

# SUBMISSION

Thursday, 12 September 2024

## AMA submission to the Department of Health and Aged Care on Prescribed List Reform Consultation No. 9:

### Cardiac implantable electronic devices and the cost of technical support services

By email: [prescribedlist.reforms@health.gov.au](mailto:prescribedlist.reforms@health.gov.au)

#### Introduction

The AMA appreciates the opportunity to provide a submission to this consultation.

As the AMA is not directly involved in the cross-subsidisation model of cardiac implantable electronic device (CIED) technical support services (TSS) through the Prescribed List (PL), we cannot respond to several of the survey questions included in this consultation. Instead, the AMA's key concerns are outlined below.

#### Definitional concerns vs. costs to patients and quality of care

The AMA notes that the [Medical Services Advisory Committee \(MSAC\) report](#) on this issue has suggested that 'cross-subsidising' the cost of ongoing TSS services for CIEDs via the PL is not a suitable nor transparent mechanism of funding for these services.<sup>i</sup> However, MSAC does not make a strong case for this claim.

The AMA recognises that existing PL definitions do not really cover funding of technical support services for implanted prostheses. Nevertheless, MSAC has recommended that the estimated value of *peri-implementation* TSS should be included in the device component of the PL benefit, on the basis that these services 'are integral to the functioning of the CIED.'<sup>ii</sup>

However, MSAC also acknowledges that 'to ensure CIEDs work optimally and for as long as possible, they need to be checked regularly by technicians (1–4 times a year) as well as when the person with a CIED has medical issues including possible heart problems.'<sup>iii</sup> In other words, ongoing TSS are also integral to the optimal functioning of CIEDs. Given this, it is not clear why the estimated cost of ongoing TSS should not *also* be included in the device component of the relevant PL benefit.

Furthermore, there are more important considerations here than definitional concerns: specifically, the AMA believes that the most important considerations are to ensure that costs to patients do not increase, and that best-practice clinical care is not compromised by any funding change.

In its report, MSAC suggests that over 220, 000 Australians live with a CIED, and this number is likely to grow considerably with an ageing population.<sup>iv</sup> Importantly, MSAC acknowledges that ‘the potential for out-of-pocket costs is a significant concern for people with CIEDs.’<sup>v</sup> It also acknowledges that MBS reimbursements for existing remote CIED monitoring services in Australia are inadequate, which provides a disincentive to uptake of remote monitoring.<sup>vi</sup>

The question of out-of-pocket costs and the quality of care provided to private patients with CIEDs is likely to be inextricably linked for many such patients on lower incomes (e.g. pensioners). Any reforms that result in increased patient costs for ongoing monitoring and adjustments to CIEDs are also likely to compromise clinical outcomes for those patients who cannot afford to pay such costs.

### **Models of care**

MSAC suggests that the Australian model of including the cost of post peri-implementation technical support services for CIEDs implanted in private hospitals in the PL benefit for relevant devices is unusual, and that there are three basic models of funding that are used across the world:

#### Public hospitals

- Model 1: Services provided through public hospitals and outreach services that employ cardiac technicians

#### Private patients

- Model 2: Services provided through private cardiologists who employ in-house cardiac technicians
- Model 3: Services provided through private cardiologists with technical support provided only by industry-employed cardiac technicians (IECTs)

MSAC also notes that Model 3 is the predominant model currently in use overseas, with varying models of reimbursement (some of which involve out of pocket costs to patients, depending on the level of public reimbursement and the patient’s PHI policy). It also notes that there is very little information available about the use of model 2 here in Australia.

In line with relevant Cardiac Society Australia and New Zealand (CSANZ) guidelines, MSAC also suggests that remote monitoring of CIEDs is the standard of care that should be used, when possible, in the future.<sup>vii</sup> However, the reality is that remote monitoring is not yet available to all patients for all devices, and that not all patients who are offered it wish to take up the option of remote monitoring.<sup>viii</sup> In addition, remote programming (as opposed to remote monitoring) is an ‘emerging development,’ rather than a widely-used model of care.<sup>ix</sup>

While it is important to push towards the goal of making these more efficient models of care available to all patients, the AMA believes present policy decisions about funding should be made on the basis of *what is* — not on the basis of what might be, at some indeterminate point in the future. That is so as not to impose additional out-of-pocket costs on the high proportion<sup>x</sup> of private patients with CIEDs who do not have access to remote monitoring or prefer not to use it, and/or whose implanted devices cannot be remotely programmed.

