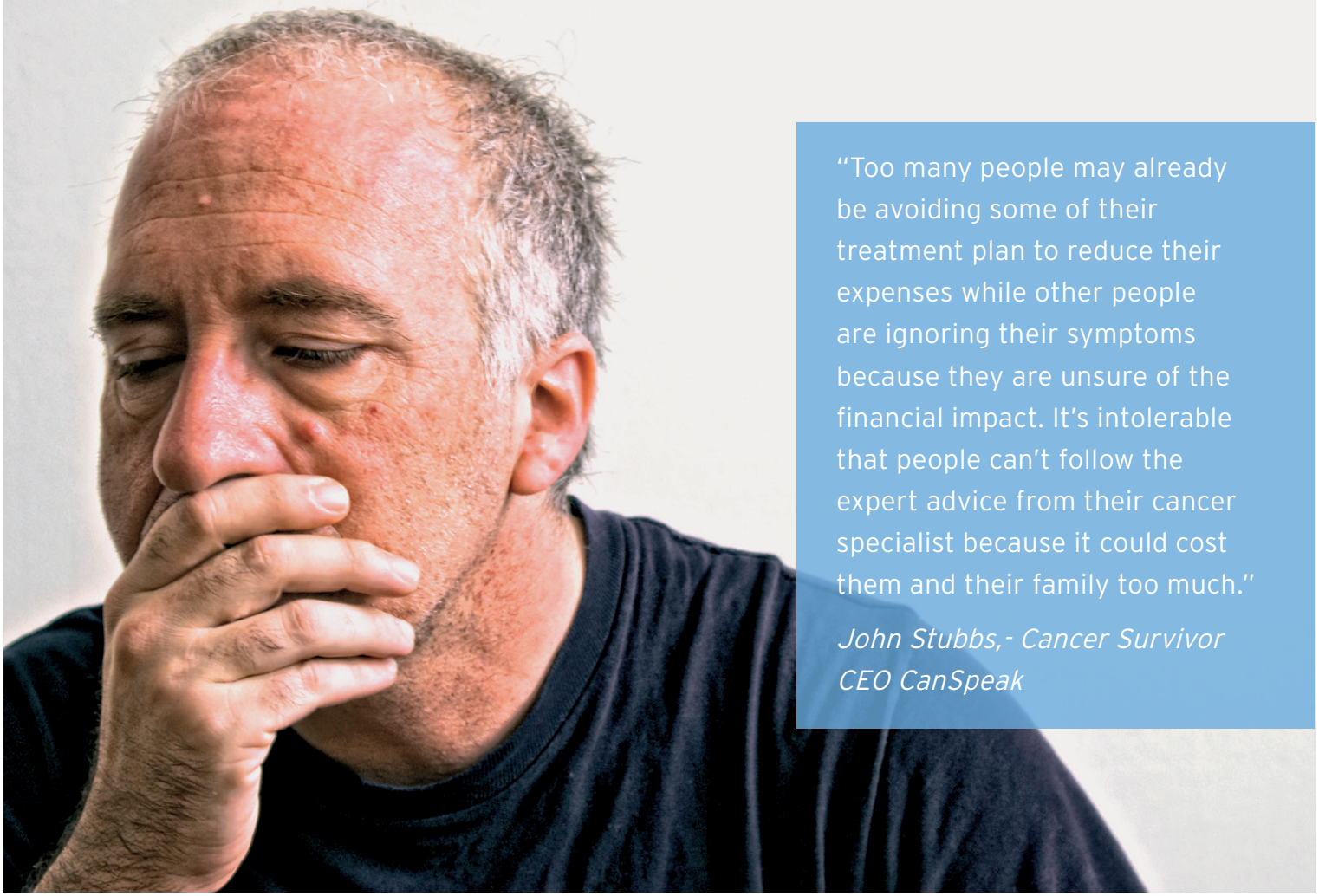
SAFEGUARDING PATIENTS

A TRANSITION PLAN FOR DIAGNOSTIC IMAGING: FROM BULK BILLING TO CO-PAYMENTS



"Too many people may already be avoiding some of their treatment plan to reduce their expenses while other people are ignoring their symptoms because they are unsure of the financial impact. It's intolerable that people can't follow the expert advice from their cancer specialist because it could cost them and their family too much."

