Media Release
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Telehealth could save $3 billion a year to health budget

The Medical Technology Association of Australia (MTAA) welcomes the findings of the CSIRO largest trial of telehealth systems in Australia showing the healthcare system could save up to $3 billion a years if rolled out nationally.

Currently, a range of assistive technologies and devices for independent living and home monitoring of medical conditions are not being funded through private health insurance (PHI).

The MTAA calls on the Government to remove the PHI funding barriers to allow patients to access treatments that maximise their health outcomes and keeps them out the hospital setting.

When chronic diseases are responsible for nine out of every ten deaths in Australia and are the leading cause of death and disability in Australia, the Government needs to reform private health insurance to make it more relevant to patients.

The Australian Institute of Health and Welfare 2014 Australia's Health report conservatively estimates treating chronic disease costs the health system $27 billion a year.

Remote monitoring and telehealth technologies have an important role to play in reducing the cost of chronic diseases. They can help by:

- Reducing visits to specialists
- Reducing emergency room visits
- Reducing nursing home admissions
- Reducing the pressure on healthcare professionals
- Reducing patient transport costs

Susi Tegen, Chief Executive of the Medical Technology Association of Australia said:

"We need to challenge traditional models of care, in particular for those living in rural and remote communities with higher death rates and difficulties accessing health services.

"There's a need for all stakeholders to work together to look at health services outside of the hospital system.

"The Primary Health Care Advisory Group recommended to Government the role health funds can play in the management of chronic conditions.

"The PHI industry should fund the prevention and management of chronic conditions by working with patients' primary care clinicians to remove disincentives so services like telehealth, remote monitoring and other assistive technologies and devices for independent living can be more widely available.

"Not-for-profit organisation, integratedliving Australia undertook a pilot project[i], which trialled in-home and hub-based monitoring of vital signs for older Aboriginal and Torres Strait Islander people. It found the remote telehealth monitoring model is estimated at 40 per cent of the cost of the traditional face-to-face service delivery model.

"Further some PHI policies provide cover for renal dialysis within the hospital or clinic setting but none cover home dialysis where a patient is at home.

"When you consider the cost of home dialysis is $34,097 per year compared with $75,730[ii] in the hospital setting and dialysis was the most common reason for hospitalisation in Australia[iii], the savings to the health system is overwhelming."

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Case Study:

Some Private Health Insurance policies provide cover for renal dialysis, but this is only within the hospital or clinic setting. It does not cover home dialysis.

The lack of private health insurance coverage for home dialysis is compounded by other barriers that limit patient's use of Private Health Insurance for in centre or hospital dialysis, which includes coverage for renal dialysis being limited to the highest level of health insurance cover.

Many patients do not have advanced notice of their need to dialyses. Onset may occur with limited notice or symptoms. As members are required to serve a 12 month waiting period before they can access dialysis services they will often need treatment in a public health facility in the meantime. In many cases once treatment is established they will not change services.

Annual Expenditure (per person) on Dialysis by Modality

Dialysis Modality	**2007-08**	***CPI adjusted* to March 2016***
Home PD	**$24,144**	***$34,097***
Home HD	**$24,248**	***$34,244***
In Centre/outpatient	$53,624	*$75,730*
Satellite clinic	$43,541	*$61,490*

*ABS Health CPI Series A2331111C June 2008 – March 2016: 141.22%

Did you know?

1. The medical technology industry currently employs more than 19,000 people and generates approximately $12 billion in revenue.
2. The industry is highly skilled with over 52% of employees having a tertiary qualification, and 25% having a postgraduate qualification.
3. More than half of Australian medical device companies have grown from start-ups. 40% of all medical device businesses have been established since 2000.
4. In 2013-14, Australia exported medical devices to 167 different countries around the world for a total value of $2.1 billion.

5. Medical technology (7.76%) is second only to Civil Engineering (8.5%) and pharmaceuticals in third (6.3%) when it comes to filing patents for innovative technology.

About MTAA

The Medical Technology Association of Australia (MTAA) is the national association representing companies in the medical technology industry. MTAA aims to ensure the benefits of modern, innovative and reliable medical technology are delivered effectively to provide better health outcomes to the Australian community.

MTAA represents manufacturers and suppliers of medical technology used in the diagnosis, prevention, treatment and management of disease and disability. The range of medical technology is diverse with products ranging from familiar items such as syringes and wound dressings, through to high-technology implanted devices such as pacemakers, defibrillators, hip and other orthopaedic implants. Products also include hospital and diagnostic imaging equipment such as ultrasounds and magnetic resonance imaging machines.

MTAA members distribute the majority of the non-pharmaceutical products used in the diagnosis and treatment of disease and disability in Australia. Our member companies also play a vital role in providing healthcare professionals with essential education and training to ensure safe and effective use of medical technology.

[i] http://www.westernhealth.org.au/Services/Renal/Pages/Home-Therapies-Training-Service.aspx; http://integratedliving.org.au/wp-content/uploads/2016/03/integratedlivingStayingStrongConciseReportFeb2015-1.pdf

[ii] Health Policy Analysis, 2009: NSW Dialysis Costing Study, 2008 Volume 1 Main report Version 1.3; NSW Agency for Clinical Innovation. ACI Clinical Innovation Program: 'Home first' dialysis model of care. Chatswood: NSW Agency for Clinical Innovation; 2014; Fortnum, D., & Ludlow, M. (2014). Improving the uptake of home dialysis in Australia and New Zealand. Renal Society of Australasia Journal, 10(2), 75-80.

[iii] http://www.aihw.gov.au/chronic-kidney-disease/hospital-care/