

**30 November 2010**

## **Patients will suffer from severe underfunding** ***Access Economics' Report into State of Diagnostic Imaging***

Independent economic analysis from Access Economics on the cost of radiology services warns that, unless Government addresses the inadequacy of Medicare funding for diagnostic imaging, the accessibility of affordable, quality services for patients and the viability of the private radiology sector are at risk

A survey of 6.5 million services found that those providing bulk billing to patients lose an average of \$26 a service. This is despite the Government introducing in 2009 an incentive payment for bulk billed services. According to Access Economics, unless the Government steps in with increased funding and indexation for radiology services, the situation will only get worse.

Access Economics predicts that from next year the shortfall between the average rebate and the average cost of providing quality radiology services will be \$53 per service for non-bulk-billed services and \$40 per service for bulk-billed services.

According to Access Economics, there is a significant funding shortfall across the Diagnostic Imaging sector - up to \$820 million in 2011-12, jumping \$250 million from 2008-09.

The survey of radiology practices across Australia is the second such study by Access Economics and follows an initial mapping of diagnostic imaging in 2007. The investigation into Australia's growing gap between Medicare rebates and the cost of delivering quality diagnostic imaging services to patients will be shared with Government to demonstrate the need for increased funding and indexation.

"We believe patients have the right to accurate and early diagnosis of potentially treatable conditions regardless of where they live or what their socioeconomic backgrounds are," said Dr Ron Shnier, President of the Australian Diagnostic Imaging Association, the peak body representing radiology providers.

"Access Economics is right when it says that, at current rebate levels, bulk-billing is not viable for the great majority of diagnostic imaging practices," Dr Shnier said.

The report concludes that 'an appropriate policy framework for private diagnostic imaging services is currently lacking'. Access Economics observed that 'funding for diagnostic imaging services should be aligned with efficiency, quality, accessibility and affordability to the patient'. 'Without such a framework, the viability of the private DI sector in Australia is under threat,' they noted.

Dr Shnier called on the Government to intervene urgently to help patients continue to access quality diagnostic imaging.

"Early, accurate diagnosis saves lives. It saves the taxpayers money. It helps to deliver the Government's good health outcomes objectives. We look forward to working positively with the Government to ensure all patients get the diagnosis they need when they need it." ENDS

**To arrange an interview, and for a copy of the Access Economics summary report (also available at [www.adia.asn.au](http://www.adia.asn.au)), please contact:**

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