



Australian
Private Hospitals
Association



MBS Review: Report from the Orthopaedics Clinical Committee Committee 2017

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Introduction

The Australian Private Hospitals Association (APHA) is appreciative of the opportunity to make a submission to the Medicare Benefits Schedule (MBS) Review in response to the recommendations in the report from the Orthopaedics Clinical Committee.

In this response, the APHA has focused on issues that could arise for private hospitals if these recommendations were adopted. Some of these issues lie outside the scope of the terms of reference for the MBS Review, for example they pertain to potential implications for the regulations governing private health insurance.

The Private Health Insurance (Benefit Requirements) Rules 2011 (Compilation No. 55, as of [1 February 2019](#): “the Rules”) make detailed reference to relevant MBS items, and it is therefore essential to consider whether recommendations from the MBS Review will give rise to the need for changes to private health insurance regulation.

The issues in this submission are raised with the intention of informing implementation of the proposed recommendations should they be adopted by the Australian Government.

The APHA also advocates there should be sufficient time allocated by the Department of Health for the implementation of the flow-on changes when changes are made to the MBS, such as the Rules (above) and the National Procedure Banding Committee processes, especially when there are changes to a large number of MBS items simultaneously.

In making these comments, APHA remains fully supportive of the objectives of the MBS Review and recommendations intended to promote sound, evidence-based clinical practice.

The APHA is largely supportive of the recommendations made in these reports and will therefore not address all recommendations separately. Below are the APHA comments for a select number of recommendations.

Overall comments

The APHA respects the Orthopaedics Clinical Committee has made recommendations to better reflect the clinical service provided and promote best clinical practice. However, some of these recommendations will create cost pressures in the private sector making them difficult for private hospitals to implement as they will not be reflected in current contracts between hospitals and insurers. Recommendations of specific concern to hospitals are outlined below:

- Recommendations to amend existing item descriptors which potentially increase the complexity of the procedure (recommendations 27, 30, 33, 34, 39, 40, 42, 44, 46, 47, 50, 52, 54, 56, 57, 59, 60, 61, 63, 66 -69, 76, 78, 81-83, 102, 106, 116, 118 -120, 124, 126-130, 133-138, 140, 143, 145, 155, 157, 162, 164 and 166)

It is the view of the APHA that if the recommendations listed above are accepted by the Australian Government, they should be implemented in a manner allowing the industry adequate lead time to negotiate the necessary contract changes.

To minimise the amount of feedback provided, this document does not provide specific comment on the appropriate classification under the Rules for MBS items proposed to be combined into one item where all the items being combined have the same classification under the Rules. It is assumed current classification remains appropriate and will be retained.

Additionally, the APHA feedback for recommendations in the elective surgery will not be repeated where the recommendations are replicated in the trauma section of the report.

Reforms to private health insurance (PHI)

As a result of Government reforms, commencing 1 April 2019, private health insurance hospital products will be classified as gold, silver, bronze or basic. Existing MBS items will need to be mapped to these new classifications and clinical definitions in order to ensure the Reforms are workable.

Any changes to MBS items arising from the MBS Review, including this Committee's recommendations, will also need to be mapped against the new hospital product classifications and clinical definitions.

Stakeholder education

The Committee has recommended a number of significant changes to the MBS Schedule in relation to its structure, in particular the introduction of new sections and groupings, clarification of the procedures expected to be performed as part of a service associated with an MBS item and amending terminology.

A lack of clinician familiarity with the changes could impact on the smooth operation of hospitals. Consequently, the APHA recommends the inclusion of information and education

to clinicians about the changes prior to implementation as well as careful mapping between old and new items to ensure a seamless transition to the new MBS items.

Increased evidentiary requirements

The APHA notes a number of recommendations (e.g. 17, 19, 21 and 22) propose to amend several MBS items to require histological proof of the condition being treated.

Whilst the APHA appreciates the necessity to review and audit certain aspects of the MBS, the Department of Health should remain mindful of administrative and storage burdens these kinds of requirements place on clinicians and private hospitals. The APHA is concerned these requirements must not lead to more complex certification processes than those already required under the Rules.

General orthopaedic item recommendations

Recommendation 1: This recommendation includes a proposal to consolidate 17 MBS items into 5 new items. The APHA notes the 17 original items are not classified the same under the Rules. It is important the level of complexity of the MBS items incorporated into the five new items is not lost. Consequently, the APHA recommends the new items be classified at the level of most complex MBS item(s) being incorporated into the new items.

