

# **The Medicare Benefits Schedule Review**

Our objectives, methodology, and state of play

## **4th MABEL Research Forum**

Melbourne, Friday 6 May 2016

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Chair, MBS Review Taskforce**

# What motivates me?

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- Health care has advanced and the ***MBS has not kept pace***
- The MBS contains anomalies and is ***not consistent*** with current clinical practice guidelines
- There is a significant amount of ***low or no-value care***, some of which is driven by the MBS
- The MBS is not a ***driver*** of quality care and data collection is inadequate
- A belief in health and medical research to better inform health systems and individual patient care

# What's the gap?

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- The MBS is seen as a funding instrument, not as a tool for better care
- There is frustration that the MBS has not been over-hauled in 30 years
- Clinicians are aware of the anomalies and variations in use of the MBS
- Clinicians are frustrated by the 'waste'

## How will we address these issues?

- A clinician-lead review of the MBS
- A review of Primary Health Care
- Solutions require assistance from all of the people who work in this area and the people who pay for, and benefit!

## **Why do I believe this is going to work?**

### **Who else believes this?**

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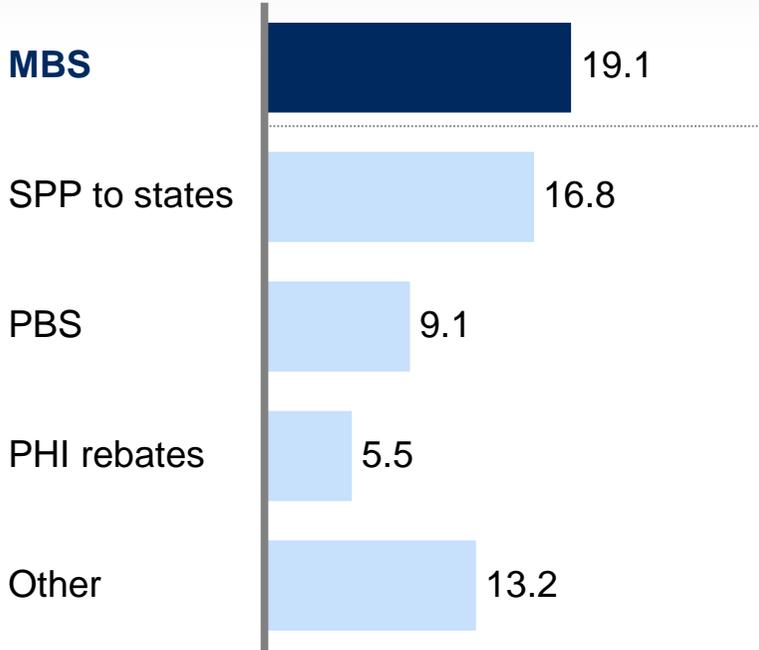
- Clinicians and consumers are supportive
- The Colleges are supportive
- The AMA is supportive
- The Minister is supportive
- The process is using evidence, data, clinician opinion and consumer input
- We are proceeding methodically, with good support from the Department of Health

