Australian Government

Australian Government response to the Senate Community Affairs References Committee Report:

Availability and accessibility of diagnostic imaging equipment around Australia

September 2018

1. Introduction

The Australian Government recognises the important role that diagnostic imaging has in the health of Australian patients through the funding of these services as part of the Medicare Benefits Schedule (MBS). In 2017-18, 27 million diagnostic imaging services were claimed under Medicare at cost of around $3.6 billion.

Expenditure under Medicare overall is growing at five per cent per annum, driven largely by population growth and ageing. The Government therefore needs to ensure that this expenditure is cost-effective, directed to where it is most needed, and economically sustainable.

In 2015, the Government established the clinician-led Medicare Benefits Schedule Review Taskforce (the Taskforce) to undertake a program of work that considers how the more than 5,700 items on the MBS (including over 800 diagnostic imaging items) can be aligned with contemporary clinical evidence and practice in order to improve health outcomes for consumers. Membership of the Taskforce includes doctors with expertise in general practice, surgery, pathology, radiology, public health and medical administration, who work across both the public and private health sectors, as well as consumer representation and academic expertise in health technology assessment.

The Taskforce, through its various clinical committees, is currently working its way through the diagnostic imaging items. Progress on the work of the Taskforce, including Government responses to finalised recommendations, can be found on the Taskforce website.

The Government's ongoing mechanism for ensuring that new services being considered for inclusion on the MBS are comparatively safe, clinically effective and cost-effective is the Medical Services Advisory Committee (MSAC) process. MSAC is an independent non-statutory committee and comprises individuals with expertise in clinical medicine, health economics and consumer matters. This process helps ensure that Australians have access to medical services that have been shown to be safe and clinically effective, as well as representing value-for-money for both patients and taxpayers.

Recent diagnostic imaging additions to the MBS as a result of MSAC recommendations include items for magnetic resonance imaging (MRI) of the heart and an item for positron emission tomography (PET) for gastroenteropancreatic neuroendocrine tumours, effective from 1 May 2018, and multiparametric MRI of the prostate for both the diagnosis of prostate cancer and the active surveillance of patients with a proven diagnosis, effective from 1 July 2018.

From 1 November 2018 the Government is introducing two new time-limited MBS items for three dimensional (3D) breast tomosynthesis. This technology produces 3D images of a breast by using multiple x-rays obtained at different angles.

The Australian Government welcomes the Senate Community Affairs References Committee Report and thanks the individuals and organisations that took the time to contribute to the Inquiry. The Government has carefully considered the recommendations and provides responses to them in Section 2.

2. Responses to recommendations

Recommendation 1
The committee recommends that the Commonwealth Government immediately implement an application process with clear, objective and transparent assessment criteria to permit hospitals and radiology practices to apply for licences for Magnetic Resonance Imaging machines.

Response: The Government supports the Committee's recommendation.

Magnetic resonance imaging (MRI) is used to diagnose a range of conditions that other imaging procedures cannot. One of its major advantages is that it does not use ionising radiation like imaging procedures such as computed tomography (CT) and x-rays, so it can be safer for patients. It is now a mainstream diagnostic imaging modality.

MRI is a sophisticated and expensive technology and successive Governments have had to ensure that the provision of public funding for MRI is both fair and financially responsible. Accordingly, since its introduction on the Medicare Benefits Schedule (MBS) in 1998, MRI has been carefully managed through a series of targeted application processes as well as provider, requestor and item level restrictions. These controls help to support the provision of high quality, safe and cost effective health care for all Australians both as patients and taxpayers.

Increasing the number of Medicare-eligible MRI machines will help to address access and demand issues that have arisen since the last major expansion round.

The Government will therefore immediately commence a process to award full Medicare eligibility for up to 30 new units or existing partially eligible units. This will include an open Invitation to Apply process with clear, objective and transparent assessment criteria.

The expansion process will help ensure an equitable distribution of eligible machines across states and territories and regional areas to address areas of need wherever possible. The Department of Health will monitor the impact of the expansion and overall MRI access.

Recommendation 2
The committee recommends that the Medicare Benefits Schedule Review Taskforce review the Magnetic Resonance Imaging referral pathway and rebates, including consideration of options to allow specialists and general practitioners to refer patients to both fully licensed and partially licensed machines.

Response: The Government supports the Committee's recommendation in part.

This recommendation encompasses two elements: the extent of the MRI items listed on the MBS that can be requested by general practitioners (GPs); and services that can be rendered on fully or partially eligible machines.

Extent of GP-requested services

The MBS Review Taskforce has been undertaking a review of all diagnostic imaging items listed on the MBS using a body systems approach, including applicable MRI services. The Taskforce has produced a number of reports and provided its advice to Government.

