



Avant Position Paper

Medicare Benefits

Schedule review

Medicare Benefits Schedule review

Avant supports the practice of good quality and safe medicine.

Avant supports Medicare and the principles that underpin it.

Avant supports the review of the Medicare Benefits Schedule (MBS) and agrees that the MBS should be updated to reflect current, evidence-based medical practice.

Avant supports Medicare rules and regulations that:

- ▶ are logically compiled within a single, comprehensive and authoritative source
- ▶ are consistent with current evidence-based medical practice
- ▶ are clear and unambiguous and drafted in plain English
- ▶ reflect the basis upon which compliance with the item number will be assessed.

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Background

Medicare is the Commonwealth-funded health insurance scheme that provides free or subsidised healthcare services to all Australian citizens and permanent residents.¹

It was introduced in 1984 as a universal system with the goal of providing Australian citizens and permanent residents with affordable, accessible and high-quality healthcare.² Then Health Minister, Dr Blewett, described Medicare's enabling legislation as "a major social reform" that would "embody a health insurance system that is simple, fair and affordable".³

The underpinning principles of Medicare include:

- ▶ universality
- ▶ access
- ▶ equity
- ▶ efficiency
- ▶ simplicity.

The MBS is a cornerstone of the Australian universal healthcare system.⁴ The MBS is the mechanism by which services are funded under Medicare.⁵ The MBS lists the benefits that are payable to patients for private medical services provided on a fee-for-service basis, and allocates a unique item number to each service, along with a description of the service (the 'descriptor').⁶

In broad terms, the types of services funded through the MBS include consultation and procedural/therapeutic (including surgical) services, as well as diagnostic services.⁷ The overriding principle for determining the eligibility of a service for an MBS benefit is that the service must be “clinically relevant”, that is that the service is generally accepted in the medical profession as being necessary for the appropriate treatment of the patient to whom it is rendered.⁸

In April 2015, the Australian Minister for Health, the Hon Sussan Ley MP, announced plans to review and reform Medicare under the *Healthier Medicare Initiative*.⁹ As part of this initiative, the MBS Review Taskforce (the Taskforce) was formed to review all items on the MBS and provide expert guidance to the government on reshaping the MBS.

As at 1 April 2015, there were 5,769 MBS items as well as 15 administrative bulk-billing incentives items.¹⁰

Objectives of the MBS Review include to:

- ▶ modernise the MBS to help achieve best patient health outcomes for MBS expenditure and best evidence-based, clinical practice supported by the health professional services funded through the MBS
- ▶ clarify and align expectations of the MBS, including its scope and the rules that underpin MBS payments
- ▶ recommend changes to rules and regulations that underpin the operation of the MBS to address inconsistency, remove ambiguity and enhance compliance
- ▶ embed processes for the ongoing review of the MBS.¹¹

This review is taking place against the background of the underpinning principles of Medicare and aims to ensure that the Medicare system remains affordable, universal and accessible.

This review is consistent with national and international developments, such as the Choosing Wisely campaign, which aims to improve quality in healthcare by eliminating unnecessary and sometimes harmful tests, treatments and procedures.

In this paper, we outline Avant’s experience in dealing with MBS compliance issues and make recommendations for improvements that could be made to the MBS. We do not comment on the funding model that underpins the MBS and Medicare, nor do we comment on the operation or structure of Medicare’s compliance mechanisms, that is the Practitioner Review Program (PRP) and the Professional Services Review (PSR).

Avant's experience

Avant is Australia's leading medical defence organisation (MDO) representing more than 68,000 healthcare practitioners and students. Avant provides medical indemnity insurance and medico-legal assistance to its members and offers private health insurance through its subsidiary, the Doctors' Health Fund.

Avant provides legal advice and assistance to members about various Medicare issues, including the application and operation of the MBS in practice. Avant assists members involved in compliance audits, the PRP and the PSR.¹²

The rules and regulations of the Medicare system and use of MBS item numbers by practitioners are key areas of medico-legal risk for our members. Non-compliance carries the risk of a range of investigations – from Medicare audits through to criminal investigations.

