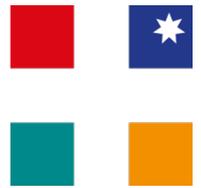


Australian
Private Hospitals
Association



MBS Review: Report from the Plastic and Reconstructive Surgery Clinical Committee 2018

8 March 2019

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Introduction

The Australian Private Hospitals Association (APHA) is appreciative of the opportunity to make a submission to the Medicare Benefits Schedule (MBS) Review in response to the recommendations in the report from the Plastic and Reconstructive Surgery Clinical Committee.

In this response, the APHA has focused on issues that could arise for private hospitals if these recommendations were adopted. Some of these issues lie outside the scope of the terms of reference for the MBS Review, for example they pertain to potential implications for the regulations governing private health insurance.

The Private Health Insurance (Benefit Requirements) Rules 2011 (Compilation No. 54, as of [1 January 2019](#): “the Rules”) make detailed reference to relevant MBS items, and it is therefore essential to consider whether recommendations from the MBS Review will give rise to the need for changes to private health insurance regulation.

The issues in this submission are raised with the intention of informing implementation of the proposed recommendations should they be adopted by the Australian Government.

The APHA also advocates there should be sufficient time allocated by the Department of Health for the implementation of the flow-on changes when changes are made to the MBS, such as the Rules (above) and the National Procedure Banding Committee processes, especially when there are changes to a large number of MBS items simultaneously.

In making these comments, APHA remains fully supportive of the objectives of the MBS Review and recommendations intended to promote sound, evidence-based clinical practice.

The APHA is largely supportive of the recommendations made in these reports and will therefore not address all recommendations separately. Below are the APHA comments for a select number of recommendations.

Overall comments

The APHA respects the Plastic and Reconstructive Surgery Clinical Committee has made recommendations to better reflect the clinical service provided and promote best clinical practice. However, some of these recommendations will create cost pressures in the private sector making them difficult for private hospitals to implement as they will not be reflected in current contracts between hospitals and insurers. Recommendations of specific concern to hospitals are outlined below:

- Recommendations to merge existing MBS items (recommendations 5, 9, 13, 20, 44, 50, 54, 57 and 59); and
- Recommendations to amend existing item descriptors which potentially increase the complexity of the procedure (recommendations 4, 5, 9, 15, 39, 49, 53, 55, 57 and 58).

It is the view of the APHA that if the recommendations listed above are accepted by the Australian Government, they should be deferred to allow the industry adequate lead time to negotiate the necessary contract changes.

To minimise the amount of feedback provided, this document does not provide specific comment on the appropriate classification under the Rules for MBS items proposed to be combined into one item where all the items being combined have the same classification under the Rules. It is assumed current classification remains appropriate and will be retained.

Reforms to private health insurance (PHI)

As a result of Government reforms, commencing 1 April 2019, private health insurance hospital products will be classified as gold, silver, bronze or basic. Existing MBS items will need to be mapped to these new classifications and clinical definitions in order to ensure the Reforms are workable.

Any changes to MBS items arising from the MBS Review, including this Committee's recommendations, will also need to be mapped against the new hospital product classifications and clinical definitions.

Stakeholder education

The Committee has recommended a number of significant changes to the MBS Schedule with entire sections being removed and/or replaced and many items being deleted, as they are not considered to represent current best clinical practice. Some items are also associated with the introduction of rules around the use of the MBS items.

A lack of clinician familiarity with the changes could impact on the smooth operation of hospitals. Consequently, the APHA recommends implementation be preceded by the provision of information and education to clinicians about the changes as well as careful mapping between old and new items to ensure a seamless transition to the new MBS items.

Increased evidentiary requirements

The APHA notes recommendations 4, 25 and 45 propose to amend several MBS items to require photographic evidence be included in the patient's notes to substantiate the clinical necessity of the procedure. Similarly, recommendation 51 proposes to amend an MBS item to require radiological and laboratory evidence of osteomyelitis.

Whilst the APHA appreciates the necessity to review and audit certain aspects of the MBS, the Department of Health should remain mindful of administrative and storage burdens these kinds of requirements place on clinicians and private hospitals. The APHA is concerned these requirements must not lead to more complex certification processes than those already required under the Rules.

Broader policy issues raised by the Committee

The APHA notes the policy issues raised by the Committee in relation to ensuring skin excision items are appropriately remunerated and that options on supporting the cost-efficient use of skin cancer services by general practitioners and surgeons in their rooms be explored.

