

Health Insurance (Diagnostic Imaging Services Table) Amendment Regulations 2003 (No. 2) 2003 No. 98

EXPLANATORY STATEMENT

STATUTORY RULES 2003 No. 98

Issued by the Authority of the Minister for Health and Ageing

Health Insurance Act 1973

Health Insurance (Diagnostic Imaging Services Table) Amendment Regulations 2003 (No. 2)

Section 133 of the *Health Insurance Act 1973* (the Act) provides that the Governor-General may make regulations, not inconsistent with the Act, prescribing all matters required or permitted by the Act to be prescribed, or necessary or convenient to be prescribed for carrying out or giving effect to the Act.

Section 10 of the Act provides for payments of Medicare benefits in respect of professional services rendered to eligible persons.

Section 4AA of the Act provides that the table of diagnostic imaging services sets out: items of diagnostic imaging services; the amount of fees applicable in respect of each item; and the rules of interpretation of the table. The Health Insurance (Diagnostic Imaging Services Table) Regulations 2002 (the Principal Regulations) prescribe such a table.

Section 9 of the Act provides that Medicare benefits payable pursuant to section 10 of the Act shall be calculated by reference to the fees for medical services, including diagnostic imaging services, set out in the General Medical Services Table, the Pathology Services Table and the Diagnostic Imaging Services Table (the Table).

The purpose of the regulations is to make changes to the description of a diagnostic imaging service and also to amend the fees for certain cardiac imaging.

The description of the service described in item 55118 of the Table and the fee amendments have been determined following consultation with the relevant stakeholders in the current Diagnostic Imaging (DI) Agreement (due to expire on 30 June 2003), between the Commonwealth and the Royal Australian and New Zealand College of Radiologists (RANZCR) and the Australian Diagnostic Imaging Association (ADIA). The Cardiac Society of Australia and New Zealand (CSANZ) has also been consulted as it is a party to a separate proposed Cardiac Imaging Memorandum of Understanding (MoU) between the Commonwealth and CSANZ. The Cardiac Imaging MoU as well as a separate Radiology MoU with RANZCR and ADIA are expected to commence on 1 July 2003 for five years.

Details of the regulations are provided in the Attachment.

The regulations commence on 1 June 2003.

ATTACHMENT

Details of the Health Insurance (Diagnostic Imaging Services Table) Amendment Regulations 2003 (No. 2)

Regulation 1 provides that the name of the regulations will be the Health Insurance (Diagnostic Imaging Services Table) Amendment Regulations 2003 (No. 2).

Regulation 2 provides for the regulations to commence on 1 June 2003.

Regulation 3 provides that the Health Insurance (Diagnostic Imaging Services Table) Regulations 2002 will be amended by Schedule 1 of the Regulations.

The Health Insurance (Diagnostic Imaging Services Table) Regulations 2002, is to be amended in the following way:

Schedule 1, Part 3 - Services and fees

- Item 1 amends the description of the service in item 55118, paragraph (b).

The purpose of the amendment is to clarify the setting in which item 55118 is intended to be used and in particular that it is not an intra-operative service. It is also to prevent services claimed under item 55130 (intra-operative Transoesophageal Echocardiography) shifting to item 55118.

The Cardiac Society of Australia and New Zealand (CSANZ) have insisted on this restriction as part of negotiations for the new five year Cardiac Imaging Memorandum of Understanding between CSANZ and the Commonwealth which is expected to commence from 1 July 2003.

- Item 2 inserts new fees for the following cardiac imaging items-

55113, 55114, 55115, 55116, 55117, 55118, 59903, 59912, 59925, 59971, 59972, 59973, 60918 and 60927.

The purpose of the 5% fee cut for cardiac imaging items is twofold:

- Cardiac services will remain under the current Diagnostic Imaging (DI) Agreement until it expires on 30 June 2003. These services have contributed approximately \$53 million to the DI Agreement overspend. Implementing a 5% fee reduction effective from 1 June 2003 will provide some, limited, benefit to the current Diagnostic Imaging (DI) Agreement.
- The Cardiac Imaging Memorandum of Understanding (MoU) between the Commonwealth and the Cardiac Society of Australia and New Zealand (CSANZ) is expected to commence on 1 July 2003. Cardiac imaging is a high growth area and a fee reduction is necessary to contain expenditure in the early stages of the MoU. The longer-term aim is to address the issue of high expenditure growth through strategies directed at issues such as appropriate referral and quality provision of services.

The CSANZ have been consulted about a fee cut to cardiac imaging services. However, while they understand the rationale behind a fee cut, endorsement of this strategy has not been forthcoming. It is highly likely that some members of the cardiology profession will not react favourably to this change.