As part of the review, the Taskforce considered the referral pathways for all diagnostic imaging services, including MRI.

The Government announced as part of the 2018-19 Budget, for implementation from 1 November 2018:

- the removal of the requirement for children under 16 years of age to have an x-ray before having a knee MRI, thus reducing radiation risk for these patients; and
- GPs will no longer be able to request Medicare-funded MRI of the knee for patients 50 years of age or over.

The Taskforce found that there was inappropriate use of knee MRI in older patients, noting that there is limited evidence to support the utility of MRI scans in these patients where symptoms of osteoarthritis can be difficult to distinguish from those of meniscal tear. Where a GP suspects a meniscal tear as part of his or her clinical examination of the patient, they can refer the patient to a specialist, who will then determine whether a MRI scan is required.

To date, the Taskforce has made no other recommendations that change referral pathways and what items can be requested by GPs.

Fully versus partially eligible MRI machines

MRI machines with full eligibility are able to render the full range of MRI services listed in the MBS. MRI machines with partial eligibility are able to render specified services requested by GPs, new items that are included in the MBS as a result of recommendations by MSAC, a range of cancer staging services, Poly Implant Prosthesé (PIP) breast items and Crohn's disease items.

The Taskforce is focused on ensuring the MBS remains contemporary and represents high value care. As a result it did not review the arrangements between partial and full eligibility.

As part of the ITA process covered under Recommendation 1, the Government will provide the opportunity for organisations with partial eligibility to apply for an upgrade to full eligibility.

Recommendation 3

The committee recommends that the Department of Health consider how to make diagnostic imaging services fully accessible to people with physical disability.

Response: The Government supports the Committee's recommendation but notes that implementation is a matter for consideration by diagnostic equipment manufacturers in relation to equipment accessibility and the State and Territory Governments in relation to the regulation of disability access and licensing arrangements.

The Government will therefore refer this recommendation to the Council of Australian Governments' Health Council and has brought the recommendation to the attention of the peak body representing diagnostic equipment suppliers, the Diagnostic Imaging and Monitoring Association.

Recommendation 4
The committee recommends that state and territory governments review the adequacy of patient transport subsidies that are currently available with a specific view to ensuring access to diagnostic imaging.

Response: The Government notes the Committee's recommendation.

The matters raised in the recommendation fall within the responsibility of the states and territories. The Government will refer this recommendation to the Council of Australian Governments' Health Council.

Recommendation 5
The committee recommends that the Department of Health review the operations of the multiple services rule to ensure that it is achieving its policy intent and consider any changes required.

Response: The Government supports the Committee's recommendation.

The Health Insurance (Diagnostic Imaging Service Table) Regulations (DIST) contain the diagnostic imaging items for which benefits are payable and the rules of interpretation of those items. The DIST includes rules for the Medicare benefits that apply when more than one diagnostic imaging service is rendered at the same attendance or on the same day.

There are two types of rules: item restriction rules; and fee reduction rules.

Item restriction rules refer to circumstances where a benefit is not payable for two items rendered at the same attendance or within a certain time period after the first item has been claimed. It was this type of restriction that was discussed in the Committee's report and led to its recommendation.

The fee reduction rules apply when two or more services, at least one of which is a diagnostic imaging service, are rendered on the same day. Under these rules a lower benefit is payable for:

- a diagnostic imaging service rendered at the same time as a consultation or procedure; or
- for the second and any subsequent diagnostic imaging services rendered where diagnostic imaging services are the only ones claimed.

Both the item restriction rules and the fee reduction rules have been reviewed by the MBS Review Taskforce. The Taskforce will be consulting on these matters in the next couple of months. Final recommendations will be informed by the consultation phase and delivered to the Government in due course.

Recommendation 6
The committee recommends that the Department of Health consider tightening capital sensitivity measures in metropolitan centres.

Response: The Government notes the Committee's recommendation.

The capital sensitivity provisions for diagnostic imaging services are intended to improve the quality of imaging and improve patient access to newer, better quality equipment, and reduce exposure to unnecessary radiation, by encouraging providers to upgrade or replace old equipment. Under these provisions, a lower benefit is payable for diagnostic imaging services rendered on equipment older than its prescribed effective life age.

The provisions have been effective in metropolitan areas, evidenced by the small number of Medicare services claimed for older equipment.

The MBS Review Taskforce has reviewed the capital sensitivity provisions and has recommended that benefits no longer be payable on older equipment. The Committee has recommended that there be a transition period to allow those practices currently using older equipment to upgrade or replace their equipment. Consultation in relation to capital sensitivity is expected to occur in September 2018. Final recommendations will be informed by the consultation phase and delivered to the Government in due course.

