ADIA australian diagnostic imaging association — Australian Diagnostic Imaging Association **Feature**

Frontline Investment in Diagnostic Imaging

Diagnostic imaging is a critical part of Australia's healthcare system. Every day tens of thousands of patients are diagnosed earlier and more accurately than ever before, resulting in faster and more effective treatment for an enormous range of medical conditions. This is why investment in diagnostic imaging at the front end of the patient journey is vital to ensuring better health outcomes for patients and savings for Government through reduced downstream health costs, writes Dr Chris Wriedt.

Contrary to general belief, technology is not the major cost in diagnostic imaging. The largest cost in providing a quality diagnostic imaging service is labour – primarily medical specialists (radiologists and nuclear medicine physicians) and allied health professionals (radiographers, sonographers and MRI technicians). It is important to remember that diagnostic imaging is a specialist medical service, just like cardiology and oncology etc., and most patients must be referred by their GP or specialist.

ADIA believes the decision not to proceed with the co-payment for diagnostic imaging was a wise one, as the co-payment coupled with the rebate cuts would have seen many patients face cost increases of hundreds of dollars, not the modest co-payment the Government wanted. However, the measure did spark a much needed debate about Medicare's long-term sustainability, principally the role of bulk billing and the barriers patients face when contributing to the cost of their diagnostic imaging.

In truth, diagnostic imaging funding has been very tightly constrained for many years. The Medicare Benefits Schedule has not kept pace with constant advances in technology because the Government has restricted access to essential diagnostic imaging services, particularly MRI. These funding constraints, as well as Medicare policies and systems, are currently inhibiting diagnostic imaging practices from delivering the best outcomes for patients and the Government.

These are complex issues but by working closely with the diagnostic imaging sector, the Government can implement appropriate policy and funding settings which will ensure the efficient use of tax dollars while making sure all patients who are referred for diagnostic imaging can access affordable, high quality services. Consider the following:

- Unlike almost all other Medicare services, diagnostic imaging rebates have not been indexed since 1998. This freeze is effectively a year-on-year cut to diagnostic imaging in real terms, and may result in diagnostic imaging becoming a commodity rather than a specialist medical service. This would be a devastating blow to the Australian healthcare system, resulting in limited access to radiologist advice and increasing government expenditure in the health sector. Current trends have resulted in rebates for common imaging procedures like a CT of the chest (to diagnose chest pain) falling by 35 per cent in real terms and an MRI of the head (used to diagnose brain tumours) falling by 46 per cent.

With the cost of providing these services continuing to rise, combined with the freeze on diagnostic imaging rebates, patient gaps are increasing. The average gap was $92 in 2013-14 and is growing at 6.6 per cent each year. This seriously impacts access to essential services and is of far greater concern to patients than the proposed $7 co-payment. Often it is the most clinically complex services which are needed by our sickest patients who consequently attract the highest gaps. This is forcing some patients to choose between financial hardship or foregoing/delaying essential diagnosis and treatment.

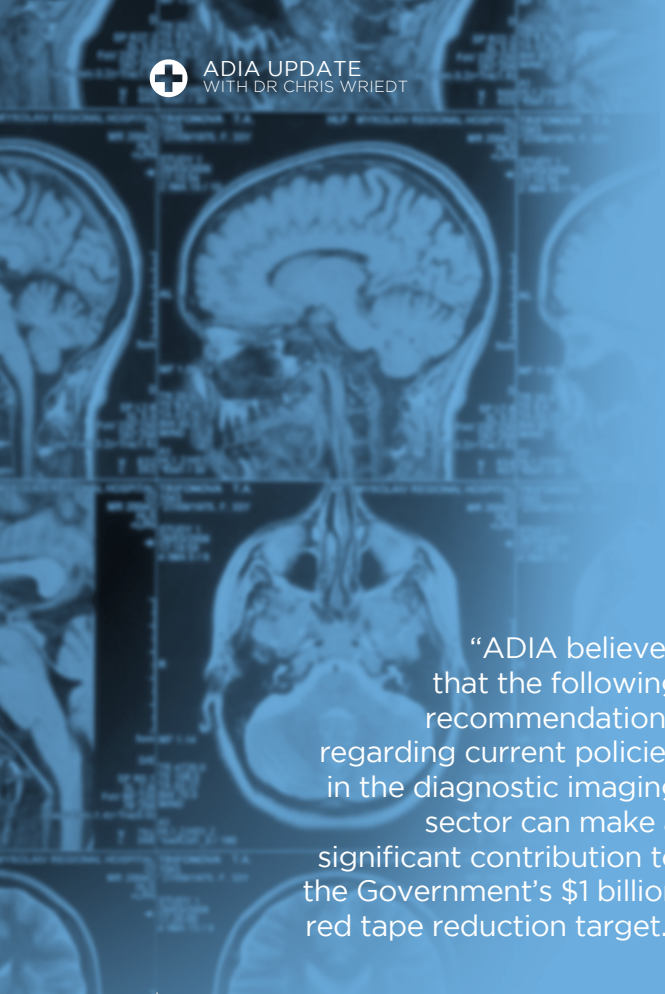
The current Medicare rules require diagnostic imaging patients - who are charged gaps of as little as $5 or $10 - to pay the full cost of the service and then claim the rebate from Medicare. This is a significant barrier for many patients because it requires them to access hundreds or even thousands of dollars at the time of service. It is important that this is addressed by enabling patients to pay a modest gap with the practice claiming the rebate directly. This is particularly important if the Government is not in a position to support ADIA's recommendation to recommence the indexation of diagnostic imaging rebates. →

