Australian
Private Hospitals
Association

MBS Review: Report from the Vascular Clinical Committee 2018

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Australian Private Hospitals Association ABN 82 008 623 809

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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 Vascular 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. 54, as of 1 January 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 Vascular Surgery 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 private hospitals are outlined below:

- Recommendations to amend existing item descriptors which potentially increase the complexity of the procedure (recommendations 1, 5, 6, 7, 8, 9, 16, 28, 29, 30, 32 and 33)

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

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 Clinical Committee has recommended a number of significant changes including:

- A restructure of the MBS regarding vascular surgery items and interventional radiology
- Introducing new referral pathways to access treatment
- Introducing requirements that clinicians be appropriately trained in specific techniques

A lack of clinician familiarity with the changes could affect the implementation of the new MBS items and operation of private hospitals. Consequently, information and education to clinicians about the changes, as well as careful mapping between old and new items need to be provided prior to implementation to ensure a seamless transition to the new MBS items.

Additionally, points b) and c) above introduce new data collection requirements by clinicians and hospitals in order to demonstrate compliance with MBS requirements.

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.

Vascular ultrasound recommendations

Recommendation 5: This recommendation proposes to broaden the descriptor for MBS item 11602 to include duplex ultrasound and to split it into two separate items – one for referral and one for non-referral.

In relation to the former, the wording of the MBS item descriptors may need to be reviewed as the word 'ultrasound' is currently missing from the text.

The new item resulting from the split should be included in the Rules as a Type C Category 2 Table D1 procedure for consistency with the comparator (item 11602).

Digital subtraction angiography recommendations

Recommendations 6, 7 and 8: The APHA understands the rationale for these recommendations and notes these recommendations are linked. However, the implementation of these recommendations is not clear – specifically, how the affected MBS items will be amended to give effect to the recommendations.

Without that level of granularity, it is difficult for APHA to provide further feedback other than to state these recommendations appear to impact on private hospitals, with the level of impact being determined by how the recommendations are implemented. Consequently, the APHA requests further consultation on the proposed changes at an MBS item level are undertaken before implementation.

The APHA reserves its view on these recommendations.

Recommendation 10: This recommendation proposes to create a new MBS item for diagnostic catheter angiograms.

The text of the recommendation on page 51 describing the changes does not match the text describing the changes on page 98 and a proposed descriptor for the new item is not provided. Consequently, it is not clear what changes are proposed, how they will be implemented and how they will affect private hospitals.

The APHA requests further consultation on the proposed changes and on the appropriate classification under the Rules is undertaken and reserves its view on this recommendation.

Recommendation 11: This recommendation proposes to add a new MBS item for magnetic resonance angiography.

All new items from the recommendations should be added to the Rules, where appropriate, if adopted by the Australian Government. This may require further consultation by the Department of Health on the appropriate classification. The APHA reserves its view on the classification of these items.

Vascular surgery recommendations

Recommendation 12: This recommendation proposes new MBS items for the repair of aneurysms by endovascular techniques. The APHA recommends that the classification under the Rules for these new MBS items be consistent with the classification applying to the open repair MBS items – i.e. they should all be classified as Type A Advanced Surgical Patient procedures.

Recommendation 18: This recommendation proposes a new MBS item for the use of ultrasound foam guided sclerotherapy for the treatment of varicose veins.

All new items from the recommendations should be added to the Rules, where appropriate, if adopted by the Australian Government. This may require further consultation by the Department of Health on the appropriate classification. The APHA reserves its view on the classification of these items.

Other recommendations

Recommendation 23: This recommendation proposes to split item 35321 into a suite of new indication-specific embolisation items with fees reflecting the complexity of the various areas.

All new items from the recommendations should be added to the Rules, where appropriate, if adopted by the Australian Government. This may require further consultation by the Department of Health on the appropriate classification. The APHA reserves its view on the classification of these items.

Recommendation 29: This recommendation proposes to change the descriptor for item 34160 to include aorto-duodenal fistula repair by insertion of a covered stent.

In order for insurers to cover the cost of the prosthesis associated with this new MBS item, the prosthesis needs to be listed on the Prostheses List. If this is not the case, hospitals

would be disadvantaged and be required to absorb the costs of the prosthesis as their health fund contract arrangements may prohibit this cost being passed onto the consumer.

Recommendations 34, 35, 36, 37, 38: The recommendations propose to introduce new MBS items for a range of different procedures.

All new items from the recommendations should be added to the Rules, where appropriate, if adopted by the Australian Government. This may require further consultation by the Department of Health on the appropriate classification. The APHA reserves its view on the classification of these items.

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.