

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH PORTFOLIO

Additional Estimates 2015 - 2016, 10 February 2016

Ref No: SQ16-000079

OUTCOME: 3 - Access to Medical and Dental Services

Topic: MRI and PET

Type of Question: Written Question on Notice

Senator: Gallagher, Katy

Question:

- a) What is the additional annual cost to Medicare of turning partial licence for an MRI machine into a full licence?
- b) What is the additional annual cost to Medicare of turning partial licence for a PET scanner into a full licence?

Answer:

- a) In 2014-15 the average partial Medicare eligible MRI unit provided around 1,566 services at a cost of approximately \$600,000 in Medicare rebates and the average full Medicare eligible MRI unit provided around 3,854 services at a cost of approximately \$1.5 million.

Based on this data, it is anticipated that the average cost to Medicare to upgrade partial to full Medicare eligibility for an MRI unit would be in the order of \$900,000 per annum.

However, there are a number of factors that might influence volumes (and therefore costs) associated with MRI units, which includes requests for MRI services, equipment location, proximity to referring doctors, and competition.

It is noted that there are currently no processes underway to convert partially-eligible MRI equipment to fully-eligible.

- b) There are no partially-eligible positron emission tomography (PET) scanners. All PET machines are eligible for all relevant Medicare items so long as the providers meet the requirements which are outlined in the *Health Insurance (Diagnostic Imaging Services Table) Regulations*.