Australian
Private Hospitals
Association

MBS Review: Final report from the Diagnostic Imaging Clinical Committee 2018

7 November 2018

Australian Private Hospitals Association ABN 82 008 623 809

Contents

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 final report from the Diagnostic Imaging Clinical Committee (2018).

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. 51, as of 24 September 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.

General feedback

New items

All new items from the recommendations should be added to the Rules where appropriate if adopted by the Australian Government. The new items from the recommendations are;

- The new items according to Computed Tomography site (recommendation 7)

  The ten new items suggested under recommendation 7 should be classified as Type C, Category 5, in line with the current classifications of 56619 and 56659.

- New item for 12-16 week morphology ultrasound (recommendation 16)

  The new item should be added to the Rules as Type C, Category 5, Table I1, in line with the current classifications of 55704.

- New item for cervical length assessment (recommendation 17)

  As there is no comparator item classified in the Rules for cervical length assessment for patients at risk of premature labour, further consultation should be conducted by the Department of Health on appropriate classification. The APHA reserves its view on the classification of this item.

- The new item under recommendations 18

  The new item should be added to the Rules as Type C, Category 5, Table I5, in line with the current classifications of 63491.

- The new items under recommendations 19, 20, 21, 22, 23 and 24

  These new items should be added to the Rules as Type C, Category 5, Table I5, in line with the current classifications of other Magnetic Resonance Imaging (MRI) procedures.

- The new item under recommendation 36

  This new item should be classified alongside other items using Dual Energy X-ray Absorptiometry (DEXA) technology (i.e. 12306, 12312, 12315, 12320, 12321 and 12322). These are all classified as Type C, Category 2, Table D1.

- The series of new items after splitting 35350 (recommendation 37)

  The new item 35750X should be classified as Type C, Category 5, Table I2, in line with the current classification of 35350.

The APHA is largely supportive of the recommendations made in the diagnostic imaging clinical committee report, and will therefore not address all recommendations separately. Below are the APHA comments for a select number of recommendations.

Head and neck imaging recommendations

Recommendation 1: This recommendation is to consolidate 57906 and 57909 with 57920 and 57923. These items are not all classified in the Rules:

- Items 57906 and 57909 are classified in the Rules as Type C, Category 5, Table I3.
- Items 57920 and 57923 are not classified in the Rules.

This recommendation will remove the ability for private hospitals to perform these diagnostic imaging procedures. The Department of Health should therefore either classify the unlisted items (as Type C, Category 5, Table I3) or not accept the recommendation for consolidation.

Recommendation 2: This recommendation is to consolidate 57903 and 57917 with 57912 and 57926. These items are not all classified in the Rules:

- Items 57903 and 57912 are classified in the Rules as Type C, Category 5, Table I3.
- Items 57917 and 57926 are not classified in the Rules.

As only one of the two items that will remain after consolidation is listed in the Rules, the APHA suggests the Department of Health should add the other item (57926) to the Rules as well to avoid losing the complexity of the two remaining items in the private hospitals sector.

Obstetric imaging recommendations

Recommendation 15: This recommendation is to include nuchal translucency (NT) assessment in the item descriptor for items 55704, 55705, 55710 and 55711 as integral part of examination, and to delete the other four items. These items are not all classified in the Rules:

- Items 55704, 55705, 55707 and 55708 are classified in the Rules as Type C, Category 5, Table I1.
- Items 55710, 55711, 55714 and 55716 are not classified in the Rules.

The proposed recommendations suggest if NT assessment is included in the first four items and the last four items are deleted, less benefits will be paid out, as there is no increase in benefits for the former and the latter will no longer be billable, effectively bundling these services.

Capital sensitivity measures recommendations

The APHA reserves its view regarding the suggested changes to the capital sensitivity measures as it is unclear at this stage how private hospitals will be affected by the suggested recommendations 29 and 30.

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.