John Stubbs,- Cancer Survivor
CEO CanSpeak

ADIA
australian diagnostic imaging association

DIAGNOSTIC IMAGING. TOO IMPORTANT TO BE TOO EXPENSIVE

THE PROPOSED CO-PAYMENT MEASURES

The co-payment measures outlined in the recent Budget for diagnostic imaging will translate into patients paying significantly higher upfront and out-of-pocket costs for specialist medical services such as x-rays, ultrasounds, CT scans, nuclear medicine studies and MRIs.

These costs will be so high that vulnerable patients will simply decide they can't afford to be diagnosed – particularly when they are referred for advanced diagnostic imaging studies as these attracted the biggest cuts (see table below) This will lead to conditions going undetected, causing significant implications for patients and our health care system.

The Australian Diagnostic Imaging Association (ADIA) respects the Government's decision to encourage more patients to make a modest contribution to the cost of their health care and encourages the Government to plan the transition more carefully in consultation with the sector.

ADIA does not support the rationale of a price signal for diagnostic imaging services – these are essential services for which patients are referred by their GP or specialist to aid in reaching a diagnosis.

Furthermore, the Government should not use savings from the bulk billing incentive changes and savings from scrapping the maximum gap safety net to establish the Medical Research Future Fund. Patients are already struggling to access quality diagnostic imaging services at an affordable cost due to the lack of indexation over the past 16 years – savings should be redirected to make advanced and higher cost diagnostic imaging services affordable for all patients – not just the wealthy.

BUDGET IMPACT ON GENERAL PATIENTS PREVIOUSLY BULK BILLED, WILL BE MOST SIGNIFICANT FOR HIGH COST ADVANCED SERVICES - THE BUDGET CUTS ARE MUCH MORE THAN $7.

	X-Ray	Ultrasound	CT	MRI	PET
Minimum gaps	$10	$16	$35	$65	$105
Minimum upfront payments	$45	$106	$280*	$403*	$949*

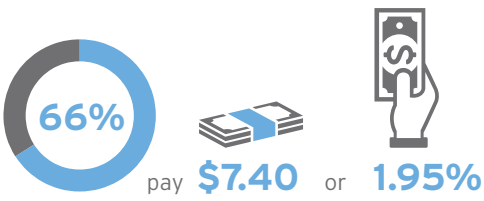
**Quality & Access is most at risk for services with Medicare fees greater than $200.*

THE HISTORICAL PERSPECTIVE

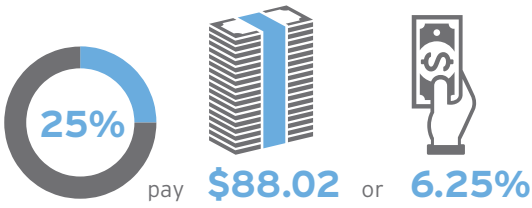
Over the past 30 years, the burden of contributing to diagnostic imaging costs in Australia has become inequitable.

In 1984, 66% of diagnostic imaging patients paid a modest average gap of $7.40, representing just 15% of the fee and 1.8% of the average weekly earnings (AWE).

Fast-forward to 2014, and only 25% of patients are paying a gap for diagnostic imaging services and the average is $88, representing 40% of the fee and 6% of AWE. Meanwhile 75% of patients are currently paying nothing and it is often the sickest patients – who need the most advanced services – who pay the highest gaps. The transition safeguards could address this inequity.



1984-85 66% of patients paid $7.40 or 1.95% AWE



2012-13 25% of patients paid $88.02 or 6.25% AWE

Independent research conducted by the University of Sydney found that from 2015, non-concession patients are likely to pay **more** than the proposed $7 co-payment for each service.

"The loss of bulk billing incentives for imaging and pathology services for general patients means that in order for these providers to retain the same income, patients would have to be charged more than $7. This can be a substantial amount of money in some cases. For example, for imaging services, the loss of the current bulk-billing incentive can represent a loss of $4.72 for a chest x-ray, $29.50 for a chest CT and $60.48 for a head MRI.

It is hard to estimate how much extra they would charge their patients, though it is likely to be more than the proposed $7 co-payment for each service."

Source: *Family Medicine Research Centre, the University of Sydney, Estimated impact of proposed GP, pathology, and imaging co-payments for Medicare services, and the increased PBS threshold (July 2014).*

CO-PAYMENT SAFEGUARDS

1 ONE CO-PAYMENT PER REFERRAL

The Government has proposed a single co-payment per episode for pathology and per visit for GP services. The same approach should be adopted for diagnostic imaging.

