

**Senate Community Affairs Committee**

**ANSWERS TO ESTIMATES QUESTIONS ON NOTICE**

**HEALTH PORTFOLIO**

**Additional Estimates 2016 - 2017, 1 March 2017**

**Ref No:** SQ17-000010

**OUTCOME:** 4 - Individual Health Benefits

**Topic:** Private Health Insurance Banding

**Type of Question:** Hansard Page 25, 1 March 2017

**Senator:** Watt, Murray

**Question:**

Senator WATT: Were the changes to the private health insurance banding run past peak clinicians who were involved in the initial MBS review of the items?

Ms Jolly: That would not normally be the case but, again, I will take that on notice for the process that happened in that situation. Normally the clinicians that are involved in the original review would not necessarily be involved in the full implementation of the item as it works its way through.

Senator WATT: Is anyone else at the table aware of the answer to that?

Ms Jolly: We can take that on notice and get you that information.

Senator WATT: Just to be clear, what I am looking to find out is whether the MBS review working group was consulted on the banding changes as part of the review.

Ms Jolly: Yes, I understand that.

**Answer:**

**Skin Services Review**

Through the Medical Services Advisory Committee (MSAC) the Department commenced the Review of Skin Services (the Review) in early 2012.

The Review included input from a working group composed of members from key stakeholder organisations including the Australian Medical Association (AMA), the Australian Society of Plastic Surgeons (ASPS), the Australasian College of Dermatologists (ACD) and the Royal Australian College of General Practitioners (RACGP).

During the course of the Review, members were able to express views and suggestions about any Medicare Benefits Schedule (MBS) funding or other related issues.

**Skin services MBS changes**

The changes to skin services in the MBS were announced in the 2016 Budget as a result of the Review and came into effect on 1 November 2016.

As part of normal processes the Department formally notified the relevant peak bodies and craft groups after Budget of the relevant changes to MBS items so they could inform their membership.

### **MBS Review**

The Dermatology, Allergy and Immunology Clinical Committee of the MBS Review did not review the skin cancer excision items that had been reviewed in 2012 and which resulted in changes to the MBS implemented on 1 November 2016. They did review a small number of skin lesion items that had not been previously reviewed. Their report is expected to be released for public consultation during April 2017.

### **Private health insurance accommodation classification**

Each time there are changes to MBS items or addition of new items, the Department of Health's medical advisors consider and advise on the appropriate classification of items in the *Private Health Insurance (Benefit Requirements) Rules 2011* (the Rules). The Rules set out accommodation and theatre charges for procedures requiring hospitalisation. No external clinicians are involved in the classification of MBS items in the Rules.

As part of normal processes the Department also published the private health insurance changes associated with the 1 November 2016 MBS item changes on the Department of Health website in private health insurance circular PHI84/16 on 31 October 2016.

The circular is available at:

<http://www.health.gov.au/internet/main/publishing.nsf/Content/health-phicircular2016-84>

### **The National Procedure Banding Committee (NPBC)**

In the Additional Estimates hearing on 1 March 2017 the term 'banding' was referred to. Banding is a process undertaken by the NPBC which is external to Government and is comprised of private hospital and private health insurer representatives. The NPBC provides a relative grouping structure (ie 'banding') for MBS items for medical procedures to enable negotiations of theatre and accommodation benefits by insurers and private hospitals.

This process occurs after the Department's classification of the MBS items in the Rules.