The APHA also notes this recommendation proposes to introduce five new MBS items for bone graft harvesting and implantation procedures with differing complexities. As there are no direct comparators available for these items, the APHA recommends the classification under the Rules be subject to consultation and reserves its view on their classification.

Recommendation 6: This recommendation includes a proposal to consolidate items 47930 and 47948. As item 47930 is classified as a Type A surgical patient procedure under the Rules and item 47948 is not classified, the APHA recommends the new MBS item is classified as a Type A surgical patient procedure. This would ensure the complexity of item 47930 is not lost as a result of the consolidation.

Recommendation 10: This recommendation seeks to re-introduce two previously available MBS items. The classification under the Rules previously applied to these items should also be re-introduced, as the level of complexity associated with these procedures is unlikely to have changed.

Recommendation 11: This recommendation includes a proposal to create a new MBS item for combined anterior and posterior pelvic ring disruption. The APHA recommends the new item be classified as a Type A advanced surgical patient procedure under the Rules, for consistency with similar MBS items (items 47489 and 47486).

Recommendation 12: This recommendation includes a proposal to create two new MBS items:

- In relation to the new MBS item 474XY, the APHA recommends the item be classified as a Type A advanced surgical patient procedure for consistency with other acetabulum open reduction procedures.
- In relation to new MBS item 475XY, the APHA notes there appears to be no direct comparator available for this item. The APHA therefore recommends the classification of the new item under the Rules be subject to consultation and reserves its view on the classification.

Recommendation 13: This recommendation includes a proposal to consolidate a number of MBS items. It is not clear which items are being consolidated as there are different consolidation recommendations for the same MBS items on page 36.

Some of the items proposed for consolidation (items 43500 and 43503) are not classified under the Rules whereas the remainder are classified as Type A surgical patient procedures. The APHA recommends the MBS items resulting from consolidation are classified under the Rules according to the component MBS items with highest level classification (i.e. Type A surgical patient procedures). This ensures complexity of the new MBS item appropriately reflects the complexity of all the component MBS items.

Recommendation 23: This recommendation proposes to create two new MBS items and there appears to be no direct comparators available for these items. The APHA therefore recommends the classification under the Rules be subject to consultation and reserves its view on the classification of these items.

Knee surgery recommendations

Recommendation 28: This recommendation includes a proposal to split item 49517 into two separate items. The APHA recommends the resultant MBS items be classified as Type A advanced surgical patient procedures under the Rules for consistency with the current classification of item 49517.

Recommendation 30: The recommendation includes a proposal to create a new MBS item number for the revision of unicompartmental arthroplasty with unicompartmental components. The APHA recommends the new MBS item be classified as a Type A advanced surgical patient procedure under the Rules for consistency with other items for knee arthroplasty.

Recommendation 33: This recommendation includes a proposal to create a new MBS item for multi-ligament reconstruction. The APHA recommends the new MBS item be classified as a Type A advanced surgical patient procedure under the Rules for consistency with other items for ligament reconstruction.

Recommendation 34: This recommendation includes a proposal to consolidate items 49512 and 49545. These items are classified differently under the Rules with item 49512 being classified as a Type A advanced surgical patient procedure, whereas item 49545 is classified as a Type A surgical patient procedure. The APHA recommends the new MBS item is

classified as a Type A advanced surgical patient procedure to ensure that the complexity of item 49512 is not lost as a result of the consolidation.

Recommendation 38: This recommendation includes a proposal to replace existing knee arthroscopy items and create nine new items organised on the basis of tiers of complexity. Given the breadth of the changes, the APHA recommends classification for the new items under the Rules be subject to consultation and reserves its view on their classification.

Recommendation 39: This recommendation includes a proposal to create a new MBS item for patello-femoral reconstruction. The APHA recommends this new item be classified as a Type A advanced surgical patient procedure under the Rules for consistency with the MBS item currently listed for patello- femoral stabilisation (item 49564) which is being used as a guide for setting the fee for this new item.

Recommendation 40: This recommendation includes a proposal to create a new MBS item for medial and/or lateral tibial plateau fractures. The APHA recommends this new item be classified as a Type A surgical patient procedure under the Rules for consistency with the majority of MBS item currently listed for medial and/or lateral tibial plateau fractures.

Recommendation 45: This recommendation includes a proposal to create two new MBS items for acute traumatic chondral injury to distal femoral and/or proximal tibial articular surfaces. The APHA recommends consultation on the classification of these items under the Rules be undertaken and reserves its view on the classification of these items.

