Royal Australasian
College of Surgeons

250–290 Spring Street
East Melbourne VIC 3002 Australia
Telephone +61 3 9249 1200
www.surgeons.org
ABN 29 004 167 766

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Re: Health Technology Assessment (HTA) Submission

Thank you for the opportunity to provide comment on the Health Technology Assessment Policy and Methods Review Consultation 2 Options Paper. As the leading advocate for surgical standards, professionalism in surgery and surgical education in Australia and Aotearoa New Zealand, the Royal Australasian College of Surgeons (RACS) is committed to taking informed and principled positions.

We applaud the HTA Review Reference Committee for including environmental considerations in this important review and which are in alignment with the Federal Government's National Health and Climate Strategy The effects of climate change are already impacting on the health of individuals across the world. Counter-intuitively, the health sector itself represents a significant source of pollution and is a major contributor to national carbon emissions world-wide. In Australia it is estimated that health care in contributes to seven per cent of the entire country's carbon emissions, with around half of this contribution coming from hospitals alone.

RACS endorses the proposals described in Section 5.3 *Environmental Considerations in HTA*. RACS urge the committee to recommend that options 1-6 in Section 5.3, be commenced as soon as possible. Further, we note that Section 2 of the Consultation 2 Options Paper has opportunities for including environmental considerations.

The HTA review is an opportunity for all reimbursement decisions to be expanded to health outcomes, financial impacts *and* environmental impacts. This triple bottom line approach aligns clearly with most businesses and organisations who have adopted Environmental, Social and Corporate Governance. Healthcare, including in Australia, has a very large carbon footprint (about half that of the entire construction section). Responsibility for cutting healthcare carbon emissions must rest within healthcare and is not the responsibility of other sections of government or the economy.

Section 2 of the Options Paper discusses HTA funding and assessment pathways. With regards to a proposal to calibrate level of appraisal required to the level of risk, the definition of risk should be expanded from 'uncertainty and potential financial impact' to 'uncertainty, potential financial impact and *potential environmental impact.'*

Committed to
Indigenous health

Section 3 of the Options Paper in Methods indicates the assessment of value for money: environmental impacts can be included in cost effectiveness analysis, commencing with carbon or greenhouse gas emissions.

HTA reform is required to prevent Australian Government funds subsiding healthcare products with high carbon footprints when a lower carbon footprint product that is clinically acceptable exists. Such high carbon subsidisation would loss and damage. This is an ethically unacceptable practice, particularly for the healthcare industry, which can be mitigated by including carbon emissions in HTA and funding decisions.

Healthcare decarbonisation is **desired by consumer groups**. For example, Health Care Consumers' QLD, ACT, and NSW have expressed a vision to decarbonise healthcare.

We provide the 6 Recommendations (in italics) in Section 5.3 of *Environmental Considerations in HTA* with our commentary.

Environmental impact reporting. Investigation of the following options in consultation with industry and other stakeholders:

1. *Reporting of environmental impacts, starting with embodied greenhouse gas emissions, in the assessment of cost-effectiveness by Australian HTA bodies.*

Agree. Prioritise the use of process-based life cycle assessment (LCA), which is precise, robust and evidence based. Ensure that scope 3 emissions are accurately captured and included in reporting. Avoid the use of environmentally extended input output (economic) studies for HTA environmental assessments.

2. *Potential for use of these data in approval and reimbursement decisions.*

Agree, as this is a critical component of collating the environmental impact data. Such data can be used to guide decisions and incentivise environmentally sustainable and low carbon medicines and devices. Importantly, for devices in particular, the carbon footprint **per patient** or **per use** should be reported so to ensure that reusable devices are accurately assessed against single use devices. Single use devices may have a lower carbon footprint when compared directly with reusables, but not when compared over the life of the reusable device, and for the total number of patients treated.

3. *Potential for public reporting of these data, to inform clinical decision-making.*

Agree. These data should be publicly reported to ensure transparency, allowing critiquing of reported impacts, and allowing clinicians to factor this information into their discussions with patients and clinical decisions.

4. *Development of guidance documents and examples to facilitate environmental impacts reporting.*

   Agree. Environmental impacts guidance documents are required at multiple levels. For example, as indicated in Table 1 (Carbon Footprint of Common Inhalers used for Asthma Management) of Section 5.3 guidance data about the carbon footprint of different asthma inhalers could guide individual clinicians and patients in product choice.

5. *Alignment with international best practice in comparable jurisdictions.*

Agree. International collaboration is vital and will assist in speed of implementation. The UK NICE and the Canadian Drug and Health Technology Agency have strategic plans as outlined in Section 5.3 The PBS network of International HTA Collaborators could further assist this process of alignment.

6. *The role of international standards for carbon foot printing of health technology products*

International standards are required. The international Organization for Standardization (ISO) standards must be updated for healthcare products to include environmental considerations. ISO 14040 details environmental management: life cycle assessment so it will be a relatively

straightforward process to provide links to the ISO 14040 standards in updated standards for healthcare products. It is essential that efforts to include environmental considerations in HTAs are aligned with international practices to ensure the highest standards are in place and that information presented is accurate and evidence based. Industry requires a consistent standard for environmental compliance, and need guidance to ensure the requirements are clear and the information provided is accurate and transparent.

RACS recommends that environmental footprinting data should also guiding the appropriateness of future clinical trials with environmental considerations/data collection then continuing to operate in tandem with clinical trials of new therapeutics and health technologies. Environmental data needs to become business as usual for a wide range of healthcare products.

A requirement for environmental evidence as part of future HTA applications provides considerable motivation for manufacturers and sponsors to begin planning to collect data for LCA studies which will be of value to clinicians, consumers and the Australian population.

Sincerely,

Professor Mark Frydenberg FRACS, AM
Chair, Health Policy and Advocacy Committee
VIC Specialty Elected Councillor

Professor David Fletcher FRACS, AM
Deputy Chair, Health Policy and Advocacy Committee
Councillor

racs.advocacy@surgeons.org