The APHA supports these measures as they are consistent with ensuring patient-centred healthcare delivery and adequate incentives are in place to support best patient care.

General/ skin item recommendations

Recommendation 5: This recommendation proposes to combine MBS item 41215 with 45209 and item 45218 with item 45212 for direct flap repair.

The Rules classify item 41215 as a Type A advanced surgical patient procedure and item 45209 as a Type A surgical patient procedure. Consequently, the resultant MBS item should be classified as a Type A advanced surgical patient procedure to ensure the complexity of the procedure associated with MBS item 41215 is not lost as a result of the merger.

Further, the Rules classify item 45218 as a Type A surgical patient procedure and item 45212 is not classified. Consequently, the resultant MBS item should be classified as a Type A surgical item to ensure the complexity of the procedure associated with MBS item 45218 is not lost as a result of the merger.

Recommendation 9: This recommendation proposes to combine six MBS items into two MBS items for free grafting split skin. Five of these items are currently classified as Type A surgical patient procedures in the Rules and one item (MBS item 45400) does not appear to be classified.

Consequently, the resultant MBS items should both be classified as Type A surgical items to ensure the complexity of the procedures associated with all the items except item 45400 are not lost as a result of the merger.

Recommendation 10: This recommendation proposes to create two additional MBS items for microvascular procedures.

Proposed item 4550X, should be classified as a Type A advanced surgical patient procedure under the Rules as this is consistent with the classification of the comparator (MBS item 45500).

Similarly, the proposed new item for single surgeon free tissue transfer for the repair of major tissue defects should be classified as a Type A advanced surgical patient procedure under the Rules. This would be consistent with the classification of the comparators (MBS items 45564 and 45565).

Recommendation 13: This recommendation proposes to combine MBS items 45569 and 45570 for closure of abdomen.

These items are classified differently under the Rules with item 45569 being classified as a Type A surgical patient procedure and item 45570 being classified as a Type A advanced surgical patient procedure. Consequently, the resultant MBS item should be classified as a Type A advanced surgical patient procedure to ensure the complexity of item 45570 is not lost as a result of the merger.

Recommendation 18: This recommendation proposes to create two additional MBS items for lipoma or other subcutaneous tumours or cysts.

The proposed item for removal of a single lipoma, should be classified as a Type C procedure under the Rules, as this is consistent with the classification of the comparator (MBS item 31220).

The proposed item for large and difficult lipomas, there is no current direct comparator available, and the APHA recommends the classification under the Rules be subject to consultation and reserves its view on the classification of this item.

Recommendation 19: This recommendation proposes to introduce several new MBS items for very extensive skin cancers. There are no current direct comparator available for these items. The APHA recommends the classification under the Rules be subject to consultation and reserves its view on the classification of these items.

Breast cancer surgery and reconstruction recommendations

Recommendation 21: This recommendation proposes to introduce a new MBS item for sentinel lymph node biopsy (internal mammary chain). This this new MBS item should be classified as a Type A surgical patient procedure under the Rules as this is consistent with the classification of the comparator (MBS item 30300).

Recommendation 24: This recommendation proposes to introduce two new MBS items for oncoplastic breast surgery. There is no current direct comparator available for these items. The APHA recommends the classification under the Rules be subject to consultation and reserves its view on the classification of these items.

Recommendation 25: This recommendation proposes to introduce a new MBS item for bilateral mastectomy. The classification of this item under the Rules should be a Type A advanced surgical patient procedure, as this is consistent with the classification of the MBS comparator (MBS Item 31519).

Recommendation 26: This recommendation proposes to introduce four new MBS items for nipple and skin sparing mastectomies. There is no current direct comparator available for these items. The APHA recommends the classification under the Rules be subject to consultation and reserves its view on the classification of these items.

Recommendation 29: This recommendation proposes to introduce three new MBS items for breast reconstruction using prostheses.

Items 45527A and 45539A should be classified as Type A advanced surgical patient procedures under the Rules for consistency with the MBS comparators (items 45527 and 45539 respectively).

Item 45542A should be classified as a Type A surgical patient procedure as this is consistent with the MBS comparator (item 45542).

Recommendation 30: This recommendation proposes to introduce four new MBS items for breast reconstruction using autologous flaps. Items 45530A, 45533A and 45533B should be classified as Type A advanced surgical patient procedures under the Rules as this is consistent with the MBS comparators (items 45530 and 45533 respectively).

The new proposed MBS item for revision of post-mastectomy breast reconstruction procedures does not have a current direct comparator available. The APHA recommends consultation be undertaken to determine the appropriate classification under the Rules. The APHA reserves its view on the classification of this item.