Recommendation 47: This recommendation includes a proposal to create a new MBS item for distal femoral osteotomy. The APHA recommends this item be classified as a Type A advanced surgical patient procedure under the Rules given this is consistent with the classification of item 48427 (femoral osteotomy with internal fixation) which is used to guide the fee for the new MBS item.

Recommendation 49: This recommendation includes a proposal to create a new MBS item for cysts around the knee. As there are no direct comparators available for this item, the APHA recommends the classification under the Rules be subject to consultation and reserves its view on its classification.

Hand and wrist surgery recommendations

Recommendation 51: This recommendation includes a proposal to introduce a new MBS item for resection of metacarpal boss. The APHA recommends this item be classified as a Type A surgical patient procedure under the Rules for consistency with the comparator (item 46396) which is of similar complexity.

This recommendation also includes a proposal to consolidate items 46396 and 46399 which are classified differently under the Rules – item 46396 is classified as a Type B non-band specific Type B day procedure and item 46399 is classified as a Type A surgical patient

procedure. The APHA recommends that the resultant MBS item be classified as a Type A surgical patient procedure to ensure the complexity associated with item 46399 is not lost as a result of the consolidation.

Recommendation 52: This recommendation includes a proposal to consolidate items 46366 and 46369 which are classified differently under the Rules – item 46366 is classified as a Type B non-band specific Type B day procedure and item 46369 is classified as a Type A surgical patient procedure.

The APHA recommends the resultant MBS item be classified as a Type A surgical patient procedure to ensure the complexity associated with item 46369 is not lost as a result of the consolidation.

The recommendation also proposes to introduce four new MBS items. Given the Committee's recommended changes to other similar items and their impact on the complexity of the procedure, it is not possible to ascertain the appropriate classification under the Rules. The APHA therefore recommends consultation be undertaken on the appropriate classification and reserves its views on this matter.

Recommendation 56: This recommendation proposes to create a number of new MBS items. The APHA recommends consultation on the classification under the Rules for the proposed new item for synovectomy of flexor or extensor tendons of the wrist with inflammatory arthritis be undertaken and reserves its views on the appropriate classification.

The APHA recommends the three new MBS items for:

- synovectomy of digital extensor tendons
- synovectomy of flexor or extensor tendons of the wrist for non-inflammatory or post-traumatic synovitis
- digital sympathectomy

be classified as Type A surgical patient procedures for consistency with the comparators identified for these items.

The APHA recommends that the new MBS item for excision of rheumatoid nodules be classified as a Type B non-band specific Type B day procedure for consistency with the identified comparator (item 46336).

Recommendation 57: This recommendation proposes to introduce a new MBS item for interphalangeal or metacarpophalangeal joint revision procedures. As there are no direct comparators available for this item, the APHA recommends the classification under the Rules be subject to consultation and reserves its view on its classification.

Recommendation 58: This recommendation proposes to introduce a number of new MBS items.

In relation to the new items for ulnar nerve decompression and revision of carpal tunnel or ulnar nerve decompression, the APHA notes there are no direct comparators available for

these items. Consequently, the APHA recommends the classification under the Rules be subject to consultation and reserves its view on the classification of these items.

In relation to the introduction of a new MBS item for the decompression of the radial median or ulnar nerve, the APHA recommends the item be classified as a Type A surgical patient procedure for consistency with the identified comparator (item 39330).

Recommendation 59: This recommendation proposes to introduce two new MBS items.

In relation to the item for removal of tumour from the deep peripheral nerve, the APHA recommends the item be classified as a Type A surgical patient procedure under the Rules for consistency with the identified comparator (item 39327).

In relation to the new item for neurolysis of the radial, median or ulnar nerve trunk in the forearm or arm, the APHA notes the Committee has nominated comparators classified differently under the Rules. The APHA recommends consultation on the appropriate classification of this MBS item be undertaken and reserves its view on the classification.

Recommendation 61: This recommendation includes proposals to create a new MBS item number and consolidate a number of MBS items.

The APHA recommends the proposed new item for De Quervain's release be classified as a Type A surgical patient procedure under the Rules for alignment with the identified comparator (item 46351).

The APHA notes the recommendation to merge item 47972 into either item 46363 (which is classified as a Type B non-band specific Type B day procedure) or the new item for De Quervain's release (which APHA considers should be classified as a Type A surgical procedure based on the comparator identified by the Committee). Given the differences in the classification of item 46363 and the De Quervain's release item, the APHA recommends consultation on the appropriate classification of the new MBS item be undertaken and reserves its view on the final classification.

