

EPWORTH HEALTHCARE

Background

As background, Epworth HealthCare is the largest Victorian private not-for-profit health service, with eight campuses across Melbourne and two regional campuses under construction. Epworth currently operates two Melbourne radiation therapy sites -Epworth Freemasons and Epworth Richmond with four dual energy Varian Linear accelerators, three stereotactic capable, two Calypso "GPS for the body" systems, Low and High Dose Rate brachytherapy and Deep Inspiration Breath Hold for breast cancer patients. As such, the Epworth Radiation Oncology service has one of the most comprehensive ranges of high-end radiotherapy technology in the country.

Epworth is currently constructing the South West Regional Cancer Centre in Warrnambool on behalf of the Victorian Department of Health and Human Services, and will operate a public radiotherapy service on behalf of the State upon its completion in mid-2016.

ROHPG Purpose

Radiation therapy is a central part in the treatment of cancer with 1 in 2 cancer patients who would from this treatment, however less than 1 in 3 patients in Australia will actually receive radiation therapy (The Faculty of Radiation Oncology, RANZCR).

Radiation Oncology Health Program Grants (ROHPGs) are an important Commonwealth initiative that provides capital funding for radiation oncology services to improve access to, and the supply of, radiation oncology services in the private and public sectors outside of Medicare. The increasing incidence of cancer in Australia means that the vital role ROHPGs is ongoing to maintain radiation therapy capital equipment.

Feedback

Based on the experience since Epworth Radiation Oncology's inception four years ago, the following feedback is provided:

The methodology of payments based on utilisation, the capital balance payment split by the "notional number of services" provided is sound. However, the advancement in technologies since the Scheme first commenced sees modalities such as Stereotactic, Intensity Modulated Radiation Therapy, Image Guidance, Calypso and Arc Therapy becoming mainstream clinical tools, sees a range of acquisition prices dependent on the Linear Accelerator specifications. There is substantial literature supporting that new technology such as Calypso or Respiratory gating will improve the quality and outcomes for patients who receive this treatment. We pride our service on being able to provide the best possible care for our patients but it is our experience that there is added complexity associated with planning and delivering these treatments reducing throughput and the number of services provided.

The Capital Balance allocation is currently split against Single or Dual Modality and whether the asset acquisition is borrowed or purchased outright, the Scheme does not consider the level of specification (and therefore the cost) and complexity of the machine installed. The Capital Balance for Linear Accelerators with the technologies listed above is not adequately captured if focusing on energy modality alone and it would be welcomed to see a third higher level in recognition of the significant acquisition, installation and maintenance costs compared to standard machines.

Supply of services

We would not support any reduction in HPG or MBS. If this was to occur it would put into question the sustainability of the service and as private provider we would be left with little choice than to pass on the costs to the consumer. The potential impact of this would be to drive more patients to the public system placing further financial strain on the Government and impact waiting times to treatment.

Application and approval process

I refer to clauses *6.1.1 New Facility to be operated by a new organisation* and *6.1.2 New Facilities (or relocation of an existing facility) for organisation operating an existing facility (facilities)* Sections 7 and 8 respectively "The impact the proposed service will have on other facilities in the area."

It is Epworth's view from recent experience that there does not appear to be appropriate or sufficient consultation when new services are being considered, or at least sufficient consideration by the Department of existing services within the immediate region. Epworth has spent significant capital to double its stereotactic capability, installing a second linear accelerator at its Freemasons site as well as recruiting human resources. Despite there being services at Richmond, Freemasons and Peter Mac's East Melbourne service totaling some 10 linear accelerators within the Melbourne CBD vicinity another service is due to commence this year within the immediate vicinity of these existing services.

The ROHPG Guidelines, Section 8 Criterion 2 (Patient Access) suggests that a public service application may result in consultation and "comment from potentially affected private providers" (p.13). Whilst we recognise there are matters of confidentiality we feel that a private service application should require the same consideration. If there is no consideration of impact on existing private providers of such an application we question the relevance of Criterion 3: Viability.

Section 10: Procedural Fairness allows the applicant to seek review of the Delegate's decision, but when there is impact on competitors and there is the absence of consultation there is no recourse for those affected by the approval.

Areas of need

The Federal and State Departments of Health independently undertake assessment of Areas of Need. The applicant must provide their own analysis of the cancer burden and demand for radiotherapy services within a region. This rightly would form part of any internal business case to assess the service viability prior to the application for HPG and is a reasonable expectation. However, there doesn't appear to be a process where the areas of need are proactively gazetted to the service providers. It requires an application to match the Department's areas of need. There is an opportunity to improve utilisation and service development within these areas if the data was shared with the health service Applicant.

In summary, Epworth believes that consideration should be given for the Scheme to recognise the higher capital costs and reduction in number of services of providing high quality care using complex technology such as stereotactic and Calypso, provide improved consultation of impact for new or transferred services in close proximity to existing providers, and assist Applicants with data provision for Areas of Need.