

13 October 2020

Standing Committee On Health, Aged Care And Sport
PO Box 6021
Parliament House
Canberra ACT 2600

Submission to the Standing Committee On Health, Aged Care And Sport Inquiry into the New Drugs and Novel Medical Technologies Approval Processes

The Australian Healthcare and Hospitals Association (AHHA) represents public and not-for-profit hospitals, Primary Health Networks, and health providers across the public health system in Australia.

Currently in Australia, processes differ across jurisdictions and public hospitals in relation to how new technologies are assessed and implemented, making it difficult to know if the technology leads to better patient outcomes at an efficient cost.

As noted in the Addendum to the National Health Reform Agreement 2020-2025 (the Addendum), the current approach to health technology assessment to inform investment and disinvestment decisions in Australia is fragmented and does not facilitate coordinated and timely responses to rapidly changing technologies. Separate processes exist across all levels of the health system, which has the potential to duplicate effort, create inefficiencies and inconsistent advice, and delay access to innovative and emerging technologies.

From a funding perspective, while fee-for-service or activity-based funding models have provided greater transparency in terms of variation of costs in the public hospital system, many commentators are seeing a 'value' based approach as better suited to drive overall improvements in patient outcomes as well as cost efficiency.

The discussion around value-based health care to date has largely been around organisational transformation and system design, with limited consideration of the impact of new technologies. Ultimately, new technologies are only useful if they provide better patient outcomes at an efficient cost, and this may not be easy to demonstrate in the short term.

It is difficult to balance the type of data and evidence required for current health technology assessments, which are largely based on clinical outcomes, with patient outcomes or experiences which are an important part of the 'value' assessment. This is perhaps due to difficulties in assessing the cost, which could be a substantial capital outlay versus value to the patient, as clinical evidence can take many years to become accepted as clinically reliable. In addition, data limitations exist such as inconsistencies in measuring patient reported outcome or experience and the interplay with technology issues, patient complexity and the fact that what matters to patients might be different to clinical outcomes.

The Addendum signed by all Australian governments provides a framework to build on existing initiatives around value-based health care, such as paying for volume and outcomes. The Addendum also provides a commitment to develop a national framework for health technology assessment (HTA) noting that HTA is an important means of delivering value to patients and the broader health system. There is broad acknowledgement amongst jurisdictions that patient reported measures are a vital component of a value-based approach to HTA; however work is still required to incorporate these measures, and value-based health care principles more broadly, into HTA in a timely manner.

In our recently-published issues brief, [Measuring value in new health technology assessments: a focus on robotic surgery in public hospitals](#), AHHA has recommended:

- There needs to be a clear and consistent approach across governments, health services and clinicians to ensure that evidence to support the value of new technologies such as robotic surgery can be demonstrated in terms of both costs and patient outcomes.
- To determine the value of new technologies we need to ensure that patient outcomes and experiences are measured and included in datasets through standardised systems or collections.
- Data and evaluation need to be more coordinated with an open approach to collection and sharing. Current arrangements around registries are not consistent and it is not always clear who decides who has access to certain data or who decides what to collect.
- Funding models need to be re-considered and adapted accordingly to enable providers to focus on outcomes that matter to patients as well as cost efficiencies.
- Strategies need to be undertaken to ensure that clinicians are more engaged with overall hospital objectives to identify innovative new technologies and enable access through the public hospital system.
- To demonstrate value, health technology assessments must also include consideration of equity. Are the right patients receiving the right treatment? Value is only achieved across the whole health system if everyone that needs it can access it.

The paper draws on the experience of Metro North Hospital and Health Service (MNHHS) in Queensland and the processes it undertook to purchase the Mako robotic system for hip and knee replacements and how it was implemented into a major public hospital. This case study provides some insights that can potentially be adapted to a national framework that considers value as part of health technology assessment process.

I would be pleased to provide the Committee with more information on our recommendations.

Yours sincerely,



Alison Verhoeven
Chief Executive
Australian Healthcare and Hospitals Association