Recommendation 62: This recommendation includes proposals to create a new MBS item number for a Sauve-Kapandji procedure. As there is no direct comparator, the APHA recommends consultation on the appropriate classification of this MBS item be undertaken and reserves its view on the classification.

Recommendation 63: This recommendation includes a proposal to create a new MBS item number for soft tissue stabilisation of the distal radioulnar joint. As there is no direct comparator, the APHA recommends consultation on the appropriate classification of this MBS item be undertaken and reserves its view on the classification.

The APHA notes the remaining new MBS items proposed under this recommendation replace other items billed under other MBS items. The APHA therefore recommends that the new MBS items be classified consistently with the items under which these procedures were being billed.

Trauma recommendations

Recommendation 69: This recommendation includes a proposal to consolidate item 46442 with items 47301 and 47319. However, item 46442 is classified as a Type A surgical patient procedure under the Rules whereas item 47301 is not classified. Therefore, the APHA recommends that if item 47301 includes item 46442, it be reclassified as a Type A surgical patient procedure to ensure the complexity associated with item 46442 is not lost as a result of the consolidation.

Recommendation 71: This recommendation includes proposals to add two new MBS items. As there are no direct comparators available for these items, the APHA recommends the classification under the Rules be subject to consultation and reserves its view on the classification of these items.

Shoulder and elbow surgery recommendations

Recommendation 74: This recommendation includes a proposal to consolidate items 48900, 48903 and 48951 under a new MBS item. Items 48900 and 48903 are classified as Type A surgical patient procedures and item 48951 is classified as a Type A advanced surgical patient procedure.

The APHA recommends the resultant MBS item be classified as a Type A advanced surgical patient procedure to ensure the complexity associated with item 48951 is not lost through consolidation.

Recommendation 75: This recommendation includes a proposal to consolidate items 48906, 48909 and 48960 under a new MBS item. Items 48906 and 48909 are classified as Type A surgical patient procedures and item 48960 is classified as a Type A advanced surgical patient procedure.

The APHA recommends the resultant MBS item be classified as a Type A advanced surgical patient procedure to ensure the complexity associated with item 48960 is not lost as a result of the consolidation.

Recommendation 76: This recommendation includes proposals to add a new MBS item. The APHA recommends the classification of this new item under the Rules be a Type A surgical patient procedure for consistency with item 47954 as the report has based the recommended fee on the basis the procedures performed for each item are of similar complexity.

Recommendation 78: This recommendation includes a proposal to consolidate items 48930, 48933 and 48957 under a new MBS item. Items 48930 and 48933 are classified as Type A surgical patient procedures and item 48957 is classified as a Type A advanced surgical patient procedure.

The APHA recommends the resultant MBS item be classified as a Type A advanced surgical patient procedure to ensure the complexity associated with item 48957 is not lost through consolidation.

Recommendation 84: This recommendation includes a proposal to split item 49103 into two separate MBS items of differing complexity. The APHA recommends consultation on the appropriate classification of the resultant MBS items be undertaken and reserves its view on the classification of these items.

Recommendation 87: This recommendation includes a proposal to add a new MBS item. As there are no direct comparators available for these items, the APHA recommends the classification under the Rules be subject to consultation and reserves its view on the classification of these items.

Recommendation 88: This recommendation includes a proposal to add a new MBS item. The APHA recommends the classification of this new item under the Rules be a Type A surgical patient procedure for consistency with item 47966 as the report has based the recommended fee on the basis the procedures are of similar complexity.

Recommendation 95: This recommendation includes a proposal to add a new MBS item. As there are no direct comparators available for this item, the APHA recommends the classification under the Rules be subject to consultation and reserves its view on its the classification.

Recommendation 98: This recommendation includes a proposal to add a new MBS item. The APHA recommends that the classification of this new item under the Rules be a Type A surgical patient procedure for consistency with item 30241 as the report has based the recommended fee on the basis the procedures are of similar complexity.

Hip surgery recommendations

Recommendation 107: This recommendation includes a proposal to replace nine items with 14 new items. Given the breadth of the changes proposed, the APHA recommends consultation on the appropriate classification of each of the new items and reserves its view on their classification.

Recommendation 109: This recommendation includes a proposal to replace two items with four new items. Given the breadth of the changes proposed, the APHA recommends consultation on the appropriate classification of each of the new items and reserves its view on their classification.