Many referrals for diagnostic imaging are for more than one diagnostic imaging item.

For example, x-rays of wrists and ankles where arthritis is suspected, or a CT of the head with contrast and an angiogram of the head and neck in cases of trauma or severe headaches.

ADIA recommends one co-payment should be payable per referral rather than per item to safeguard patient access to diagnostic imaging.

2 EQUITABLE ACCESS TO ADVANCED SERVICES

Vulnerable patients who need advanced services costing more than $200 such as CT, MRI and PET are most at risk. The budget cuts for these services are $35, $65 and $100 respectively for patients previously bulk billed.

These are the most advanced imaging services and they are relied upon by treating doctors to diagnose their patient's condition when it is early enough to treat; and to assess treatment progress for their sickest patients.

ADIA recommends the Government pay a higher percentage of the Medicare fee for advanced diagnostic imaging services over $200 for all patients – not just concession patients.

Options include paying the Schedule fee less $30 or, alternatively, paying 95% of the Schedule fee for diagnostic imaging services over $200.

This will safeguard patients by ensuring the more advanced diagnostic imaging services are affordable for patients who were previously bulk billed.

See table overleaf

3 AN EASIER WAY TO PAY A "MODEST GAP"

The aim of the co-payment measure is for Australians to contribute a modest amount to health care costs.

Under the current policy design, this is very difficult as patients need to pay the full cost of the service upfront – including the gap – before arranging a refund from Medicare.

To support the policy intent, **ADIA recommends the Government amend Medicare systems to safeguard patients by ensuring they can just pay the gap upfront.**

See table overleaf

4 PROTECTION AGAINST PREDATORY BULK BILLING

The quality of diagnostic imaging services will be at risk if practices reduce professional input to fund free Medicare services.

If the Government wants patients to contribute to the cost, **ADIA recommends Medicare eligibility should be conditional on general patients making a minimum contribution of $7.**

In addition, **the ADIA/RANZCR Quality Framework for Diagnostic Imaging needs to be implemented to ensure that the current Medicare supervision requirements are met and quality is not compromised.**

5 A FAIRER APPROACH TO THE INDEXATION OF PATIENT REBATES

Patient rebates for diagnostic imaging services have not been indexed since 1998.

In contrast other Medicare fees are indexed.

With the Government expecting all patients to make a modest contribution to the cost of their health care, **ADIA recommends Government reinstate indexation so that rebates keep pace with the cost of delivering a service and to safeguard against the continuing rise of gaps.**

SAFEGUARDING THE FUTURE

THE BUDGET IMPACT

The co-payment model announced by the Government is built on patients contributing a co-payment of $7 per visit, with $5 of this being directed into the Medical Research Future Fund.

This would translate into an estimated $100 million of co-payment money being paid into the Medical Research Future Fund through the provision of diagnostic imaging services.

However the cuts to diagnostic imaging rebates announced in the Budget are nearly double that amount at around $188 million, dramatically increasing the financial impact on patients.

The Budget also didn't address:

- How access to advanced services will be maintained for all Australians;
- How quality will be maintained in the face of the increased risk of churn; and
- How the long-term sustainability of the co-payment model can be maintained without indexing patient rebates.

The ADIA Safeguards as outlined in this document would underpin:

- Long term sustainability;
- Service quality, preventing churn; and
- Access for all patients to high cost, advanced services.

The ADIA Safeguards not only protect the $5 rebate cut per referral earmarked for the Medical Research Future Fund at $100 million per year but also reinvest the bulk billing incentive savings to ensure that all Australians can access high cost diagnostic imaging services – not just the wealthy.

GENERAL PATIENTS WILL BE MORE THAN $7 OUT OF POCKET BECAUSE THE REBATE CUTS ARE TOO HIGH AND UPFRONT COSTS FOR GENERAL PATIENTS WILL BE FINANCIALLY PROHIBITIVE FOR MANY.

	X-Ray	Ultrasound	CT	Nuclear Medicine	MRI
Out-of-pocket costs	$10-$56	$16-$99	$35-$137	$55-$104	$65-$163
Upfront costs	$45-$92	$106-$189	$280-$383	$415-$464	$403-$500

For further information visit **www.adia.asn.au**

THIS DOCUMENT HAS THE SUPPORT OF THE FOLLOWING ORGANISATIONS

ADIA
australian diagnostic imaging association

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the voice of the cancer community
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