth is simply not in a position where it can agree to absorb such increases due to the already high costs we carry in providing the highest level of care and treatment to patients with cancer.

The solution cannot be to allow pharmacy to simply discontinue supply. This will impact on treatment and risk the health and lives of our patients.

Short of significant additional Government funding, the solution cannot be to shift more chemotherapy treatment to the public health system (60% of all chemotherapy treatment is in the private health sector).

I strongly believe that the most sensible solution in every respect to this challenging issue is to put in place a more transparent and sustainable model of funding that moves away from cross subsidisation to one that instead better recognises the service provided by pharmacy that ensures the safe preparation and delivery of chemotherapy treatments. Specifically, this could be achieved through an increase in the current infusion fee to the oncology pharmacist to a level that recognises the professional services provided. I appreciate that this does require ongoing support from the Government, but this would ensure the ongoing viability of cancer treatment by private hospitals such as the Epworth, without compromising hospital staff or patient safety or treatment outcome.

Yours sincerely,

Alan R Kinkade
Group Chief Executive
Epworth HealthCare