### **What's in it for you?**

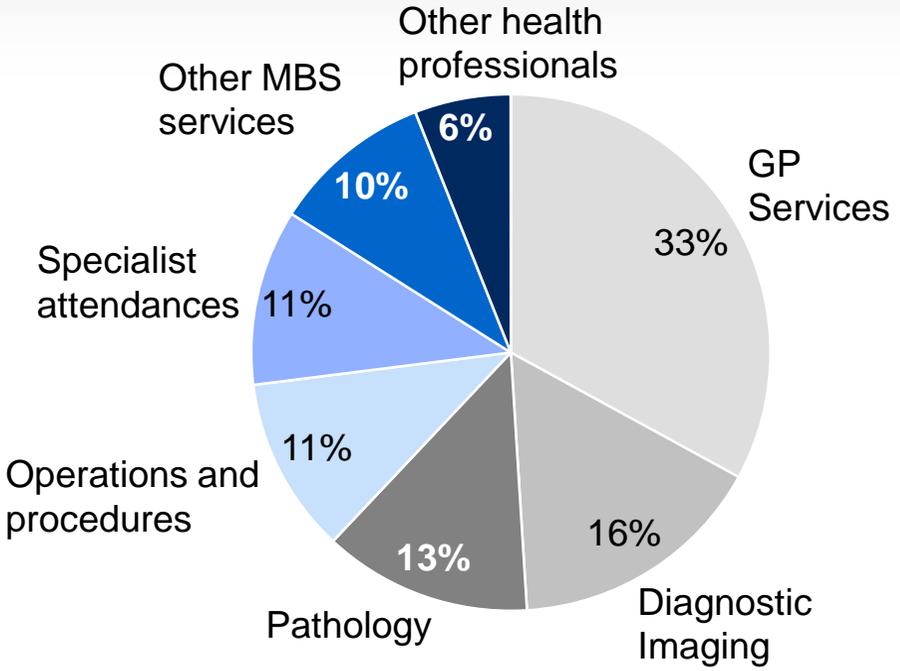
- Health consumers – better health care
- Community/society – better value for taxes
- Clinicians – satisfaction that the care is more efficient, appropriate, effective and the 'best and latest'
- Corporates – costs aligned to rebates, not dependent on 'cross-subsidies'