"The Government needs to implement the ADIA and Royal Australian and New Zealand College of Radiologists-endorsed Quality Framework for Diagnostic Imaging so that referrers and patients can be confident that they are receiving quality diagnostic imaging."

Dr Christian Wriedt
President of the Australian Diagnostic Imaging Association

ADIA represents medical imaging practices throughout Australia, both in the community and in hospitals, and promotes ongoing development of quality practice standards so doctors and their patients can have certainty of quality, access and delivery of medical imaging services.

Visit our website **www.adia.asn.au**



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- The funding of public hospitals is fast becoming a chronic issue with regard to diagnostic imaging. Public hospitals are paid twice – through public hospital funding and Medicare rebates – to deliver Medicare-funded services to outpatients. This means doctors in public hospitals are being diverted from their core role of looking after inpatients. It also means Budget costs increase, with diagnostic imaging services delivered in public hospitals costing the taxpayer more than services provided by private practices.

  Following the Competition Policy Review, the Government has the opportunity to clarify the appropriate roles for the public and private sectors in delivering Medicare-funded diagnostic imaging to outpatients. If public hospitals maintain the ability to offer free bulk billed services in competition with private practices (which charge patient gaps) it is inevitable that many private practices will become unviable. The Government could also establish an effective competitive framework to support efficient provision of services by both the public and private sectors.

- Medicare regulations were designed to assure service quality by mandating appropriate examination practices. However these arrangements are not working properly because some providers are exploiting loopholes.

  The Government needs to implement the ADIA and Royal Australian and New Zealand College of Radiologists-endorsed Quality Framework for Diagnostic Imaging so that referrers and patients can be confident that they are receiving quality diagnostic imaging. This is a cost neutral proposal and includes minimum radiologist attendance requirements for CT services to address concerns about radiation risk; criteria for Diagnostic Ultrasound services to ensure that services are delivered by medical specialists who hold minimum qualifications and practices that meet minimum equipment standards; and increases to Diagnostic Ultrasound fees to improve fee relativities which would reduce patient gaps.

  The process of referral has become much more complex as imaging options have expanded, and the role of imaging has broadened into treatment. To deal with concerns about inappropriate referral (including in the Department of Health's Review of Funding for Diagnostic Imaging Services), radiologists need to take on an expanded clinical role, and become more active in providing clinical advice on the appropriate referral pathway.

  Current funding settings mean that our health system is not taking advantage of radiologists' expertise in the use of medical imaging because unlike other medical specialists, their ability to claim a consultation fee is very restricted. The Government should work with ADIA and the Royal Australian and New Zealand College of Radiologists to consider opportunities where paying a consultation fee to radiologists would increase the appropriateness of imaging, and deliver a saving to the Budget.

  To address concerns regarding inappropriate imaging, ADIA recommends that arm's length referral become a pillar of appropriate referral. Currently there are gaps in the prohibited practices legislation that permit referral when the referrer has a pecuniary interest in the service provided, and ADIA recommends that these gaps be addressed.

- Addressing inefficient, overly burdensome regulation for diagnostic imaging will result in significant productivity gains. For example, capital sensitivity rules impose more burden than is necessary to achieve the Government's objective that diagnostic imaging is performed on quality equipment. Practices deal with considerable red tape when upgrading equipment so that it remains eligible for a full diagnostic imaging rebate; as well as when applying for rural and remote exemptions. Red tape around registration of provider numbers for radiologists can mean it takes months for paperwork to be completed – a massive burden for practices.

Indeed, ADIA believes that the following recommendations regarding current policies in the diagnostic imaging sector can make a significant contribution to the Government's $1 billion red tape reduction target.

ADIA looks forward to collaborating with the Government to address barriers to achieving an efficient funding model for diagnostic imaging services. The issues are complex and many Australians are already struggling to access the diagnostic imaging services they need.

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