THE ALFRED, VICTORIAN DEPARTMENT OF HEALTH

Thank you for the opportunity to provide a response to this important review of Radiation Oncology Health Program Grants (ROHPG).

We at the Alfred Health Radiation Oncology service based at The Alfred in Melbourne believe this scheme is an effective and essential component of funding world class cancer services in Australia. ROHPG has played a vital role since its inception in 1988 in ensuring the radiation oncology equipment stock in Australia has remained generally safe and fit for purpose. We strongly urge that the scheme be continued.

Experience with a system always enables learning about ways it might be improved, and over time the environment changes in a way that might also prompt a need to modify the model. We hope the following observations and suggestions help to inform the review.

The principle that drives the ROHPG is the need to provide a predictable reliable method of amortising the large and lumpy capital cost of high technology radiation equipment. Radiation treatments provide high rates of cure or increases in quality-of-life years saved at the population level, compared with—for example—chemotherapy treatments for cancer, and at a fraction of the cost. In other words, it is a high value health care intervention. A barrier to its effective use is this high capital cost, even when overall the costs per quality adjusted life years saved is low relative to other cancer treatment modalities. Thus, dedicating the ROHPG to this fixed "amortisation function" and using other methods of payment for the recurrent (and variable) operational costs sets up a payment system that provides the correct economic models and drives sensible investments, practices and budget allocations. We would suggest a clear recognition of the principle that underpins the ROHPG, since using this as a reference allows sensible assessment of specific components and features of the program.

1. Reimbursements per service have not changed since 2010 and technology and the average cost of equipment has clearly increased significantly over this period (approximately half the lifetime of a linear accelerator). Reimbursements should be reviewed at least every two to three years to ensure they keep pace with changing technology and equipment pricing.

2. The number of services delivered by a machine is becoming an inadequate measure of a machine's usage just as the number of radiation fields delivered is becoming irrelevant also. Increasing use of dynamic and intensity modulated treatments together with hypo-fractionated treatment regimes mean that there can be very significant differences between machines, the nature of treatment they deliver in terms of the number of machine movements required (gantry, collimators, floor rotations and couch corrections), the number of monitor units required to deliver equivalent doses with different delivery techniques, and the number of patients treated on a daily basis. Age of the machine may simply be the best determinant of useful life for all of the aforementioned reasons. Further, technology changes may render machines obsolete well within a 10 year period. It would be an unusual financial decision to upgrade a machine 10 years old with a new technology to ensure best practice even if the upgrade was possible, which experience would suggest it would most likely not be.

3. We have been informed by DoHA in the past that the rebate paid for MBS item number 15600 for stereotactic radiosurgery includes the ROHPG reimbursement. We would urge that ROHPG be separated from the MBS rebate. In practice, it is not possible to separate and quarantine the ROHPG reimbursement from the MBS payment as the one amount is transferred to hospital bank accounts and usually as part of a larger batched payment. At the time we were informed of this DoHA was unable to quantify the ROHPG component of the MBS rebate. As we are a service that provides a considerable amount of stereotactic radiosurgery this concerns us in so much as we have not been able to adequately quarantine the ROHPG funds for this machine. This means that a machine used largely for this purpose does not accrue quarantined funds to amortise the cost, since the health service in Victoria will treat MBS income as operational spending money and when the time for machine replacement comes, sadness occurs because there is not capital available to replace it. Anomalies such as MBS item 15600 operating differently to other item numbers should be avoided and this particular example should be corrected.

We trust these observations and comments are helpful in informing this important review of ROHPG.