



Australian
Private Hospitals
Association



MBS Review – Oncology

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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 Oncology Clinical Committee – 2018.

In this response, the APHA has focused on issues that could arise for private hospitals if these recommendations were adopted. Many 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. 49, as of [1 May 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.

It may also be necessary to consider whether there will be a need for education or guidance to the private sector as a whole including hospital operators and health insurers to avoid unintended consequences, such as difficulties in classification for billing purposes. The APHA strongly advocates any changes to the MBS are made with the best interest of the patient in mind, and it is important the suggested changes do not have the unintended and undesirable effect of increasing patient out of pocket costs.

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.

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.

Oncology report recommendations

Medical oncology recommendations

Recommendation 1.1: The replacement of items 13915–13942 and 13948 with unspecified items covering oversight and management will need to be mapped out and defined more clearly prior to the APHA being able to comment on the appropriateness of this recommendation.

The items listed for removal fall into several different categories within the Rules, and are therefore remunerated differently from each other. The new items will need to properly reflect the complexity of the oversight and management to be able to categorise them within the Rules appropriately.

Specifically, the current items are classified as follows:

- Items 13915–13936 are Type B, Band 1
- Items 13939 and 13942 are Type C, Category 3
- Item 13948 is Type B, Non-band specific day procedure.

Whilst the APHA strongly supports the simplification of the MBS for better efficiency, it is important the replacement items should be sufficient in number to cover the varying complexity of oversight and management within medical oncology, and to capture future changes in such oversight and management structures.

Recommendation 1.2: The removal of item 13945 is generally supported, however, the oncology report notes only 30% of providers no longer use this item.

Should this recommendation be adopted by the Australian Government, it is essential the 70% of providers who were still using this item are clearly informed of how this service should be billed in future, and when the use of item 14221 would be appropriate.

It is noted both 13945 and 14221 are listed in the Rules under Type C, category 3, so classification is not an issue, however, the latter can only be used in some circumstances and education should be provided to hospitals for how MBS items should be used after the removal of the 13945 item.

Radiation oncology recommendations

Recommendation 2: The restructure of the megavoltage items into a two-tiered payment model is largely supported, on the proviso hospitals and oncologists continue to be appropriately remunerated and are not, under the new payment structures, forced to pass on out of pocket costs to patients.

Recommendation 3: The APHA supports the recommendation of running an impact assessment on the two-tiered payment model. The APHA advocates such an exercise should also include modelling on the impact on patients and out of pocket costs.

Recommendation 4: The APHA supports the consolidation of items 15000–15115 into three new items for kilovoltage therapy. All of the old items are currently listed as Type C, Category 3 items in the Rules, and the APHA would suggest the new items should also fall into this category if this recommendation is adopted by the Australian Government.

Recommendation 5: The APHA supports the recommendation to delete obsolete items (items 15303, 15304, 15311, 15312, 15319, 15320 and 15342).

If the Australian Government accepts the recommendation of consolidating the items listed for consolidation (items 15307 and 15309, items 15315 and 15316, items 15323 and 15324, items 15327 and 15328, and items 15331 and 15332), the APHA reiterates these are currently listed in the Rules as Type A, Surgical, and the consolidated items should also be listed as such.

Recommendation 6: In restructuring the brachytherapy items, the APHA supports the tiering by complexity, and reiterates the complexity levels will have to be appropriately reflected in the Rules.

Specifically, the current items are classified as follows:

- Items 15303–15336 are Type A, Surgical
- Items 15338, 15513, and 15539 are Type B, Non-band specific day procedure
- Items 15339–15342, 15348–15357, and 15536 are not listed in the Rules
- Items 15800 and 15850 are Type C, Category 3.

Recommendation 7: This recommendation of deleting obsolete items 15211 and 15214 is supported.

Recommendation 8: The items suggested for consolidation (items 30299–30303) are currently listed in the Rules as Type A, Surgical, and the APHA supports the consolidation and the new consolidated item should also be listed in Type A, Surgical.

Recommendation 9: No comment.

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.

Bibliography

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