



Australian  
**Private Hospitals**  
Association



# MBS Review: Reports from the Diagnostic Medicine and Pathology Clinical Committees 2017 and 2018

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# Introduction

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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 reports from the Diagnostic Medicine Clinical Committee and the Pathology Clinical Committee:

- Report from the Diagnostic Medicine Clinical Committee 2018
- Report from the Pathology Clinical Committee—Haematology 2017
- Report from the Pathology Clinical Committee—Chemical 2 2017
- Report from the Pathology Clinical Committee—Chemical 3 2018
- Report from the Pathology Clinical Committee—Microbiology 2017
- Report from the Pathology Clinical Committee—Anatomical/Cytology 2017
- Report from the Pathology Clinical Committee—Immunology 2018
- Report from the Pathology Clinical Committee—Genetics 2017.

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. 52, as of [2 November 2018](#): “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.

# Diagnostic medicine recommendations

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The Diagnostic Medicine Clinical Committee made recommendations for a number of new items in their report. Where appropriate, these items should be added to the Rules.

- Item 665XX under the recommendations on page 43

This item is created in a restructure from items 66593 and 66596. These are both classified as Type C, Category 6, Table P2 in the Rules. The new item 665XX should therefore also be classified as Type C, Category 6, Table P2.

- Item 668XX under the recommendations on page 58

This item is created as a follow on from the items 66833, 66834, 66835, 66836 and 66837. Those items are all classified as Type C, Category 6, Table P2 in the Rules. The new item 668XX should therefore also be classified as Type C, Category 6, Table P2.

- The new items for key tests for diabetes on page 84

These suggested items do not have a comparator item on the current MBS, and the Department of Health should consider whether it is appropriate to add these to the Rules if this recommendation is adopted by Government.

# Haematology recommendations

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The Pathology Clinical Committee made recommendations for a number of new items in their haematology report. Where appropriate, these items should be added to the Rules.

- Item 650XX under recommendation 1

This item is split from existing item 65096, which is classified as Type C, Category 6, Table P1. The new item 650XX should therefore also be classified as Type C, Category 6, Table P1.

- Item 650YY under recommendation 2

This item is added based on existing item 65099, which is classified as Type C, Category 6, Table P1. The new item 650YY should therefore also be classified as Type C, Category 6, Table P1.

- New item split from item 65120 under recommendation 4

This item is split from existing item 65120, which is classified as Type C, Category 6, Table P1. The new item should therefore also be classified as Type C, Category 6, Table P1.

- Item 651XX under recommendation 5

This item is split from existing item 65144, which is classified as Type C, Category 6, Table P1. The new item 651XX should therefore also be classified as Type C, Category 6, Table P1.

- New item for release of immunoglobulin under recommendation 10

This suggested item does not have a comparator item on the current MBS, and the Department of Health should consider whether it is appropriate to add these to the Rules if this recommendation is adopted by Government.

- New item for genetic testing under recommendation 11

This suggested item does not have a comparator item on the current MBS, and the Department of Health should consider whether it is appropriate to add these to the Rules if this recommendation is adopted by Government.

- New item for Warfarin care under recommendation 12

This suggested item does not have a comparator item on the current MBS, and the Department of Health should consider whether it is appropriate to add these to the Rules if this recommendation is adopted by Government.

## Chemical 2 recommendations

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The Pathology Clinical Committee made recommendations for a number of new items in their second chemical pathology report. Where appropriate, these items should be added to the Rules.

- The three new items under the recommendation on page 20

These three new suggested items are a regrouping of existing items 66500, 66503, 66506, 66509 and 66512, which are currently all classified as Type C, Category 6, Table P2. The three new items should therefore also be classified as Type C, Category 6, Table P2.

- The two new items under the recommendation on page 29

These two new suggested items for lipids are based on existing item 66500, which is currently classified as Type C, Category 6, Table P2. The two new items should therefore also be classified as Type C, Category 6, Table P2.