Recommendation 111, 112 and 115: These recommendations include proposals to introduce new MBS items. As there are no apparent direct comparators available for these items, the APHA recommends the classification under the Rules be subject to consultation and reserves its view on their classification.

Foot and ankle surgery recommendations

Recommendation 118: This recommendation includes proposals to introduce new MBS items.

In relation to the new items for osteotomy of the distal tibia without internal fixation and with internal or external fixation, the APHA recommends they be classified as Type A surgical patient procedures for consistency with the identified comparators.

The APHA recommends the classification under the Rules for the items relating to exostosis of the foot and ankle; treatment of ankle or hindfoot bone non-union; and treatment of midfoot or forefoot non-union or malunion be subject to consultation as there are no direct comparators for these items. The APHA reserves its view on their classification.

Recommendation 121, 122, 124, 126, 127, 128, 129, 130 and 131: These recommendations include proposals to introduce new MBS items. As there are no apparent direct comparators available for these items, the APHA recommends the classification under the Rules be subject to consultation and reserves its view on their classification.

Recommendation 125: This recommendation includes proposals to introduce new MBS items.

In relation to the new item for tarsal tunnel release, the APHA recommends it be classified as Type A surgical patient procedures for consistency with the identified comparator (item 39330).

The APHA recommends the classification under the Rules for the items relating to revision of tarsal tunnel release and revision of excision of intermetatarsal or digital neuroma be subject to consultation as there are no direct comparators for these items. The APHA reserves its view on their classification.

Recommendation 132: This recommendation includes proposals to replace items 47636, 47645 and 47654 with one new MBS item. Items 47636 and 47645 are not classified under the Rules whereas item 47654 is classified as a Type A surgical patient procedure. Consequently, the APHA recommends the new MBS item be classified as a Type A surgical patient procedure to ensure the complexity of item 47654 is not lost.

Paediatric orthopaedic surgery recommendations

Recommendation 142, 144, 158 and 162: These recommendations include proposals to introduce new MBS items. As there are no apparent direct comparators available for these items, the APHA recommends the classification under the Rules be subject to consultation and reserves its view on their classification.

Recommendation 143: This recommendation includes a proposal to consolidate item 50353 under item 50352. Item 50352 is not classified under the Rules whereas item 50353 is classified as a Type A surgical patient procedure. The APHA recommends item 50352 be classified as a Type A surgical patient procedure to ensure the complexity of item 50353 is not lost a result of the consolidation.

Recommendation 151: This recommendation proposes to add a new MBS item. The APHA recommends the classification of this new item under the Rules be a Type A surgical patient procedure for consistency with item 50318 as the report has based the recommended fee on the basis the procedures are of similar complexity.

Recommendation 157: This recommendation proposes to consolidate items 50363 and 50366 into item 50369. However, item 50366 is classified as a Type A advanced surgical patient procedure whereas the other two items are classified as Type A surgical patient procedures. The APHA recommends item 50369 be reclassified as a Type A advanced surgical patient procedure to ensure the complexity of item 50366 is not lost as a result of the consolidation.

Recommendation 167: This recommendation includes a proposal to create two new MBS items.

In relation to the new item for treatment of a femur shaft fracture using open growth plates, the APHA recommends the item be classified as a Type A advanced surgical patient procedure for consistency with the identified comparator (item 47531).

In relation to the new item for treatment of a tibial shaft fracture using open growth plates, the APHA recommends the item be classified as a Type A surgical patient procedure for consistency with the identified comparator (item 47651).

Private hospitals in Australia

The private hospital sector makes a significant contribution to health care in Australia, providing a large number of services and taking the pressure off the already stretched public hospital system.

According to the most recent data available, the private hospital sector treats:

- 4.4 million separations a year.

In 2016–17, it delivered:

- More than a third of chemotherapy
- 60% of all surgery
- 79% of rehabilitation
- 73% of eye procedures
- Almost half of all heart procedures
- 73% of procedures on the brain, spine and nerves.

Australian private hospitals by numbers:

- Half (49%) of Australian hospitals are private
- 657 private hospitals made up of:
 - 300 overnight hospitals
 - 357 day hospitals
- 34,339 beds and chairs
 - 31,029 in overnight hospitals
 - 3,310 in day surgeries
- 69,299 full-time equivalent staff (AIHW 2018, ABS 2018).

The Australian Private Hospitals Association

The APHA is the peak industry body representing the private hospital and day surgery sector. About 70% of overnight hospitals and half of all day surgeries in Australia are APHA members.