

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH PORTFOLIO

Additional Estimates 2015 - 2016, 10 February 2016

Ref No: SQ16-000032

OUTCOME: 3 - Access to Medical and Dental Services

Topic: Pathology Services Table

Type of Question: Written Question on Notice

Senator: Di Natale, Richard

Question:

- a) What changes to items in the Pathology Services Table have been made since 1998 by item number, date of effect of change and quantum of change to the MBS fee?
- b) For each change to an item in the Pathology Services Table since 1998, what has been the impact of the change in expenditure in the year following the change compared to the expenditure that would have occurred in that year if the item had not been changed.
- c) How many Approved Pathology Providers claimed a benefit from the Pathology Services Table in 2014-15?
- d) What proportion of Pathology Service Table items was claimed by the 6 providers with the highest volume of claims in 2014-15, 2009-10, 2004-05 and 1999-2000?

Answer:

- a) Changes to the Pathology Services Table from 1998 can be accessed by searching the Federal Register of Legislation. Attachment 1 provides a list of changes to items in the Pathology Services Table since 1998, including the date of effect of change and quantum of change to the Medicare Benefits Scheme (MBS) fee.
- b) Accurately measuring the expenditure impact of changes to the Pathology Services Table is affected by episode coning, which was introduced in the mid-1990s. Episode coning limits MBS rebates payable to the three most expensive pathology tests in an episode requested by a GP (coning does not apply to tests requested in hospital or by specialists). The fourth and subsequent tests in an episode do not attract a rebate. Medicare does not have data on the tests that are coned out as providers only submit claims for the three most expensive tests.

The impact of the change in expenditure in the year following the change compared to the expenditure that would have occurred in that year if the item had not changed is summarised in the table below.

Pathology Services Table – Impact of Changes, 1998-99 to 2014-15

Type of change	Estimate of Benefit Effect
Amended Description	-\$165,531,330
Amended Schedule Fee	-\$62,434,579
Ended item	-\$897,885,651
New Item	\$1,347,144,382
Total	\$221,292,821

Overall, the estimated benefit impact of changes to the Pathology Services Table over the period 1998-99 to 2014-15 is \$221 million.

Attachment 2 provides a detailed estimate of the impact of the change to individual items in the Pathology Services Table since 1998-99.

An explanation of the methodology used to estimate the benefit impact of changes is provided at Attachment 3.

- c) In financial year 2014-15, there were 159 Approved Pathology Authorities that claimed a benefit from the Pathology Services Table.
- d) The proportion of Pathology Service Table items claimed by the 6 providers with the highest volume of claims in 2014-15, 2009-10, 2004-05 and 1999-2000 is presented in the Table below.

Medicare Pathology: Percentage of Benefits claimed by the Top 6 Providers*

Financial Year	Percentage of Benefits
1999-00	56.1
2004-05	72.4
2009-10	79.8
2014-15	83.7

* Approved Pathology Authorities