

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH PORTFOLIO

Supplementary Budget Estimates 2015 - 2016, 21 October 2015

Ref No: SQ15-000697

OUTCOME: 3 - Access to Medical and Dental Services

Topic: Pathology and Diagnostic Imaging

Type of Question: Written Question on Notice

Senator: Williams, John

Question:

- a) Is it correct that once a CT machine reaches 10 years old and is used in a city practice, it only attracts half the Medicare rebate?
- b) Is it correct that the same CT machine that is 10 years old or older can be sold or transferred to a regional practice and attract the full Medicare rebate?
- c) Is it correct that a machine that is at least ten years old emits five times the amount of radiation?
- d) If the Department's Regulatory Impact Statement is all about quality, why is a ten years old machine allowed to be sent to regional areas when its efficiency is obviously not regarded as highly in a city area?

Answer:

- a) Not necessarily.

This question relates to capital sensitivity for diagnostic imaging equipment provided for in the *Health Insurance (Diagnostic Imaging Services Table) Regulations*. Capital sensitivity encourages improved quality of diagnostic imaging services by providing a higher rate of reimbursement for Medicare services performed on newer and upgraded equipment.

Under capital sensitivity, if a metropolitan practice has upgraded its computed tomography (CT) equipment (i.e. software and hardware enhancements), it can continue to claim the full Medicare rebate for services performed using that equipment until it reaches 15 years old. This upgrade must occur before the equipment reaches 10 years old. Services performed using that CT equipment would only attract a reduced rebate if the practice has not upgraded its CT equipment before it reaches 10 years old.

- b) Not necessarily.

Exemptions from the capital sensitivity measure are available for some practices in inner regional areas (as defined by the Australian Standard Geographical Classification (ASGC), where the practice location was previously defined as RRMA4 or RRMA5

under the Rural, Remote and Metropolitan Area (RRMA) classification system). To grant an exemption for equipment operating in these regional practices, the Department of Health must be satisfied that:

- the diagnostic imaging equipment does not exceed the maximum extended life age by three years or more (18 years for CT equipment);
- the equipment is operated on a rare and sporadic basis; and
- the equipment provides crucial patient access to diagnostic imaging services.

CT equipment would only be eligible for an exemption from capital sensitivity based solely on location if the practice is operating in outer regional, remote, or very remote areas (as defined by the ASGC).

Practices with capital sensitivity exemptions are still required to meet the Diagnostic Imaging Accreditation Standards (DIAS) as well as state and territory radiation safety requirements.

c) No.

It is not straightforward to quantify a dose difference between scanners like "five times higher". Each scan is different (e.g. for the head or the chest) and the dose is dependent on the protocol used and also the size of the patient. Any comparison between technologies would result in a difference that is a range, and this would be almost impossible to do given all the dose reduction technologies that are available and that most are optional. There are too many variables.

In the last 10 to 15 years there have been significant advances in CT technology with many new features for dose reduction. However, newer scanners also have the capability of being higher dose as the detector coverage becomes wider and the scanners are more powerful.

The key reason for dose reduction is the availability of iterative reconstruction software on the newer systems. There are reconstruction software algorithms available on some of the most high end (i.e. expensive) new CT machines that may allow some further dose reduction but these are not yet widely available or affordable for most sites (either metro or regional).

With a multi-disciplinary team including the radiographer, physicist and radiologist, CT scanners can be well optimised to produce very low dose and diagnostic quality images. Newer dose reduction features have the capability to provide significantly lower doses, but must be used and implemented correctly. This is an ongoing process and without active optimisation by the professional team, doses may vary substantially. The Quality Use of Diagnostic Imaging project by the Royal Australian and New Zealand College of Radiologists and surveys by the Australian Radiation Protection and Nuclear Safety Agency demonstrate that there is still wide variation in practice in Australia, despite new technology.

d) Age of equipment is not the only factor in determining a quality diagnostic imaging service.

The Government's objective is to ensure that Medicare benefits are claimed and paid for diagnostic imaging services that are provided by appropriately qualified professionals, who have the training, knowledge, experience required to provide quality outcomes for patients and that patients receive services that are clinically appropriate, safe and beneficial.

In providing Medicare-funded diagnostic imaging services, the Government not only considers the quality of the service, but also ensuring that they are accessible.

The approach to capital sensitivity, including its exemptions, was developed in consultation with stakeholders who provided advice about and supported these exemptions.

The Regulation Impact Statement '*Improving the quality and safety of Medicare funded diagnostic imaging services through the enhancement of regulatory and accreditation requirements*' has been developed to explore options for enhancing the quality of Medicare-funded diagnostic imaging services and address a number of problems identified by the diagnostic imaging sector.

While the Consultation Regulation Impact Statement does not propose any changes to capital sensitivity, submissions received as part of a public consultation process have identified capital sensitivity as an area for potential consideration.

As a consultation tool, the Department of Health intends to revise the Regulation Impact Statement drawing on the consultation feedback, including any impact on access, particularly in rural and remote areas. It is then intended that the Regulation Impact Statement will be subject to further consultation before any decisions for change are considered by Government.