- The new item under the recommendation on page 52

This new item is related to the other 20 items listed in these recommendations, which are all currently classified as Type C, Category 6, Table P4. The new item should therefore also be classified as Type C, Category 6, Table P4.

- The four new items under the recommendation on page 57

The thyroid antibody items to be deleted (items 71165-71168) are currently classified as Type C, Category 6, Table P4. The four new suggested thyroid antibody items should therefore be classified as Type C, Category 6, Table P4.

- The new item split from item 66752 under the recommendation on page 70

This new item is split from existing item 66752, which is classified as Type C, Category 6, Table P2. The new item should therefore also be classified as Type C, Category 6, Table P2.

- The new item split from item 66779 under the recommendation on page 73

This new item is split from existing item 66779, which is classified as Type C, Category 6, Table P2. The new item should therefore also be classified as Type C, Category 6, Table P2.

- The seven new items under the recommendation on page 78

These seven new suggested items are based on existing item 66650, which is currently classified as Type C, Category 6, Table P2. The seven new items should therefore also be classified as Type C, Category 6, Table P2.

## Microbiology recommendations

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The Pathology Clinical Committee made recommendations for a number of new items in their microbiology report. Where appropriate, these items should be added to the Rules.

All existing microbiology items reviewed within the microbiology report are currently either classified as Type C, Category 6, Table P3, or not categorised. The APHA suggests all new items from this report should be classified as Type C, Category 6, Table P3 where appropriate. These new items are:

- The new item under recommendation 1
- Item 693XA under recommendation 2
- Items 693XB, 693XC, 693XD, 693XE, 693XF and 693XG under recommendation 3
- Item 693XH under recommendation 4
- Item 693XI under recommendation 5
- Item 693XJ under recommendation 6
- Item 693XK under recommendation 7
- The reinstated item 69399 under recommendation 10
- Item 69321X under recommendation 13
- The new items under the recommendations to MSAC
  - Three orthopaedic tissue items
  - Two multi-resistant organism items
  - Two reflex culture items

# Tissue pathology (anatomical)/cytology recommendations

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The clinical committee has recommended a 'surgical' model of reimbursement for examination of tissue pathology (100% for the first MBS item, 50% for the second item and 25% for subsequent items). This recommendation has been made for:

- Coning in Tissue Pathology core items (recommendations page 29)
- Coning in Cytology core items (recommendations page 34)
- Alignment of Immunohistochemical (IHC) and Immunocytochemical (ICC) item rebates and consideration of coning/Rule 13 (recommendations page 37)
- Electron microscope items (recommendations page 44)
- Frozen-section items (recommendations page 46).

The APHA respects the clinical committee has made these recommendations to provide a better model for reimbursement, particularly for complex specimens.

However, most private hospitals are bound by contracts with health funds and other funding providers, and such changes to MBS reimbursement does not necessarily flow on to private hospitals.

It is the view of the APHA that if the recommendations listed above are accepted by the Australian Government, the private hospital sector should be provided adequate lead time to negotiate appropriate charges.

## Immunology recommendations

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The Pathology Clinical Committee made recommendations for a number of new items in their immunology report. Where appropriate, these items should be added to the Rules.

Most existing immunology items reviewed within the immunology report are currently classified as Type C, Category 6, Table P4 (the only exception to this is the item 65060 under recommendation 20, which is Type C, Category 6, Table P1).

The APHA suggests all new items from this report should be classified as Type C, Category 6, Table P4. These new items are:

- The new item for tissue typing in coeliac disease under recommendation 2
- The new item for multiple recombinant and purified component allergens under recommendation 3
- The new item for five or more tests under recommendation 8
- The new item for neuromyelitis optica (NMO) antibody testing under recommendation 21
- The new item for cyclic citrullinated peptide allergens under recommendation 22.

## **Chemical 3 recommendations**

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The APHA does not have any comments on the recommendations in the third chemical pathology report.

## **Genetics recommendations**

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The APHA does not have any comments on the recommendations in the genetics pathology report.



# Private hospitals in Australia

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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.