Recommendation 7
The committee recommends that the Commonwealth Government reinvest into the Medicare Benefits Schedule, savings obtained from the removal or alteration of diagnostic imaging items in the Medicare Benefits Schedule Review.

Response: The Government notes this recommendation.

The Government has announced that it is reinvesting savings from the MBS Review into Medicare. An example of its investment in Medicare is the 2017-18 Budget, where the Government announced it was investing an additional $2.4 billion over four years in Medicare. The key elements of this included:

- $1.0 billion over four years for a phased commencement of MBS indexation;
- $936.7 million over four years reinvesting in bulk-billing incentives for diagnostic imaging and pathology;
- $317.5 million over four years reinvesting in the MBS safety net;
- $44.5 million over four years to continue the Medical Services Advisory Committee; and
- $44.2 million over three years to continue the MBS Review.

Recommendation 8
The committee recommends that the capital sensitivity exemptions and the *Health Insurance Act 1973* section 19(2) exemptions for regional, rural and remote Australian health services should be reviewed to establish the impact on regional, rural and remote health outcomes.

Response: The Government supports the Committee's recommendation in relation to capital sensitivity and notes the recommendation in relation to the *Health Insurance Act 1973* section 19(2) exemptions.

Capital sensitivity
As noted under Recommendation 6, the capital sensitivity provisions for diagnostic imaging services are intended to improve the quality of imaging and improve patient access to newer, better quality equipment, and reduce patient exposure to unnecessary radiation, by encouraging providers to upgrade or replace old equipment.

The rural and remote exemption provisions currently allow for higher benefits payable for services provided on older equipment located in these areas. The exemptions are in place to help ensure access to services for patients living in these areas where providers might otherwise withdraw services due to the cost of upgrading or replacing equipment.

In its review of the capital sensitivity provisions, the Taskforce has recommended that the exemption provisions be phased out over time. Consultation with affected stakeholders will inform the Taskforce of what the impact will be of withdrawing or retaining the exemption provisions.

Section 19(2) of the Health Insurance Act exemptions
The Council of Australian Governments' Section 19(2) Exemptions Initiative – *Improving Access to Primary Care in Rural Remote Areas* (the s19(2) initiative) was introduced to support the delivery of primary health care services in small rural and remote communities by providing an exemption under section 19(2) of the *Health Insurance Act 1973*.

As noted in the Senate inquiry report, the s19(2) initiative allows approved rural and remote public hospital sites to retain the revenue from the MBS to address issues with attracting and retaining an adequate primary health care workforce and provide greater patient access to primary health care services locally, including after hours in small public hospitals and health services. This revenue may also support the purchase or upgrade of medical equipment, delivery of outreach programs including e-health and telehealth services, and community health education programs.

Following a departmental review of the s19(2) initiative in 2015, the Government decided to update the eligibility criteria for this initiative. This saw the eligibility criteria simplified from three criteria (located within categories two through five of the Australian Standard Geographic Classification system and a district of workforce shortage, and have a population of less than 7,000 people) to one criterion (be located within categories five to seven of the Modified Monash Model (MMM) classification system). This change was made in recognition that rural and remote patients have limited access to primary health care services and aims to better target those regions.

It should be noted that medical professionals including nurses and midwifes have not lost their ability to claim against the MBS for diagnostic imaging services in those regions so long as they operate in a setting which is eligible under the MBS guidelines.

With the current Memoranda of Understanding between the Commonwealth and jurisdictions expiring on 31 December 2020, there will be an opportunity to review the impact that the s19(2) exemption has on regional, rural and remote health outcomes as well as the current eligibility criteria.

Recommendation 9
The committee recommends that state and territory governments investigate how data sharing measures between public hospitals can be improved to support teleradiology services and that these improvements are implemented as soon as practicable.

Response: The Government notes the Committee's recommendation.

The matters raised in the recommendation fall within the responsibility of the states and territories. The Government will refer this recommendation to the Council of Australian Governments' Health Council.

Recommendation 10
The committee recommends that the Minister for Health commission a review into the Medical Services Advisory Committee's processes with a view to reducing the time between submission of an application and a decision being made.

Response: The Government notes the Committee's recommendation.

The MSAC process is application-driven, and a number of applications for MRI services have been received and assessed in the last two years (including breast MRI, obstetric MRI, liver MRI and prostate MRI).

The time to progress through the MSAC process is driven largely by the quality of the evidence to support the proposed service. Technical guidelines have recently been developed to guide applicants of investigative services (such as diagnostic imaging services) in the preparation and presentation of evidence to MSAC. The evaluation process is 24 weeks from the time the application parameters have been agreed between the applicant and the Department (through the PICO Advisory Sub-Committee (PASC)) to MSAC evaluating the proposed service and providing advice to the Minister.