The AMA agrees with MSAC that any reformed approach to providing cardiac technical support services should be adequately funded to ensure that patients do not incur out-of-pocket costs.<sup>xi</sup> At

present, and in the absence of such a funding mechanism, the AMA believes that funding for ongoing TSS for CIEDs should continue through the PL.

The AMA also agrees with both MSAC and the MTAA that an important first step in efforts to rationalise funding for TSS for CIEDs implanted in the private health system would be the establishment of a national register of CIEDs. This would provide more accurate data to assess the extent of different models of service provision and to develop robust costings of each of the services currently provided by cardiac device technicians.<sup>xii</sup>

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<sup>i</sup> Department of Health and Aged Care. 2024. Prescribed List Reforms – Consultation Paper 9, <https://consultations.health.gov.au/technology-assessment-access-division/prescribed-list-reforms-consultation-paper-9-cieds/>, p.2.

<sup>ii</sup> Medical Services Advisory Committee (MSAC) Public Summary Document: Application No. 1724 – Cardiac technical support services provided by industry employed technicians, 2023, p.2.

<http://www.msac.gov.au/internet/msac/publishing.nsf/Content/1724-public>

<sup>iii</sup> Medical Services Advisory Committee (MSAC) Public Summary Document: Application No. 1724 – Cardiac technical support services provided by industry employed technicians, 2023, p.3.

<http://www.msac.gov.au/internet/msac/publishing.nsf/Content/1724-public>

<sup>iv</sup> Medical Services Advisory Committee (MSAC) Public Summary Document: Application No. 1724 – Cardiac technical support services provided by industry employed technicians, 2023, p.64.

<http://www.msac.gov.au/internet/msac/publishing.nsf/Content/1724-public>

<sup>v</sup> Medical Services Advisory Committee (MSAC) Public Summary Document: Application No. 1724 – Cardiac technical support services provided by industry employed technicians, 2023, p.13.

<http://www.msac.gov.au/internet/msac/publishing.nsf/Content/1724-public>

<sup>vi</sup> Medical Services Advisory Committee (MSAC) Public Summary Document: Application No. 1724 – Cardiac technical support services provided by industry employed technicians, 2023, p.64.

<http://www.msac.gov.au/internet/msac/publishing.nsf/Content/1724-public>

<sup>vii</sup> Medical Services Advisory Committee (MSAC) Public Summary Document: Application No. 1724 – Cardiac technical support services provided by industry employed technicians, 2023, p.29.

<http://www.msac.gov.au/internet/msac/publishing.nsf/Content/1724-public>

<sup>viii</sup> Medical Services Advisory Committee (MSAC) Public Summary Document: Application No. 1724 – Cardiac technical support services provided by industry employed technicians, 2023, p.27

<http://www.msac.gov.au/internet/msac/publishing.nsf/Content/1724-public>

<sup>ix</sup> Medical Services Advisory Committee (MSAC) Public Summary Document: Application No. 1724 – Cardiac technical support services provided by industry employed technicians, 2023, p.10.

<http://www.msac.gov.au/internet/msac/publishing.nsf/Content/1724-public>

<sup>x</sup> Medical Services Advisory Committee (MSAC) Public Summary Document: Application No. 1724 – Cardiac technical support services provided by industry employed technicians, 2023, p.54.

<http://www.msac.gov.au/internet/msac/publishing.nsf/Content/1724-public>

<sup>xi</sup> Medical Services Advisory Committee (MSAC) Public Summary Document: Application No. 1724 – Cardiac technical support services provided by industry employed technicians, 2023, p.13.

<http://www.msac.gov.au/internet/msac/publishing.nsf/Content/1724-public>

<sup>xii</sup> Medical Services Advisory Committee (MSAC) Public Summary Document: Application No. 1724 – Cardiac technical support services provided by industry employed technicians, 2023, p.14.

<http://www.msac.gov.au/internet/msac/publishing.nsf/Content/1724-public>

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