# The MBS is a significant component of the Australian healthcare system

**Federal Government health expenditure <sup>1</sup>**  
AUD (billions), 2013-14



**Breakdown of MBS expenditure <sup>2</sup>**  
Percent, 2013-14

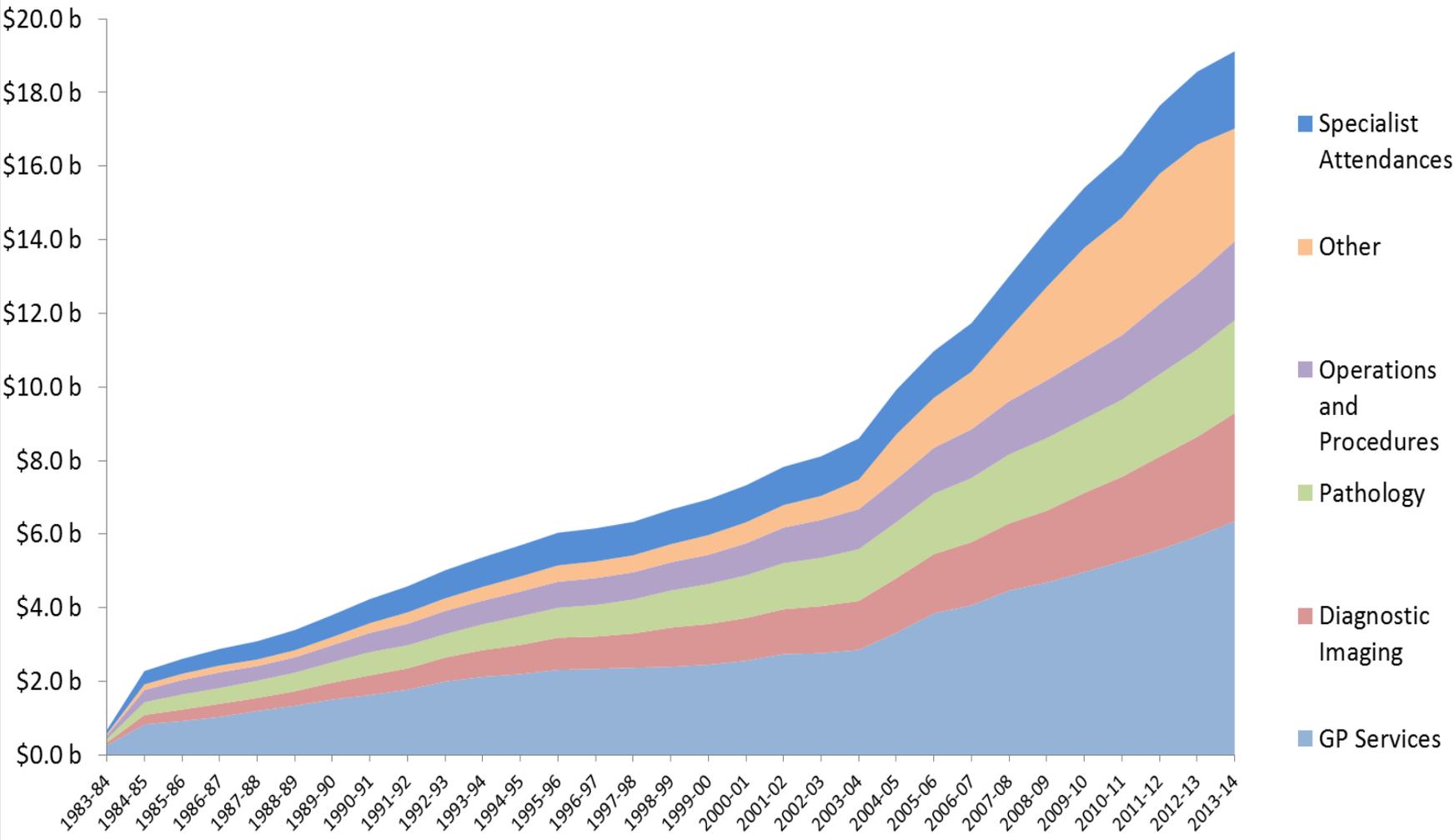


**Medicare benefits constitute ~ 30% of Australian Government health expenditure**

<sup>1</sup> Not including capital expenditure

<sup>2</sup> Operations and Procedures include anaesthetics services; other MBS services include radiotherapy, obstetrics, IVF and other diagnostics; other health professionals include optometry, allied health and psychology services

# Expenditure through Medicare since 1984



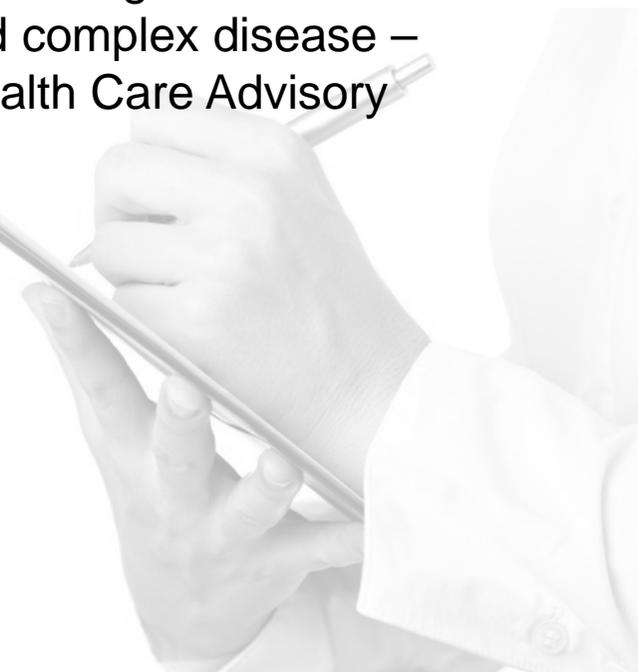
# Terms and references for the MBS review

## In scope

- All current MBS items and the services they describe
- Increasing the value derived from services
- Concerns about safety, clinically unnecessary service provision and concurrence with guidelines
- Evidence for services, appropriateness, best practice options, levels and frequency of support
- Legislation and rules that underpin the MBS

