



Private Healthcare Australia
Better Cover. Better Access. Better Care.



MSAC Consultation Survey – Application 1657.1

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About Private Healthcare Australia

Private Healthcare Australia (PHA) is the Australian private health insurance industry's peak representative body. We have 21 registered health funds throughout Australia as members and collectively represent 98% of people covered by private health insurance. PHA member funds provide healthcare benefits for over 14.4 million Australians.

1. What is your organisation's experience with the proposed health service or technology. Or with the related health condition?

Treatment of basal cell carcinoma (BCC) is one of the most common MBS treatments funded by private health insurance (PHI) each year. This varies from basic treatments through to complex surgical intervention requiring hospitalisation. MBS billing for malignant skin lesion surgical excision under item 31363 shows there was 248,884 cases in the last financial year alone.

2. How does the health condition that the proposed health service or technology relates to affect individuals, families, and carers?

Skin cancer treatment, even for simple benign basal cell carcinoma (BCC) and squamous cell carcinoma (SCC), can be a stressful time for patients and many want to have the condition treated urgently in the least invasive and most painless way possible. The scope of treatment may be impacted by proximity. This particularly applies to more complex treatment where patients are required to travel a considerable distance, especially from rural and regional locations, for treatment, such as external beam radiation.

3. How is the health condition that the proposed health service or technology relates to currently managed in Australia? That is, prevented, diagnosed, treated and/or monitored?

Consistent to the PICO treatment varies from simple incision removal by dermatologist through to cryotherapy and radiation oncology.

4. Is the population(s) for the proposed health service or technology appropriate?

Consistent with the low-level evidence paper presented (funded by the sponsor and having a number of clinicians financially linked), the cohort that seems most appropriate are lesions that are difficult to treat surgically due to size and location. It may also be appropriate for those with comorbidities and or unable to receive conventional fractional radiotherapy.

5. Is the proposed approach to delivery of the health service or technology appropriate?

PHA supports the approach, but notes the previous decision made by MSAC regarding evidence and cost effectiveness of the relevant treatment.

6. What is the expected effect of the proposed health service or technology (if supported) on the lives of people with the health condition, their families, and carers?

PHA members would have a further choice regarding this clinical treatment approach. As indicated in the PICO, and consistent with MBS evidence, there are a number of current treatment modalities based on the severity of the carcinoma. Currently, patients who elect to have Rhenium-18 therapy for non-melanoma skin cancer may pay out-of-pocket costs estimates provided by the sponsor of \$7,000 to \$8,000.

7. Are there disadvantages to the proposed health service or technology, if supported and implemented as proposed?

Evidence remains limited and is somewhat compromised given it is being funded by the sponsor and involves contributors who have a financial or vested interest. As was the case with the previous application, there is limited evidence on the true cost effectiveness of this treatment against the predicate methods. And as a general guide, MBS items directly linked to a single branded sponsor are always challenging given the application is supplier specific rather than treatment specific.

8. Does the organisation support public funding for the health service or technology, as it is proposed to be delivered?

PHA recognises there may be a small subset of PHI members that would seek this treatment if available over other existing, well validated treatment methods. But it would appear on the evidence presented, that a new MBS item may not be justified in this case. Information about the total funding costs remain unclear, along with specific information about what costs would still have to be paid out-of-pocket by patients. Available estimates of \$7,000 - \$8,000 in out-of-pocket costs to receive the treatment is considerably greater than the rebate sought under the MBS, suggesting a significant cost of the irradiated paste required for the treatment. It remains unclear whether this would remain an out-of-pocket cost, or the sponsor would be seeking funding through the Prescribed List. It is also unclear if the paste would be eligible for the Prescribed List. This point needs to be explored in more detail. PHA has previously expressed concern that MSAC is only tasked with assessing the “public purse” contribution of requests for new MBS items and not the additional cost of devices or paste materials in this case. The same applies in this case. A comprehensive model should be presented outlining the full cost of this treatment against current comparators. Until that is completed, it remains difficult for us to provide further guidance. Given the limited additional evidence presented here compared to the

previous application (MSAC 1657), we do not support this application. If MSAC is able to share evidence of all costs, PHA, on behalf of our member funds, may be in a better position to provide a more complete response. As a particularly common condition in Australia, the exposure to all funders including government and PHI is also high, as such, we would expect that if MSAC were to change position from the earlier review, there would be a very strict set of conditions and criteria around funding. This should single out subgroups where current treatment is not considered effective. A key feature referenced in material for this device is aesthetic appearance, which again is not a justifiable factor in supporting an MSAC and may lead to perverse treatment selections.