

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH PORTFOLIO

Additional Estimates 2014 - 2015, 25 February 2015

Ref No: SQ15-000140

OUTCOME: 3 - Access to Medical and Dental Services

Topic: Modelling on the potential savings of additional preventive health programs

Type of Question: Written Question on Notice

Senator: Xenophon, Nick

Question:

1. Has the department done any modelling on the potential savings of additional preventive health programs, such as using allied health professionals to treat conditions before patients reach the stage of having to go to hospital (eg supporting podiatry services for people with diabetes)?

a) How can these measures be addressed in the budget?

b) Are they not given priority because they don't result in an immediate bottom line saving – that is, the savings are difficult to quantify because they are 'costs not incurred' sometime in the future, and not an immediate cost reduction?

c) I have some data from the Australian Allied Health forum about some potential savings. They estimate that yearly podiatry visits for people with diabetes could reduce Australia's amputation rate – which is the second highest in the world – by forty per cent. Further, they state that physiotherapy management could reduce knee replacements by 63 per cent. They also estimate that yearly optometry visits would reduce blindness in Indigenous Australians by 94 per cent. These measures of course would need support from Medicare, but the longer term savings and health outcomes would be significant. Has the department considered these kinds of innovative approaches?

Answer:

1. a) to c)

The Government is committed to developing and implementing innovative programs that provide high quality, effective care in the primary as well as tertiary (hospital) settings. As part of this work the Department of Health considers a range of evidence developed by experts about the impact of the programs, including, for example, their impact in terms of reducing the risk of hospitalisation.

For example, the current GP Chronic Disease Management Medicare items are used by GPs to refer eligible patients to allied health providers so that the patients can benefit from the expert treatment provided by the allied health providers. The aim is to improve the patient's

overall management of their condition and reduce the risk of the patient developing complications.

The allied health services available under Medicare are not meant to fully cater for patients who require more intensive ongoing treatments. Rather, these Medicare services are intended to complement services provided by state and territory governments. In addition, once a patient has utilised the Medicare rebateable allied health services available with a GP Chronic Disease Management Plan, patients may also choose to access those services privately or use any private health insurance cover that they may have.

The Medicare Health Assessment items can also be used to identify patients in the primary care setting who may benefit from early intervention.