Northern Cancer Institute Pty Limited
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5 March 2013

Committee Secretary
Senate Standing Committees on Community Affairs
PO Box 6100
Parliament House
Canberra ACT 2600

By email transmission: ***community.affairs.sen@aph.gov.au***

Dear Committee Secretary,

The supply of chemotherapy drugs such as Docetaxel – Senate Committee Inquiry

The Northern Cancer Institute (NCI) is a group of treatment centres, which was established more than 10 years ago to provide chemotherapeutic administrations for cancer patients.

We have made a significant investment in our facilities and have 40 day beds/chairs across our two Sydney based units. One at Frenchs Forest, which was opened in 2011 and our St Leonards facility, which was opened in late 2012.

In addition to administering chemotherapy, we monitor our patients closely to ensure maximum health and well-being. Our clinical staff provides education, support and advice to each patient and his or her carer.

As Executive Chairman of NCI, I have been closely following the public discussion on the supply and funding of chemotherapy drugs and welcome the opportunity to make this submission to the Senate Committee for its consideration.

NCI utilises the services of both in-house pharmacy as well as that of a third party compounding pharmacy group to prepare and supply our patients' chemotherapy medication. As you may be aware, many chemotherapy products are cytotoxic in nature, and extremely dangerous to handle. Consequently, they must be prepared in a dedicated sterile environment by our third party compounding pharmacy group to ensure that the highest level of product quality and efficacy is maintained. Importantly, a large number of the drugs we require pharmacy to supply for administration every day are not in commercially available doses. The reason for this is that the dose is patient specific, depending on such factors as sex, weight, nature of treatment, treatment cycle, combination with other drugs, blood type and age. For all of the above reasons, we are heavily reliant on our pharmacy team, both internal and external, for the safe and reliable supply of our chemotherapy medication requirements to our cancer patients.

NCI's understanding of the December 2012 and April 2013 PBS price reductions is that it will have a significant impact on oncology pharmacists. I also understand that there is no correlating recognition of the essential services provided by the oncology pharmacists to

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ensure the timely supply of the individualised chemotherapy medication requirements of each of our patients.

From our close involvement with pharmacy over the past few years, we are also aware that PBS funding of chemotherapy medication has had the indirect result of the higher funded chemotherapy products cross subsidising the less funded and unfunded products. From the pricing we have seen, our understanding is that pharmacy supplies a number of key drugs for cancer patients at very low margins, if not a loss, on the back of the higher funded products. I am extremely concerned that the latest rounds of PBS price reductions will push pharmacy's pricing into unsustainable territory, which presents a real risk to continuity of supply to a range of other drugs that are critical in the treatment of patients with cancer. This will impact on chemotherapy treatment and risk the health and even lives of our patients.

I am also very concerned that these further PBS price reductions will add to NCI's already high costs of treating patients with cancer, through additional costs of chemotherapy medication supply. We would not be able to recover these additional costs from the health funds. Equally, the health funds would not allow us to pass these costs on to the patient. We have already made a significant investment in our facilities and I do not consider that it is reasonable for the additional drug funding shortfall to come from NCI. As a chemotherapy-dedicated organisation, this will place us in a significant predicament.

I firmly believe that the Department of Health needs to reconsider this issue and its downstream ramifications to chemotherapy treatment in Australia and for Australians. Furthermore, from my discussions with other stakeholders in this debate, my view is that a more transparent and sustainable model of funding is required, one that moves away from funding solely by molecule to a model that also recognises the critical service provided by pharmacy to ensure the safe preparation and delivery of chemotherapy medication. I understand that this could be achieved through an increase in the current infusion fee to the oncology pharmacist to a level that recognises the professional services being provided, without which it would be almost impossible to provide a safe efficacious service to our patients. Through the suggested infusion fee, it is then possible to ensure the ongoing viability of chemotherapy providers such as NCI, without compromising cancer treatment.

The Senate Committee may also be interested to know that I am also Chairman of Cancer Care Associates and the Riverina Cancer Care Centre, which in addition to radiation oncology, also provides a chemotherapeutic service to both privately insured as well as public non-insured patients via a contractual arrangement with NSW Health; as well as Southside Oncology, whereby a substantial financial commitment has been made to a 16-bed/chair medical oncology facility in Miranda, NSW.

I am unfamiliar with the Senate Committee Inquiry process, but I would be pleased to speak directly with the Senate Committee in more detail if that would be appropriate.

Yours sincerely,

Tony Noun
Executive Chairman