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A digestible approach to the revision of DI (Diagnostic Imaging) rebates and quality improvement

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Among the plethora of inter-connected government health reforms relating to “fee setting” for medical services, it is easy to lose track of where Medicare funding for diagnostic imaging services is heading.

I have been moved to write this by a recent message to RANZCR members by Dr Dinesh Varma which provided a good summary of the different government projects underway.

It is sensible for rebates to reflect costs, which is the basis of the new methodology for MBS fee setting. That “estimated service times and costs will be based on the typical time required for a competent, reasonably experienced, health professional to complete the service while operating in a reasonably efficient full-time practice” is trickier and opens up the risk that “efficiency” will be defined in terms of the funds available. The government funding “reform agendas” have a common aim – to find savings by funding medical services at an “efficient price”.

How does all this relate to diagnostic imaging?

Importantly, it seems there is no commitment within either the broader MBS reform program or the DI Reform Package for indexation or, in other words, an overall increase in funding. DoHA has made it very clear that all changes to DIST fees must be contained within the current funding envelope. This raises some interesting questions about the extent to which funding determined on the basis of evidence-based cost inputs can actually be accommodated within the funding envelope – especially since DI rebates have not been indexed for 14 years and yet government expenditure on DI is growing on average at 7% per annum.

Even if we can establish and agree an efficient price, if it is above what is already being paid it is unlikely to be funded. This is what occurred when the MBS Relative Values Study of the late 1990s, which was designed to do much the same thing as the current projects focused on MBS fee setting, was effectively shelved.

Moreover these Government health reforms are likely to take a very long time to complete and implement. Many things can happen in the interim – including a change in Government and changes in policy.

Therefore, while ADIA is engaged in the longer-term government reform programs, we also continue to promote and recommend immediate funding reform essential for preserving the viability of quality practices.

As radiologists in the private sector know, private sector DI is stagnating without indexation. The need to constantly cut costs to compete in a bulk billing environment is not sustainable. It is resulting in a division of radiologists along the lines of specialist practitioners versus mass reporters. This trend will continue while the funding model fails to recognise the value of clinical specialist input into DI services.

At a time when it is generally acknowledged that medical imaging has become absolutely pivotal to advances in medicine, private sector investment is declining and patients are likely to struggle to access many medical imaging service.

Our ongoing work with Department of Health & Ageing and preparation for the upcoming 2013 Federal Election provide opportunities to make headway in DI funding to ensure that Medicare fees for quality, clinically appropriate DI

procedures demanding investment in new technology and sub-specialist skills are indexed and appropriately funded. ADIA already has in train a number of projects through which we are seeking incremental gains to DI funding which don't involve a total overhaul of the current framework. We must not lose focus on the key point - there is a lack of overall funding for DI.

Given the College's critical role in representing us all as specialist medical practitioners (whether private, public, employees or owners), we will not succeed without its support. The scale of the MBS fee setting reforms reminds us that we are competing with other, sometimes more influential, craft groups for a larger slice of the Medicare pie. I believe that success lies in our ability to clarify the roles and strengths of ADIA and the College in representing our interests to Government and with a complimentary and unified approach.