PRO-FORMA REQUEST FOR COSTING AN ELECTION COMMITMENT[1]

Name of policy	**Expansion of the Continuous Glucose Monitoring Initiative**
Person requesting costing (Prime Minister/Leader of the Opposition/Leader of a minority party):	Prime Minister.
Date of public release of policy:	17 April 2022.
Link to the publicly released policy:	https://www.liberal.org.au/strengthening-australias-world-class-health-system
Date of request to cost the policy:	22 April 2022.
Summary of policy (please attach copies of relevant policy documents):	The Coalition will expand the eligibility for the Continuous Glucose Monitoring (CGM) Initiative to extend access to a subsidised CGM device to all Australians with Type 1 Diabetes (T1D) From 1 July 2022, an additional 71,600 people with T1D (who are aged 21 years or older, who do not have concessional status, or women with T1D who are planning for pregnancy, pregnant or immediately post-pregnancy) would become eligible for the same range of CGM devices listed on the National Disability Services Scheme (NDSS) as the existing cohort, with a co-payment based on the current cost of Blood Glucose Test Strips (BGTS) for people with T1D. The existing eligible cohort (approximately 58,000 people with T1D) would continue to have

[1] An electronic version of this pro-forma can be found at www.electioncostings.gov.au/templates.

	fully subsidised access to CGM products. The proposal also includes expanding the age limit of young people eligible to participate in the Insulin Pump Program (IPP) from an age limit of 18 to 21 years, commencing from 1 July 2022. The proposal includes $170,000 funding for Diabetes Australia in 2022-23 to support the communication and administration of the expanded initiative.
Intention of policy:	To extend eligibility under the CGM initiative to CGM devices to all Australians with T1D, reducing their out of pocket costs that go towards managing their T1D and increasing their access to better devices and treatment.
Certification that this, or a substantially similar costing request, has not been submitted to the Parliamentary Budget Office:	This, or a substantially similar costing request has not been submitted to the Parliamentary Budget office.
Description of policy *(note: where the request to cost a proposal differs from the announced policy, the costing will be on the basis of information provided in the costing request)* **What are the key assumptions that have been made in the policy including:**	
Is the policy part of a package? *If yes, list and outline components and interactions with proposed or existing policies.*	No.
Where relevant, is funding for the policy to be demand driven or a capped amount?	Demand driven.
Will third parties (for instance the States/Territories) have a role in funding or delivering the policy? *If yes, is the Australian Government contribution capped, with additional costs*	No.

to be met by third parties, or is another funding formula envisaged?	
Are there associated savings, offsets or expenses? *If yes, please provide details.*	No.
Description of policy *(note: where the request to cost a proposal differs from the announced policy, the costing will be on the basis of information provided in the costing request)* **What are the key assumptions that have been made in the policy including:** ***(continued)***	
Does the policy relate to a previous budget measure? *If yes, which measure?*	This proposal builds on: The 2018-19 MYEFO measure titled *Changes to the National Diabetes Services Scheme and the Continuous Glucose Monitoring Program*; and The 2019-20 Budget measure titled *Changes to the Continuous Glucose Monitoring Program.*
If the proposal would change an existing measure, are savings expected from the departmental costs of implementing the program? Will funding/cost require indexation? *If yes, list factors used.*	No.
What are the estimated costs each year? Are these provided on a cash or fiscal basis?	$57.8 million in 2022-23 $64.7 million in 2023-24 $71.8 million in 2024-25 $78.9 million in 2025-26 Cash basis.
Are the revenue and/or expense costs likely to be significantly different beyond the forward estimates period? *If yes, why?*	No.

What assumptions have been made in deriving the expected financial impact in the party costing (please provide information on the data sources used to develop the policy)?	The number of participants eligible for the expanded program is derived from the current number of National Diabetes Services Scheme (NDSS) registrants who are not eligible for CGM. This is around 71,600 people with T1D based on information from Diabetes Australia. It is assumed 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. The new cohort would be eligible for all devices currently accessible under the CGM initiative. The co-payment is based on the current cost of BGTS for people with T1D. Currently people using BTGS under the NDSS have a co-pay of $15 per fortnight, or an annual $390 per person. There will also be a loss of co-payments being received for BGTS as people transition to the use of CGM. The proposal to extend the age criteria for the IPP is based on the cost of insulin pumps and consumables, including reduced costs from less usage of needles and syringes for insulin administration.
Has the policy been costed by a third party? *If yes, can you provide a copy of this costing and its assumptions?*	No.

What is the expected community impact of the policy? How many people or businesses will be affected by the policy? What is the likely take up? What is the basis for these impact assessments/assumptions?	This measure would assist Australians to manage their T1D and would reduce out of pocket device costs for up to an additional 71,600 Australians with T1D who will now be eligible to participate in the program. It is assumed that take-up rates will increase over time with approximate take-up rates of: 2022-23 54% 2023-24 60% 2024-25 66% 2025-26 72% This is based on take-up rates identified during the 2018 Health Technology Assessment process.
Note: it will be up to the professional judgment of the relevant Secretary as to whether these assumptions are adopted in a Treasury or Finance costing of the policy.	
Administration of policy	
Who will administer the policy (for example, Australian Government entity, the States, non-government organisation, etc.)?	Department of Health. Diabetes Australia will be provided $170,000 in 2022-23 to support the communication and administration of the expanded initiative.
Should departmental expenses associated with this policy be included in this costing? *If no, will the Australian Government Entity be expected to absorb expenses associated with this policy?* *If yes, please specify the key assumptions, including whether departmental costs are expected with respect to program management (by policy agencies) and additional transactions/processing (by service delivery agencies).*	No.
Intended date of implementation.	1 July 2022.
Are there transitional arrangements associated with policy implementation?	No.

Will the policy be ongoing or terminating*?	Ongoing.
If terminating: What is the intended date of termination? Are there any transitional arrangements associated with the conclusion of the policy?	Not applicable.
List major data sources utilised to develop policy (for example, ABS cat. no. 3201.0).	Not applicable.
Are there any other assumptions that need to be considered?	Not applicable.

* Ongoing policies continue indefinitely (until a decision is made to cease or alter the program). Terminating measures end on a date set out in the initial policy and a further decision is required to continue the program beyond this date.