

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH PORTFOLIO

Additional Estimates 2015 - 2016, 10 February 2016

Ref No: SQ16-000312

OUTCOME: 3 - Access to Medical and Dental Services

Topic: Pathologists Bulk Billing

Type of Question: Hansard Page 32, 10 February 2016

Senator: Gallagher, Katy

Question:

Senator GALLAGHER: Has the department tried to understand if pathologists did not bulk-bill what the out-of-pocket cost would be for a patient?

Mr Bowles: I think it will depend on the business model of the pathologist potentially if the rebates are around that \$19 and \$8. Let us not forget that tests can still be done by the doctor under Medicare, under the normal process. This is only the testing of the activity, if you like. It depends on the business model, I think. I stand to be corrected, but it will be dependent on the business model of the pathology group around how they deal with the particular testing in these particular cases. If there is a view that the \$19 and the \$8 and all that stuff is not appropriate, as I said, that will come up later. The issue at stake here is the amount that is currently paid as an incentive directly to pathologists to bulk-bill in that component of a pap smear test.

Senator GALLAGHER: I think I got all that.

Mr Bowles: It is complex because you have got your doctor bit which happens through Medicare still, you have the pathology bit which is subject to bulk-billing in the majority of the cases now, definitely in the majority of cases. If you are looking at in and out of hospital, you are talking 87½ per cent. If you are talking about out of hospital, you are talking about 98 per cent of the time. If in fact there were decisions by pathologists to change that, we could not determine what price they might put on that because that would depend on their business model through poor return and a range of other decisions that they would have to make if they wanted to do that. But again, we are talking about the incentive. Again, I do not know the specific incentive payment for these things which goes directly to a pathologist, but it is in that \$1 to \$3 range.

Senator GALLAGHER: It might be useful for the committee to understand what the incentive is.

Mr Bowles: We will see if we can find out.

Answer:

The bulk billing incentive is paid directly to the provider. The incentive varies depending on the clinical setting and ranges from a Medicare Benefits Scheduled (MBS) rebate of \$1.20 to \$3.40. The bulk billing incentive for a pap smear has a rebate of \$2.85 for an in-hospital (IH) test and \$3.20 for an out-of-hospital (OOH) test.

The table below provides an overview of the current MBS rebate, inclusive of the bulk-billing incentive.

Description	MBS item	MBS fee	75% rebate (In Hospital)	85% rebate (Out Of Hospital)
Cytology item (pap smear)	73053-73057	\$19.45	\$14.60	\$16.55
Patient Episode Initiation	73922	\$8.20	\$6.15	\$7.00
Bulk billing (BB) incentive pathology	74993	\$3.75	\$2.85	\$3.20
Total benefit to pathology provider BB service			\$23.60	\$26.75