Health Insurance (1996-97 General Medical Services Table) Regulations (Amendment) 1997 No. 88

EXPLANATORY STATEMENT

Statutory Rules 1997 No. 88

Issued by authority of the Minister for Health and Family Services

Health Insurance Act 1973

Health Insurance (1996-97 General Medical Services Table) Regulations (Amendment)

The *Health Insurance Act* 1973 ('the Act') provides for payments by way of Medicare benefits, payments for hospital services and payments for matters concerning related committees and tribunals.

Section 133 of the Act provides that the Governor-General may make regulations for the purposes of the Act.

Section 4 of the Act provides that the regulations may prescribe a table of medical services (the table), (other than diagnostic imaging services and pathology services). The Health Insurance (General Medical Services Table) Regulations, Statutory Rules 1996 No. 230 currently prescribe such a table.

Section 9 of the Act provides that Medicare benefits shall be calculated by reference to the fees for medical services set out in the table.

The Regulations amend the current table of general medical services by introducing new services (e.g., Removal of tumours, cysts, ulcers or scars, procedures that were previously covered by the Medicare Benefits Advisory Committee and amending the descriptions and/or fees of other services). They also introduce two new rules of interpretation of the table to cover the derived fee for item 17503 and to provide an interpretation for "previous significant surgical complication" in item 51318 and amends rule 40 to reflect the item number change from 30161 to 31340.

Changes to the table resulted from ongoing reviews by the Medicare Benefits Consultative Committee designed to ensure that the table reflects current medical practice.

Details of the Regulations are set out in the Attachment.

The regulations came into effect on 1 May 1997.

ATTACHMENT

Details of the Regulations are as follows:

Regulation 1 provided for the Regulations to commence on 1 May 1997.

Regulation 2 provided that the General Medical Services Table be amended as set out in the Regulations.

Subregulation 3.1 amended amends rule 40 of the rules of interpretation to reflect an item number change from 30161 to 31340.

Subregulation 3.2 added a new rule 41 of the rules of interpretation to reflect the derived fee for item 17503 for assistance in the administration of an anaesthetic and adds a new rule 42 to reflect the clinical requirement associated with item 51318 for assistance at cataract surgery.

Subregulation 3.3 amended the description of items 160 to 164 to clarify the intent of the item by deleting the words "life saving emergency treatment (not being a treatment of a counselling nature)" and replacing them with the following "attendance on the patient".

Item 12533 amended and clarified the clinical requirement of the item description for the confirmation of Helicobactor pylori.

Items 14106-14118 amended the length and description of port wine stains and haemangiomas to include cafe-au-lait macules and naevi of Ota, other than melanocytic naevi (common moles).

Item 18016 added item 18242 to the description for the administration of an anaesthetic agent in connection with a regional or field nerve block.

Item 35593 deleted Item 35656 from the description as it is no longer clinically relevant and extends the item range as a consequence of the introduction of items 35750 and 35753 to exclude payment when both procedures are performed together.

Items 38253 amended the description by deleting the words "insertion or" and replacing them with "insertion, removal or" to cover either procedure.

Item 38259 amended the description by deleting the word "insertion" and replacing it with "insertion, removal or replacement" to clarify the procedure.

Item 38438 amended the description of segmentectomy to clarify its association with other Items.

Item 38470 amended the description to include the words "or sternotomy".

Item 42702 deleted the anaesthetic value of anaesthetic Item 17710 and replaces it with anaesthetic Item 17711 which has a combined anaesthetic unit value of 11 units.

Items 51300, 51303, 51800 and 51803, amended the threshold for the payment for an assistant at a surgical procedure from $331.30 to $410.00. This has been proposed as an across the board adjustment in fees for surgical assistants.

Item 52018 deleted the anaesthetic value of Item 17706 and replaces it with anaesthetic Item 17707 which has a combined unit value of 7 units.

Items 53215, 53218 and 53224 deleted the current fees and inserts the revised fees of $300, $480, and $710 respectively.

Subregulation 3.4 amended the items as set out in the Schedule to include amended anaesthetic units. The proposed anaesthetic values have been negotiated with the Australian Society of Anaesthetists (ASA) and the Australian Medical Association (AMA).

Subregulation 3.5 amended the column headed "Service" for each of the items listed in the Schedule to add the word "Assist" at the end of each item. The addition of the word "Assist" is based on a clinical requirement for a surgical assistant to be present during the procedure. The Department originally developed a fist of procedures which were unable to qualify for Medicare benefits for a surgical assistant. After further review by the Department and as a measure of good faith certain items have been reinstated to reflect a clinical requirement for an assistant surgeon.

Subregulation 3.6 amended the column headed "Service" for each of the items listed in the Schedule by deleting the word "Assist" at the end of each item. These items have been identified as not having a clinical requirement for a surgical assistant.

Subregulation 3.7 amended the description of Item 13760 to reflect the addition of clinical indicators as agreed with the Haematology Society of Australia.

Subregulation 3.8 of the Schedule introduced new items to cover the excision of tumours, cysts, ulcers or scars. The procedures now require the excised specimen to be sent for pathology to help deter abuse and encourage good medical practice.

Subregulation 3.9 of the Schedule deleted Item 17500. This item is replaced by Item 17503 which has a fee level based on an amount equal to 30% of the fee for the service at the treatment of the anaesthetist to whom the assistance was given.

Subregulation 3. 10 omitted Items previously describing procedures relating to the treatment of skin lesions. These items have been replaced by those referred to in subparagraph 3.8.

Subregulation 3.11 introduced new items into the Schedule. The new items proposed have been agreed with the AMA and relevant professional craft groups. The groups involved in discussions were: The Haematology Society of Australia, Australian Association of Anaesthetists, Australian and New Zealand Association of Oral and Maxillofacial Surgeons, Psychiatric Association of Australia and the Gastroentrological Society of Australia.

Items have been introduced and/or amended as a result of a review of the oral and maxillofacial part of the table. The review was undertaken to reflect modern medical practice and was agreed to by the Australian and New Zealand Association of Oral and Maxillofacial Surgeons.

With the repeal of Sections 11 and 12 of the Health Insurance Act effective 19 June 1997 it was also necessary to transfer existing Medicare Benefits Advisory Committee (MBAC) items into the table. Sections 11 and 12 provides for the MBAC to recommend to the Health Insurance Commission increased fees for services of "unusual length and complexity". The MBAC also has the power to recommend "principle" on which the HIC can base a payment of future cases of the same nature.

The repeal of Section 11 and 12 from 19 June 1997 is in line with the 1996 Budget initiative to fully apply the principle that Medicare fees are regarded as being reasonable, on average, for the service having regard to usual and reasonable variations in the time involved in performing the service on different occasions and to reasonable ranges of complexity and technical difficulty involved.

With the repeal of Sections 11 and 12, there are no provisions for the payment of Medicare benefits for services covered by the MBAC "principles".

The Department has undertaken an extensive review of the services covered by MBAC principles, in consultation with the AMA and recommended the inclusion of new items to reflect the need for benefits to be paid for services that were previously paid under the MBAC provisions.