## Out of Scope

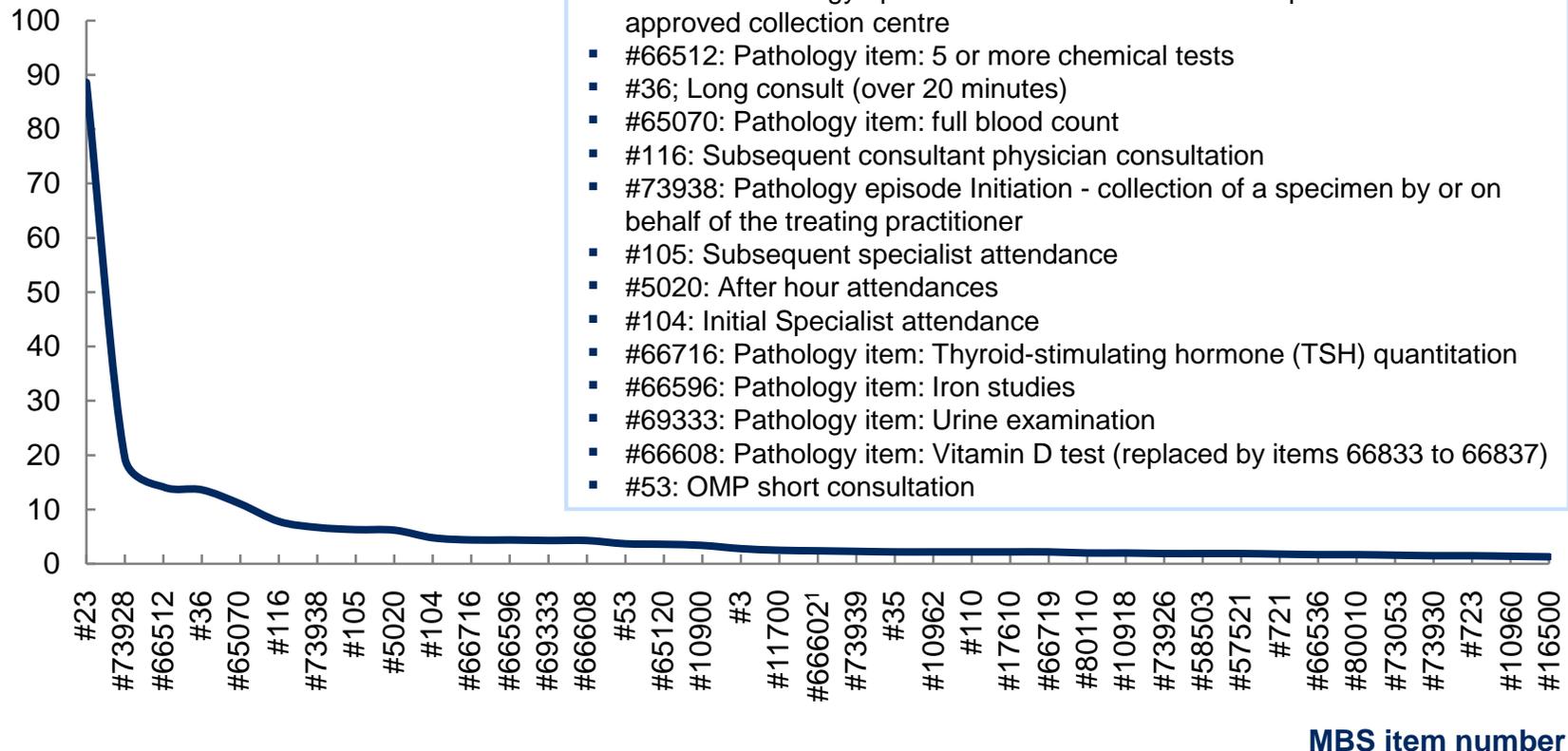
- Division of responsibilities between Government – Federation White Paper
- Innovative funding models for chronic and complex disease – Primary Health Care Advisory Group



