

Health Insurance (Pathology Services Table) Amendment Regulations 2001 (No. 3) 2001 No. 158

EXPLANATORY STATEMENT

STATUTORY RULES 2001 No. 158

Issued by the Authority of the Minister for Health and Aged Care

Health Insurance Act 1973

Health Insurance (Pathology Services Table) Amendment Regulations 2001 (No. 3)

Section 133 of the *Health Insurance Act 1973* (the Act) provides that the Governor-General may make Regulations prescribing matters for the purpose of the Act.

The Act provides for the payment of professional services through Medicare benefits to all eligible persons.

Section 9 of the Act provides that Medicare benefits shall be calculated by reference to the fees for medical services (including pathology services).

Section 4A of the Act provides that a table of pathology services may be prescribed. The *Health Insurance (Pathology Services Table) Regulations 2000*, which commenced on 1 November 2000, prescribe such a table.

The Regulations implement a number of fee adjustments for selected Medicare items to enable expenditure targets under the Pathology Quality and Outlays Agreement to be met. The growth trend in outlays for the second year of the agreement has risen to around 7.0%, considerably higher than the growth rate of 5.0% allowed. Under the terms of the agreement with the pathology industry, any overexpenditure can be brought back into line through Medicare item fee targeting.

Forty pathology items were targeted for a fee adjustment, of which thirty-eight received a decrease and two an increase. The items are high volume common tests including General Chemistries, Ferritin, Iron studies, B12, Folate, TSH and Immunoglobulins. The two highest complexity Histopathology items had modest fee increases. Five of the Patient Episode Initiation (Specimen collection) items have had a fee decrease. The overall effect is anticipated to result in a decrease in Pathology Medicare expenditure equivalent to 1.05% of total 1999/2000 expenditure (\$11.7m).

The changes incorporated in the table have been developed in cooperation with the two peak pathology professional bodies, the Royal College of Pathologists of Australasia and the Australian Association of Pathology Practices, through the Pathology Consultative Committee (PCC).

Details of the Regulations are set out in the attachment.

The Regulations commenced on 1 July 2001.

ATTACHMENT

Regulation 1 cites the Regulations as the *Health Insurance (Pathology Services Table) Amendment Regulations 2001 (No.3)*.

Regulation 2 prescribes a commencement date of 1 July 2001.

Regulation 3 provides for the *Health Insurance (Pathology Services Table) Regulations 2000* to be amended as set out in Schedule 1.

The changes under Regulation 3, Schedule 1 are:

Medicare Item Number Amended Fee Benefit: 75% Benefit: 85%

| | | | |
|-------|--------|--------|--------|
| 66500 | 9.45 | 7.10 | 8.05 |
| 66503 | 11.40 | 8.55 | 9.70 |
| 66506 | 13.35 | 10.05 | 11.35 |
| 66509 | 15.30 | 11.50 | 13.05 |
| 66512 | 17.25 | 12.95 | 14.70 |
| 66524 | 13.35 | 10.05 | 11.35 |
| 66527 | 15.30 | 11.50 | 13.05 |
| 66530 | 17.25 | 12.95 | 14.70 |
| 66533 | 19.20 | 14.40 | 16.35 |
| 66536 | 10.90 | 8.20 | 9.30 |
| 66593 | 17.80 | 13.35 | 15.15 |
| 66596 | 32.10 | 24.10 | 27.30 |
| 66599 | 23.35 | 17.55 | 19.85 |
| 66602 | 42.45 | 31.85 | 36.10 |
| 66695 | 29.80 | 22.35 | 25.35 |
| 66698 | 42.50 | 31.90 | 36.15 |
| 66701 | 55.50 | 41.65 | 47.20 |
| 66704 | 68.50 | 51.40 | 58.25 |
| 66707 | 81.50 | 61.15 | 69.30 |
| 66710 | 94.50 | 70.90 | 80.35 |
| 66716 | 24.70 | 18.55 | 21.00 |
| 66719 | 34.40 | 25.80 | 29.25 |
| 66722 | 37.40 | 28.05 | 31.80 |
| 66725 | 50A0 | 37.80 | 42.85 |
| 66728 | 63 A0 | 47.55 | 53.90 |
| 66731 | 76.40 | 57.30 | 64.95 |
| 66734 | 89.40 | 67.05 | 76.00 |
| 71067 | 14.35 | 10.80 | 12.20 |
| 71069 | 22.45 | 16.85 | 19.10 |
| 71071 | 30.55 | 22.95 | 26.00 |
| 71075 | 22.70 | 17.05 | 19.30 |
| 71097 | 24.10 | 18.10 | 20.50 |
| 72830 | 165.00 | 123.75 | 140.25 |
| 72836 | 205.00 | 153.75 | 174.25 |
| 73907 | 16.90 | 12.70 | 14.40 |
| 73910 | 10.00 | 7.50 | 8.50 |
| 73913 | 9.50 | 7.15 | 8.10 |
| 73915 | 9.50 | 7.15 | 8.10 |
| 73921 | 10.00 | 7.50 | 8.50 |