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

12 September 2024

The Director
Technology Assessment and Access Division
Medical Benefits Reviews and Business Services Branch
Department of Health and Aged Care
GPO Box 9848
Canberra, ACT 2601
By email: prescribedlist.reforms@Health.gov.au

Dear Director

Re: Submission on Prescribed List Reforms - Consultation Paper 9 on Cardiac Implantable Electronic Devices (CIEDs) and the Cost of Technical Support Services (TSS)

On behalf of the Royal Australasian College of Surgeons (RACS), with particular thanks to the Australian and New Zealand Society of Cardiac and Thoracic Surgeons (ANZSCTS) President Dr Emily Granger, RACS Cardiothoracic Surgery Council Member Associate Professor Andrew Cochrane AM, and Chair of the RACS Health Policy and Advocacy Committee (HPAC) Professor Mark Frydenberg AM.

RACS would like to express our appreciation for the opportunity to provide feedback on the Prescribed List (PL) Reforms detailed in Consultation Paper 9. RACS acknowledge the importance of these reforms, particularly the focus on the cost of technical support services (TSS) for Cardiac Implantable Electronic Devices (CIEDs).

RACS appreciate the government's engagement with the sector through this consultation, as the proposed amendments have the potential to impact various stakeholders, including patients, healthcare providers, sponsors, and both public and private hospitals. RACS saw if fit to provide general comments as this would better serve our fellowship.

General Comments

1. Overview of Cardiac Implantable Electronic Devices (CIEDs)

The term Cardiac Implantable Electronic Devices (CIED) applies to a group of devices implanted to control cardiac rhythm and, in some cases, to improve cardiac function. It includes single lead ventricular pacemakers, dual chamber pacemakers, biventricular pacemakers, and automatic implantable defibrillators.

2. Cardiologists as Primary CIED Implanters

The vast majority of CIEDs are implanted by cardiologists. There are a small number of hospitals where surgeons perform the implantation: for epicardial pacing leads a cardiac surgeon is required, but they form a very small number compared to transvenous systems.

3. Cardiologists' Role in Long-Term CIED Management

Regardless of the implanter, almost all CIEDs in Australia would be followed up and managed by a cardiologist or their technical staff. Therefore, this Consultation paper applies much more to the Cardiac Society of Australia and New Zealand (CSANZ) than to the Cardiothoracic surgical community, since it largely affects the funding mechanism for the long-term technical support of the devices which is done by cardiologists.

4. Government's Proposal to Separate CIED and TSS Costs

The purpose of this action by government is to reduce the upfront cost of CIEDs by separating the cost of the device from the cost of subsequent TSS. Currently the cost on the PL involves the cost of the device and the long-term technical follow-up, which is often performed by the implanting company in conjunction with the treating

cardiologist. The consultation paper suggests that "Cross-subsidising TSS through the PL benefit is not a suitable nor transparent mechanism of funding for these services" (see p.2 of Consultation paper 9). RACS and ANZSCTS do not agree with that statement.

5. Potential for Increased Patient Costs

While the separation of costs will definitely reduce the upfront cost on the PL, the TSS costs will need to be billed / paid for in other ways. Overall, it is unlikely that there will be a reduction in the total cost. There is also the possibility (as raised in the Consultation paper) that patients will suffer increased out-of-pocket costs.

6. Concerns About Transparency in TSS Funding

Furthermore, the mechanisms for funding the long-term TSS are likely to become less transparent (not more transparent) unless there are very clear and new mechanisms introduced to provide for the funding.

7. Complexity of Multiple Cost Mechanisms

RACS and ANZSCTS could also argue that a one-off total cost for the device and TSS is an efficient and simple mechanism, which is likely to be replaced by more complex mechanisms with multiple costs paid at different time-points, and more inconvenience for patients.

8. Limited Impact on Surgeons and Key Stakeholders

In regard to the questions raised at the end of the paper, RACS has not attempted to address most of these questions, since they almost entirely apply to Cardiologists and the ongoing technical support for CIEDs, and really don't affect surgeons or their practise. Clearly (re Question 3) the stakeholder groups include the cardiologists, the companies involved with CIEDs, patients / consumers, and also the medical benefit companies since some methods for alternative funding may include changing private charges / rebates or adding new methods of payment.

Conclusion

In conclusion, while RACS and ANZSCTS support the government's objective to reduce upfront costs and improve transparency, RACS and ANZSCTS urge caution in implementing reforms that may lead to unintended financial and logistical burdens on patients and healthcare providers. The current model, which bundles device and TSS costs, provides simplicity and predictability. Any new funding mechanisms must be clearly defined, transparent, and equitable to avoid increased costs or reduced access to essential care for patients requiring CIEDs.

RACS thank you for considering our views and remain committed to working collaboratively to ensure that any reforms to the CIED funding model are in the best interests of all stakeholders.

If you wish to contact RACS, please do so on College.President@surgeons.org

Yours sincerely,

Associate Professor Kerin Fielding
President
Royal Australasian College of Surgeons

Cc: Australian and New Zealand Society of Cardiac and Thoracic Surgeons (ANZSCTS), President Dr Emily Granger
RACS Cardiothoracic Surgery Council Member, Associate Professor Andrew Cochrane AM
RACS Health Policy and Advocacy (HPAC), Chair, Professor Mark Frydenberg AM
RACS CEO, Stephanie Clota
RACS Manager, Policy and Advocacy Team, Chesney O'Donnell