Recommendation 31: This recommendation proposes to introduce six new MBS items for microsurgical breast reconstruction.

The two new proposed items for unilateral and bilateral post-mastectomy breast reconstruction, autologous, single surgeon, should be classified as Type A advanced surgical patient procedures under the Rules as this is consistent with the MBS comparator (item 45564).

The four new items for post-mastectomy breast reconstruction conjoint surgery, unilateral and bilateral, for principal surgeon and for conjoint surgeon, should be classified as Type A advanced surgical patient procedures under the Rules as this is consistent with the MBS comparators (items 45564 and 45565 respectively).

Recommendation 33: This recommendation proposes to introduce two new MBS items for lower pole coverage. There is no current direct comparator available for these items. The APHA recommends consultation be undertaken to determine the appropriate classification under the Rules and reserves its view on the classification of these items.

Recommendation 34: This recommendation proposes to introduce a new MBS item for autologous fat grafting. There is no current direct comparator available for these items. The APHA recommends consultation be undertaken to determine the appropriate classification under the Rules and reserves its view on the classification of this item.

Burns recommendations

Recommendations 35 and 36: These recommendations propose to introduce new MBS items for dressing of burns. There is no current direct comparator available for these items. The APHA recommends the classification under the Rules be subject to consultation and reserves its view on the classification of these items.

Recommendation 37: This recommendation proposes to restructure the burns excision and closure items of the MBS Schedule, introduces many new MBS items and rules for the use of these items. There is no current direct comparator available for these items. The APHA recommends the classification under the Rules be subject to consultation and reserves its view on the classification of these items.

This significant restructure of the section and associated usage rules may require education of clinicians as well as careful mapping between old and new items to ensure a seamless transition to the new MBS items for hospitals.

Recommendation 38: This recommendation proposes to introduce three new MBS items for burns contracture. There is no current direct comparator available for these items. The APHA recommends the classification under the Rules be subject to consultation and reserves its view on the classification of these items.

Cranio-maxillofacial/ oral and maxillofacial surgery recommendations

Recommendation 44: This recommendation proposes to combine twelve MBS items into nine MBS items for mandible or maxilla osteotomy. The classification of the resultant nine MBS items under the Rules should ensure the complexity of the procedures being combined is not lost. As it is not entirely clear which items are being combined, the APHA is unable to recommend a possible classification under the Rules. The Department of Health might need to consult further on the classification of the restructured items.

Recommendation 50: This recommendation proposes to combine three MBS items into one MBS item for jaw tumours and cysts. Two of these items are classified as Type C procedures under the Rules, whereas the remaining item is currently classified as a Type A surgical patient procedure. The combined MBS item should be classified as a Type A surgical patient procedure to ensure the complexity of the procedures being combined is not lost as a result of the merger.

Recommendation 55: This recommendation proposes to introduce a new MBS item for temporomandibular joint replacement. There is no current direct comparator available for these items. The APHA recommends the classification under the Rules be subject to consultation and reserves its view on the classification of this item.

Paediatric item recommendations

Recommendation 59: This recommendation proposes to combine a number of items for angioma and arteriovenous malformation.

In relation to combining items 45033 and 45042, The Rules classify item 40533 as a Type B non-band specific procedure and item 45042 as a Type A surgical patient procedure. Consequently, the APHA recommends the resultant MBS item be classified as a Type A surgical item to ensure that the complexity of the procedure associated with MBS item 45042 is not lost as a result of the merger.

Private hospitals in Australia

The private hospital sector makes a significant contribution to health care in Australia, providing a large number of services and taking the pressure off the already stretched public hospital system.

According to the most recent data available, the private hospital sector treats:

- 4.4 million separations a year.

In 2016–17, it delivered:

- More than a third of chemotherapy
- 60% of all surgery
- 79% of rehabilitation
- 73% of eye procedures
- Almost half of all heart procedures
- 73% of procedures on the brain, spine and nerves.

Australian private hospitals by numbers:

- Half (49%) of Australian hospitals are private
- 657 private hospitals made up of:
 - 300 overnight hospitals
 - 357 day hospitals
- 34,339 beds and chairs
 - 31,029 in overnight hospitals
 - 3,310 in day surgeries
- 69,299 full-time equivalent staff (AIHW 2018, ABS 2018).

The Australian Private Hospitals Association

The APHA is the peak industry body representing the private hospital and day surgery sector. About 70% of overnight hospitals and half of all day surgeries in Australia are APHA members.