The key issues we see in assisting our members in Medicare matters are:

- ▶ ambiguity and lack of clarity in the language of item descriptors in the MBS and their explanatory notes
- ▶ guidance on the use of item numbers spread across multiple sources and lack of clarity about which source is authoritative
- ▶ lack of communication about decisions on the interpretation of item numbers.

Ambiguity and lack of clarity in the item numbers leaves them open to differing interpretations by clinicians and administrators. This contributes to confusion and misinformation about the appropriate use of some item numbers. This can lead to the inadvertent misuse of some item numbers as well as disputes between the doctor and Medicare about the interpretation and use of some item numbers.

Considerable effort has been made to provide relevant and useful information in the MBS explanatory notes or in guidance documents, which can greatly assist practitioners in their appropriate use of MBS items. However, it is often difficult to access relevant documents, even if their existence is known.

The variability of the adequacy of the resources within the MBS and the need, in the case of some items, to refer to disparate other sources of guidance, diminishes the authority of the MBS.

Having one comprehensive source of authoritative guidance would reduce the risk of differing interpretations and the incorrect and inappropriate use of MBS items.

Examples of the types of concerns practitioners have with their use of the MBS include:

- ▶ how the various rules in the MBS are applied in practice (for example the multiple operations rule)
- ▶ inconsistency between the item description and the explanatory notes (for example, a nurse practitioner can refer for a specialist geriatric assessment according to the item descriptor, but the explanatory note restricts referral to a general practitioner)
- ▶ what the regulations and expectations are regarding the necessity to consult with providers contributing to a team care arrangement
- ▶ billing for services partly undertaken by practice nurses or Aboriginal or Torres Strait Islander health practitioners¹³
- ▶ the circumstances in which doctors can use their provider numbers when treating private patients in public hospitals¹⁴
- ▶ the rules about referrals and specialist billing¹⁵
- ▶ the regulations relevant to using urgent after-hours Medicare item numbers¹⁶
- ▶ lack of clear statements about how the requirements of MBS item numbers are interpreted by PRP/PSR.

Recommendations

Avant makes the following recommendations to assist practitioners, reduce medico-legal risk and support good medical practice:

1. The MBS should aim to be a single comprehensive and authoritative source of guidance on the use of Medicare by practitioners and compliance with item numbers. It should be accessible and user-friendly.
2. Item descriptors should:
 - ▶ be clear and unambiguous, and drafted in plain English
 - ▶ reflect the basis upon which compliance with the item number will be assessed
 - ▶ be aligned with good quality, evidence-based clinical practice
3. Medicare should educate doctors effectively about the rules and how to apply the item descriptors in practice, particularly for new users of the system and when new or revised descriptors or new rules are introduced.
4. Where Medicare discovers inadequacies in the item descriptors or explanatory notes, it should correct the inadequacy and inform doctors in a timely way. Practitioners should not be disadvantaged by deficiencies or errors in the information available to them.
5. Medicare should take an educative approach to compliance and should operate with transparency, consistency and openness in the application of its rules and regulations.

Avant's position

The Medicare system should support doctors to practise medicine and deliver care that is of high quality, and is effective, safe, efficient, transparent, patient-centric and results in good patient outcomes.

Avant supports the principles that underpin the Medicare system, namely:

- ▶ universality
- ▶ access
- ▶ equity
- ▶ efficiency
- ▶ simplicity.

Avant supports the review of the MBS within the quality and value framework to identify MBS items that are shown to be unsafe, outdated, or which are open to inappropriate use (intentional or otherwise).

Avant agrees that the MBS should be updated to reflect current, evidence-based medical practice.

Avant supports Medicare rules and regulations that:

- ▶ are logically compiled within a single, comprehensive and authoritative source
- ▶ are consistent with current evidence-based medical practice
- ▶ are clear and unambiguous and drafted in plain English
- ▶ reflect the basis upon which compliance with the item number will be assessed.

Key links

- ▶ Avant's submission to the MBS Review Taskforce Consultation Paper www.avant.org.au/advocacy/avants-submissions/
- ▶ Avant's factsheet ['Take a R.E.S.T. and stay out of trouble with Medicare'](#)
- ▶ Avant's webinar ['Dial M for Medicare: Getting it right to manage your risks'](#)

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