# It will be challenging to evaluate over 5,700 items in the review timeframe

## Top 40 Medicare Benefits Schedule services, 2013-14

Number of services  
Millions



- TOP 15 items**
- #23: Standard consult (under 20 minutes)
  - #73928: Pathology episode Initiation - collection of a specimen in an approved collection centre
  - #66512: Pathology item: 5 or more chemical tests
  - #36; Long consult (over 20 minutes)
  - #65070: Pathology item: full blood count
  - #116: Subsequent consultant physician consultation
  - #73938: Pathology episode Initiation - collection of a specimen by or on behalf of the treating practitioner
  - #105: Subsequent specialist attendance
  - #5020: After hour attendances
  - #104: Initial Specialist attendance
  - #66716: Pathology item: Thyroid-stimulating hormone (TSH) quantitation
  - #66596: Pathology item: Iron studies
  - #69333: Pathology item: Urine examination
  - #66608: Pathology item: Vitamin D test (replaced by items 66833 to 66837)
  - #53: OMP short consultation

**The 40 most common MBS items (0.7%) account for ~70% of all services**

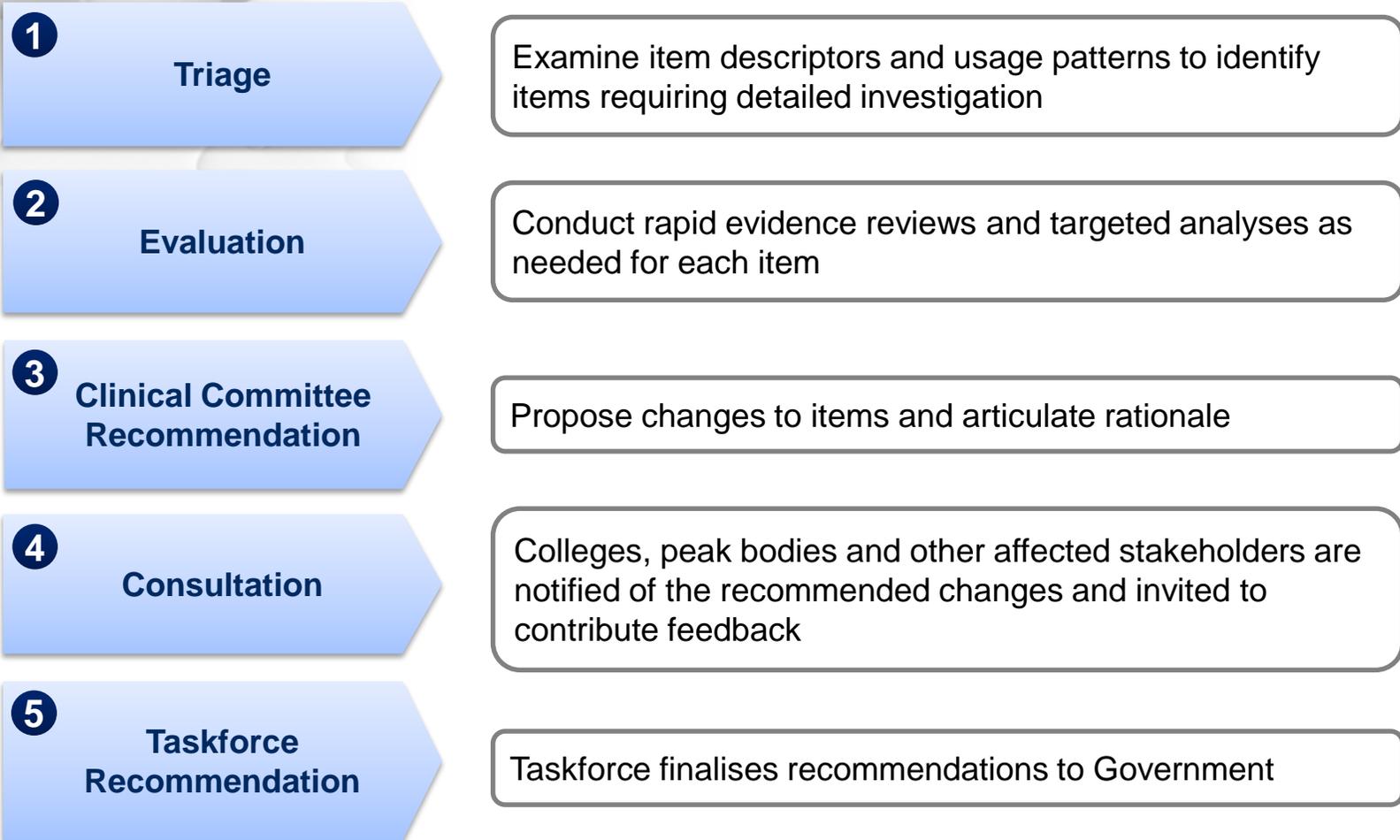
1 Item recently amended which will change service volumes

