



### Expansion of the Continuous Glucose Monitoring initiative for people with Type 1 Diabetes

Party: Australian Labor Party

#### Summary of proposal:

This proposal would expand the Continuous Glucose Monitoring (CGM) Initiative so that all individuals with type 1 diabetes (T1D) would be eligible for subsidised CGM. Individuals in this expanded cohort would be required to make a co-payment to access this scheme.

Individuals who are eligible for subsidised CGM devices in the absence of this proposal are:

- individuals with T1D under 21 years of age
- individuals with T1D who are 21 years or older and have concessional status
- women with T1D who are planning for pregnancy, pregnant or are immediately post-pregnancy
- children and young people with conditions very similar to T1D who require insulin.

The expansion of the CGM initiative would have no impact on individuals who are currently receiving subsidised CGM devices.

This proposal would also expand the eligibility for the Insulin Pump Program (IPP) from 18 to up to 21 years of age.

This policy would commence from 1 July 2022 and is consistent with the Coalition's proposal *Expansion of the Continuous Glucose Monitoring Initiative* (ECR003).

### Costing overview

This proposal would be expected to decrease the fiscal and underlying cash balances by around \$273 million over the 2022-23 Budget forward estimates period. This reflects an increase of \$273 million in administered expenses and \$54 million in administered non-tax revenue.

The proposal would have an ongoing impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate PDI tables) over the period to 2032-33 is provided at Attachment A.

**Table 1: Financial implications (\$m)<sup>(a)(b)</sup>**

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	-57.8	-64.7	-71.8	-78.9	<b>-273.2</b>
Underlying cash balance	-57.8	-64.7	-71.8	-78.9	<b>-273.2</b>

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

## Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

- The number of participants eligible for the expanded program is derived from the current number of National Diabetes Services Scheme registrants who are not currently eligible for CGM.
  - The new cohort of CGM participants will grow by 1% which Diabetes Australia have advised is the growth rate for the number of people with T1D.
- Newly eligible participants for the CGM Initiative will take up CGM devices in the same proportions as current scheme participants.
- Under the CGM Initiative, participants would contribute an annual \$390 co-payment.

## Methodology

The financial implications of expanding the CGM Initiative reflects:

- an increase in administered expenses to provide CGM devices to newly eligible participants
- an increase in administered non-tax revenue as each newly eligible participant would contribute an annual co-payment of \$390 under the CGM initiative. This is based on the \$15 per fortnight that is currently payable for blood glucose test strips
- a small reduction in administered non-tax revenue to the National Diabetes Support Scheme, as a result of a reduction in co-payments for blood glucose test strips.

The financial implications for expanding eligibility for the IPP was calculated by multiplying the increase in pumps provided under this policy (35 pumps in each year) by:

- the cost of each insulin pump (\$6,400)
- the cost of insulin consumables (\$2,254)
- the reduction in costs due to decreased usage of needles and syringes (\$150).

The proposal also includes \$170,000 to be provided to Diabetes Australia to support implementation.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.<sup>1</sup>

## Data sources

The Department of Finance provided the information required to prepare this costing.

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<sup>1</sup> [https://www.aph.gov.au/About\\_Parliament/Parliamentary\\_Departments/Parliamentary\\_Budget\\_Office/Costings\\_and\\_budget\\_information](https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information)

## Attachment A – Expansion of the Continuous Glucose Monitoring initiative for people with Type 1 diabetes – financial implications

**Table A1: Expansion of the Continuous Glucose Monitoring initiative for people with Type 1 Diabetes – Fiscal and underlying cash balances (\$m)<sup>(a)</sup>**

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
<b>Revenue</b>													
<i>Non-tax revenue</i>	11.5	12.9	14.3	15.7	17.2	18.6	20.1	21.5	22.8	23.3	23.4	54.4	201.3
<b>Total – revenue</b>	<b>11.5</b>	<b>12.9</b>	<b>14.3</b>	<b>15.7</b>	<b>17.2</b>	<b>18.6</b>	<b>20.1</b>	<b>21.5</b>	<b>22.8</b>	<b>23.3</b>	<b>23.4</b>	<b>54.4</b>	<b>201.3</b>
<b>Expenses</b>													
<i>Administered expenses</i>	-69.3	-77.6	-86.1	-94.6	-103.2	-111.9	-120.6	-129.3	-136.8	-140.2	-140.7	-327.6	-1,210.3
<b>Total – expenses</b>	<b>-69.3</b>	<b>-77.6</b>	<b>-86.1</b>	<b>-94.6</b>	<b>-103.2</b>	<b>-111.9</b>	<b>-120.6</b>	<b>-129.3</b>	<b>-136.8</b>	<b>-140.2</b>	<b>-140.7</b>	<b>-327.6</b>	<b>-1,210.3</b>
<b>Total (excluding PDI)</b>	<b>-57.8</b>	<b>-64.7</b>	<b>-71.8</b>	<b>-78.9</b>	<b>-86.0</b>	<b>-93.3</b>	<b>-100.5</b>	<b>-107.8</b>	<b>-114.0</b>	<b>-116.9</b>	<b>-117.3</b>	<b>-273.2</b>	<b>-1,009.0</b>

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

- Indicates nil.

**Table A2: Expansion of the Continuous Glucose Monitoring initiative for people with Type 1 Diabetes – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)<sup>(a)(b)</sup>**

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
<b><i>Fiscal balance</i></b>	-0.7	-2.1	-3.7	-5.4	-7.5	-10.0	-13.0	-16.5	-20.5	-25.1	-30.5	<b>-11.9</b>	<b>-135.0</b>
<b><i>Underlying cash balance</i></b>	-0.6	-1.9	-3.5	-5.2	-7.3	-9.7	-12.6	-16.1	-20.0	-24.5	-29.9	<b>-11.2</b>	<b>-131.3</b>

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the table above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary<sup>2</sup>.

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms

<sup>2</sup> [Online budget glossary – Parliament of Australia \(aph.gov.au\)](https://aph.gov.au)