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Submission to the Senate Finance and Public Administration Reference Committee Inquiry into Medicare Funding for Hyperbaric Oxygen Treatment

Medicare funding and the Medical Services Advisory Committee (MSAC) assessment of Hyperbaric Oxygen Treatment (HBOT) for treatment of chronic non-diabetic wounds has a long history. The AMA concurs with the synopsis of that history provided in the submissions made to the Committee by the Australian Healthcare and Hospitals Association (AHHA) and Associate Professors David Smart and Mike Bennett.

The AMA wishes to comment specifically on two aspects of the most recent MSAC assessment of HBOT for chronic non-diabetic wounds:

1. there should have been more active management by the Department of Health and Ageing of the outcomes of the second assessment and the consideration of the third assessment, given the long history of MSAC assessment of this treatment; and
2. the MSAC report indicates, erroneously in our view, that HBOT for chronic non-diabetic wounds was assessed as a first line treatment when it is used in the Australian setting as a second line treatment.

The submissions by the AHHA and A/Profs Smart and Bennett highlight that following the 2003 assessment, MSAC recommended:

> "… as there are no effective alternative therapies and in view of the progress of local data collections and an international trial, funding for HBOT continue for MBS listed indications at currently eligible sites, for a further three years." [1]

The Minister for Health and Ageing accepted the recommendation on 31 August 2004 and Medicare funding continued for chronic non-diabetic wounds and soft tissue radiation injuries. Given the continuation of 'interim' funding, at that time it would have been appropriate for the Department of Health and Ageing to have taken a more active role in the establishment of local data collections.

Taking the lead from the MSAC Report 1054, the Australian and New Zealand Hyperbaric Medicine Group (ANZHMG) established a case series study of the treatment of chronic non-diabetic wounds in the Australian setting. MSAC acknowledged that this Australian study "represents a sizeable body of collective clinical data from Australian Hyperbaric facilities measuring the response to HBOT of chronic problem wounds that have failed 3 months of

[1] MSAC application 1054 - Assessment report - Hyperbaric oxygen therapy for the treatment of non-healing, refractory wounds in non-diabetic patients and refractory soft tissue radiation injuries - May 2003, p 36.

standard care"[2]. Randomised control trials are expensive to establish and run. Without specific funding, and given the small patient cohort, it is not unreasonable that ANZHGM established a case series study to inform a subsequent MSAC assessment. Had the Department taken steps to manage the outcomes of the 2003 MSAC assessment, it may have assisted ANZHGM to set up a study that would have afforded a higher level of evidence that the most recent MSAC assessment has insisted on by rejecting the evidence available from the ANZHGM study because it was not randomised.

Now we have the situation where the medical profession responded to an MSAC recommendation with the resources it had at its disposal, and which was not central to the subsequent MSAC assessment. The AMA considers that the most recent assessment should have been structured around the Australian study, acknowledging that the available evidence was low level, but nevertheless valid given the patient cohort.

HBOT has always been applied as a second-line treatment, after standard treatment has failed. The AMA holds the view that the most recent assessment is flawed because chronic non-diabetic wounds have been assessed as a first-line treatment rather than second line, as shown by the clinical pathway in Figure 3 on page 11. While Figure 6 on page 33 in MSAC Report 1054.1 illustrates the correct clinical pathway, the fact that the clinical pathways are inconsistent significantly undermines any confidence that the treatment was assessed according to its use in Australia.

The MSAC Report assumes (without any supporting evidence) that the outcome data for standard care are the same as HBOT. This, coupled with the assessment as a first line treatment, has resulted in an over-estimate of the overall cost for HBOT.

The withdrawal of Medicare rebates under MBS item 13015 effectively implies there is no value at all in HBOT for chronic non-diabetic wounds, which is not the case.

Evidence based assessment, and cost benefit analysis is not a cost free exercise. The annual number of patients affected in Australia are small (154 patients[3]) with an estimated Medicare outlay in 2011-12 of $940,000 or .005% of the total Medicare expenditure. In these situations there has to be some rational approach, where the assessment is fit for purpose, and the best available evidence is used. In this particular case there is a question as to whether three separate and unconnected MSAC assessments can be justified.

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[2] MSAC 1054.1 Assessment Report, pp 9-10.
[3] Ibid page 115.