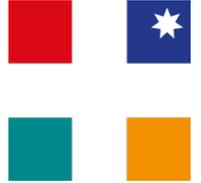


Australian
Private Hospitals
Association



MBS Review: Report from the Thoracic Surgery Clinical Committee 2018

12 April 2019

Australian Private Hospitals Association ABN 82 008 623 809

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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 Thoracic 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. 55, as of 1 February 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.

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.

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.

Overall comments

The APHA respects the Thoracic 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 to implement as they will not be reflected in current contracts between private hospitals and insurers. This applies, in particular, to recommendations 4, 5, 7 and 10 which amend existing item descriptors to potentially increase the complexity of the procedure.

It is the view of the APHA that if these recommendations are accepted by the Australian Government, they should be implemented in a manner allowing 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 that the 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 Clinical Committee has recommended restructuring the thoracic surgery MBS items into anatomical categories and introducing sequential numbering.

A lack of clinician familiarity with the changes could affect the implementation of the new MBS items and operation of private hospitals. Consequently, information and education to clinicians about the changes, as well as careful mapping between old and new items need to be provided prior to implementation to ensure a seamless transition to the new MBS items.

New thoracic MBS items recommendations

Recommendation 3: The APHA notes the recommendation proposes to introduce 9 new MBS items.

Where adopted by the Australian Government, new MBS items should be added to the Rules where appropriate. In this instance, the APHA recommends consultation on the appropriate classification under the Rules be undertaken by the Department of Health. The APHA reserves its view on the classification of these items.

Specific anatomical category recommendations

Recommendation 5: The APHA notes the recommendation includes a proposal to introduce two new MBS items.

In relation to the proposed item for multiple wedge lung resection, the APHA recommends classification as a Type A advanced surgical patient under the Rules, consistent with the classification for the existing MBS wedge resection item (item 38440).

In relation to the new item for segmentectomy, lobectomy, bilobectomy or pneumonectomy, the APHA recommends classification as a Type A advanced surgical patient under the Rules. This ensures the new item is classified consistently with the existing MBS item for lobectomy or pneumonectomy (item 38441).

Recommendation 6: The APHA notes the recommendation includes a proposal to introduce two new MBS items.

In relation to the proposed item for drainage of parapneumonic effusion and empyema, the APHA recommends consultation on the appropriate classification under the Rules be undertaken by the Department of Health. The APHA reserves its view on the classification of this item.

In relation to the new MBS item for radical treatment of mesothelioma, the APHA recommends classification as Type A advanced surgical patient under the Rules. This would ensure the new item is classified consistently with MBS items 38441 and 38456, the items currently being used to claim for radical treatment of advanced mesothelioma.

Recommendation 8: The APHA notes the recommendation includes a proposal to introduce two new MBS items. The APHA recommends consultation on the appropriate classification under the Rules be undertaken by the Department of Health. The APHA reserves its view on the classification of these items.

Recommendation 9: The APHA notes the recommendation includes a proposal to introduce three new MBS items.

In relation to the two new chest wall resection items, the APHA recommends classification as Type A advanced surgical patient under the Rules, consistent with the classification for the comparator, MBS item 38456.

In relation to the new item for plating of multiple ribs, the APHA recommends consultation on the appropriate classification under the Rules be undertaken by the Department of Health. The APHA reserves its view on the classification of this item.

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.