# Review methodology

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- Clinician-led review and significant consultation with stakeholders
  - Clinicians
  - Consumers
  - Industry
  - Other health disciplines, including public health
- Clinical Committees
  - Discipline-specific clinical committees
  - Subordinate working groups for reviews of particular services
  - Membership is broad-based:
    - Clinicians, requestors, generalists, academics with public health and health economics expertise, consumers
  - Members are an expert in their own right and not a ‘representative’ of an organisation
  - By mid-2017 when our report is to be finalised, we expect to have up to 40 clinical committees and working groups involving more than 500 clinicians.

# The Clinical Committees are following a consistent five-step approach



# To ensure the Review is clinically led, each category is being evaluated by a peer-nominated clinical committee

## Clinical Committee – First Tranche

	<b>Chair</b>	<b>Examples of members</b>
<b>Obstetrics</b>	Prof. Michael Permezel	Midwife, GP obstetrician, specialist OB, rural obstetrician, pathologist
<b>Diagnostic Imaging</b>	Prof. Ken Thomson	Radiologist, nuclear medicine specialist, GP, health economist
<b>Gastroenterology</b>	Prof. Anne Duggan	Gastroenterologist, general surgeon, GE nurse, GP
<b>Thoracic</b>	Prof. Christine Jenkins	Thoracic medicine, respiratory and sleep specialists, GP
<b>Ear, Nose and Throat</b>	Prof. Patrick Guiney	ENT surgeon, paediatrician, GP working in Indigenous health
<b>Pathology</b>	Associate Prof. Peter Stewart	Pathologist, haematologist, endocrinologist, immunologist

# Clinical Committees – Second tranche

- The second tranche of Clinical Committees is underway
- This tranche includes:
  - Cardiac Services
    - Cardiology and cardiothoracic surgery
  - Dermatology, Allergy & Immunology
    - Skin conditions and allergy testing (skin cancer surgery review completed)
  - Endocrinology
    - Includes endocrine surgery
  - Intensive Care and Emergency Medicine
    - Includes neonatology
  - Oncology
    - Chemotherapy and radiation oncology (not cancer surgery)
  - Renal Medicine
    - Includes dialysis

## Obsolete items – first tranche

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- 23 MBS items were identified by Clinical Committees as obsolete.
  - *Diagnostic Imaging: 58706, 58924, 59503, 59715, 59736, 59760, 61465*
  - *Ear, Nose and Throat Surgery: 11321, 18246, 41680, 41695, 41758, 41761, 41846, 41849, 41852*
  - *Gastroenterology: 13500, 13503, 30493, 32078, 32081*
  - *Obstetrics: 16504*
  - *Thoracic Medicine: 11500*
- Public consultation from 18 December 2015 to 8 February 2016
- The Taskforce reviewed feedback and made recommendations to Government
- Government announced the first obsolete items in the Federal Budget
  - 24 items removed and two diagnostic imaging items restricted
  - Saving of \$5.1 million over four years
  - Importantly: removal of low-value care items effective from 1<sup>st</sup> July 2016



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