

Case study on out-of-pocket costs for non-implantables in Australian healthcare: Issues relating to reimbursement for catheter ablation for patients with atrial fibrillation

Background

Atrial fibrillation (AF) is the most common cardiac arrhythmia. AF is a cardiac condition causing irregular heart rhythm. Symptoms of AF include dizziness, palpitations, shortness of breath, fainting and chest pains, which can cause significant discomfort and decreases the quality of life for individuals with AF.

Complications of AF include:

- Higher risk of stroke – around 2.5 to 7 times higher for individuals with AF compared to the general population
- Higher risk of heart failure – up to three times higher for individuals with AF compared to the general population
- Significant increased risk of death.

Burden of AF

The prevalence of AF increases with age, which increases to 10% for those aged over 75 years. AF can lead to serious complications such as heart failure and stroke (cause of 15-20% of strokes).

The prevalence of AF doubles with each decade of life and is forecasted to increase by 2.5 fold over the next 50 years.

Catheter Ablation: Treatment of AF

Catheter ablation is a proven treatment for patients with AF and arrhythmias.

Clinical guidelines recommend catheter ablation for patients with AF that are resistant to at least one anti-arrhythmic medication.

Catheter ablation compared to anti-arrhythmic medication has been demonstrated as superior for rhythm outcomes and freedom from anti-arrhythmic medication.

Catheter ablation is associated with a high rate of acute procedural success and low follow-up rate. Serious complications arising from catheter ablation is low (4-6%), and risk of stroke and death is rare (0.23% and 0.15%, respectively).

Cost Savings Associated with Catheter Ablation

Treatment of AF using catheter ablation is associated with substantial cost savings gained through:

- Reduction in hospitalisations (inpatient hospitalisation and ER visits)
- Reduction in GP visits
- Reduction in medication use and costs
- Reduction in medical consultations
- Reduction in other AF associated costs such as reduction in carer's duties
- Increased in quality of life improvement
- Increased productivity (quicker recovery and ability to return to work).

Limitations in the Funding Arrangements for Catheter Ablation

Catheter ablation procedures receive funding from the Australian Government through the MBS system.

The procedures are performed in major public and private hospitals throughout Australia. However, catheter ablation procedures are increasingly not being performed in private hospitals despite the demonstrated clinical and cost effectiveness of the procedure (Table 1).

Current funding in the private system covers only the patient's hospital stay, theatre time and professional fees. There is limited funding of catheters and equipment ("unfunded devices") that are required to perform these procedures.

The usual pathway for HTA and private reimbursement for catheter ablation and similar devices is through the Prostheses List (PL). However, for a device to be listed on the PL, a product must:

'(a) be surgically implanted in the patient and be purposely designed in order to:

- (i) replace an anatomical body part or
- (ii) combat a pathological process or
- (iii) modulate a physiological process'.

Therefore, with the current requirement that a device be 'surgically implanted'. This means that catheter ablation devices are not required to be reimbursed by private health funds. Private patients are denied an effective procedure in the private system despite paying their insurance premiums and may be forced into the public system – which further exacerbates the public hospitals long waiting lists and impose additional costs on the public health system.

Cost burden of AF on the Australian healthcare system is at least \$1.25 billion per annum.

Recommendations:

- With the increasing epidemic of AF, funding for AF ablation services and equitable patient access to catheter ablation - an effective and cost-effective treatment option for AF - is critical.
- The 'Prostheses List' should be changed to a 'Medical Devices' list that more reasonably reflects the current and future state of medical technology and includes devices such as ablation catheters which are not left in the body.

For further information and references:

VOT report on Catheter Ablation. In preparation.

MTAA Submission to Senate Community Affairs Committee Out-of-pocket costs in Australian healthcare 12 May 2014. Available at: <http://www.mtaa.org.au/docs/submissions/senate-community-affairs-committee-on-out-of-pocket-costs-may-2014.pdf?sfvrsn=0>.

Table 1: Example of inconsistencies in access to catheter ablation for private patients with AF

Fund	Ex-Gratia Process ⁱ	Electrophysiology procedures such catheter ablation	% Approved ⁱⁱ	Patient Co-Payment ⁱⁱⁱ
A	Yes	Yes	Varies	Yes
B	Yes	Yes	100%	N/A
C	No	Yes	75%	No
D	No	No	Nil	No
E	Yes	Yes	100%	N/A
F	Yes	Yes	75%	No

ⁱ Ex-Gratia process – whether the fund has a process to obtain an ex-gratia payment. ⁱⁱ % Approved – is the % that the fund will pay of the purchase price. ⁱⁱⁱ Patient co-payment – if the fund allows the hospital to charge the patient for all or a portion of the purchase price Source: MTAA submission.

Acknowledgements