MSAC regularly reviews and revises its processes and protocols to ensure it is appropriately adapted to evaluate new and innovative technologies, such as positron emission therapy (PET). To this end, MSAC will commence a review of its technical guidelines (therapeutic and investigative) towards the end of 2018 to ensure they reflect current health technology assessment methodology and are suitable to assess emerging technologies such as genomics and precision medicine.

Recommendation 11
The committee recommends that the number of radiologists trained each year be increased following consultation between the Department of Health and the Royal Australian and New Zealand College of Radiologists.

Response: The Government notes the Committee's recommendation.

Following the Specialist Training Program (STP) review, the Australian Government has increased the number of posts for training medical specialists in radiology through the Royal Australian and New Zealand College of Radiologists (RANZCR) from 47 Full Time Equivalent places to 82.

There is an Expression of Interest process underway to fill these extra STP places in radiology, as well as a number of other specialties.

Recommendation 12
The committee recommends that the Department of Health consider if there are mechanisms that can be put in place to encourage private radiology practices to train sonographers.

Response: The Government notes the Committee's recommendation, see response for Recommendation 13, below.

Recommendation 13
The committee recommends that private radiology practices train more sonographers.

Response: The Government notes the Committee's recommendation.

There are two Australian Government programs which encourage private radiology practices to train sonographers - the Health Workforce Scholarship Program (HWSP) may provide a scholarship or bursary or a Primary Health Network (PHN) may identify them as a priority funding target.

The HWSP aims to improve access to the services needed in rural and remote areas (i.e. locations categorised as Modified Monash Model (MMM)) 3-7, by supporting an increase in skills, capacity and/or scope of practice of privately employed health professionals in the fields of medicine, nursing and allied health in order to target services to rural and remote areas.

Scholarships of up to $10,000 per year can be provided for up to two years study. Scholarships must be directly related to training and upskilling health professionals who will provide services to rural and remote areas. Scholarship values will be determined against the perceived workforce benefit of the training.

HWSP bursaries are one-off payments that cover the cost of training or course fees and/or cover or partially cover training related expenses such as accommodation and transport where appropriate. Bursaries must directly relate to training and upskilling health professionals who are or will be providing services to rural and remote areas. Bursary values will be determined against the perceived workforce benefit of the training.

There are 31 PHNs funded by the Commonwealth Government to increase the effectiveness and efficiency of medical services, particularly for patients at risk of poor health outcomes, and improve the coordination of care to ensure patients receive the right care in the right place at the right time.

PHNs across the country are involved in health systems improvement, including workforce and training activities, depending on the specific needs and priorities of their regions. Each PHN conducts regional needs assessments, underpinned by rigorous planning and consultation.

The Government has brought this recommendation to the attention of the GP-led Clinical Councils and Community Advisory Committees, which inform PHN's commissioning decisions.

Recommendation 14
The committee recommends that the Department of Health work with stakeholders to facilitate nurses and nurse practitioners expanding their clinical scope of practice to include certain ultrasounds, where they have received proper training and sonographers are not available to do so.

Response: The Government notes the Committee's recommendation.

Medicare benefits for ultrasound are currently limited to services rendered by medical practitioners or sonographers registered by the Australian Sonographer Accreditation Registry (ASAR) under the supervision of medical practitioners.

In all instances, the medical practitioner is the person responsible for providing a report of the service and is the person who is the provider for Medicare benefits purposes (this principle also applies to other diagnostic imaging services, where the procedural component, that is, the capture of the images, is undertaken by an imaging technician such as a radiographer).

Nurse practitioners may request a range of ultrasound items as long as they are rendered by a medical practitioner or sonographer under the supervision of a medical practitioner and reported by a medical practitioner as noted above.

In respect of the delivery of ultrasound services sonographers need to have accredited ultrasound qualifications in order to be registered by ASAR and are required to undertake continuing professional development to maintain registration. These qualifications ensure sonographers can make appropriate notes of the examination and present these and relevant images to the supervising medical practitioner in order for the medical practitioner to prepare a report of the service.

The Committee's recommendation was made in the context of a shortage of sonographers and cited an example of nurse practitioners providing pelvic ultrasound in cases of suspected miscarriage in Queensland metropolitan hospitals.

The Government notes the rationale for the Committee's recommendation about nurses and nurse practitioners being able to perform Medicare-funded ultrasound. The Government will consider the recommendation in the context of workforce activity to increase the number of trained sonographers as discussed under Recommendations 12 and 13 and other priorities in diagnostic imaging.