Outcome 3

Access to Medical Services

**OUTCOME SUMMARY – THE YEAR AHEAD**

This outcome aims to provide all Australians with access to cost-effective and high quality medical services.

Responsibility for this outcome lies with the Medical and Pharmaceutical Services Division. The Division provides policy advice to Government and manages the Medicare Benefits Schedule (MBS). Acute Care Division also contributes to this outcome by managing the provision of access to diagnostic services through Medicare.

The other main component of Medicare, the Australian Health Care Agreements with the States and Territories to fund access to public hospital services, is reported under Outcome 13—Acute Care.

Medical services funded through the MBS are delivered primarily by the private sector funded by a mix of Medicare rebates, private contributions and private health insurance.

The safety, effectiveness and cost-effectiveness of proposed new medical services is subject to evidence based reviews by the Medical Services Advisory Committee (MSAC) before any decisions to list new items are made.

**Key Strategic Directions for 2006-07**

During 2006-07, the Australian Government will:

- continue to develop, implement and revise policy initiatives that ensure the affordability and sustainability of the MBS for both patients and the government;
- improve the level of access to medical services, particularly in rural and regional areas;
- continue to work with the medical profession to ensure the MBS reflects and encourages appropriate clinical practice; and
- continue to work with the medical profession and industry to improve access to pathology and diagnostic services and to increase radiotherapy workforce numbers.

**Major Activities**

**Medical Services**

Medical Services are largely funded through the MBS. Outcome 3 has responsibility for estimating and reporting total MBS expenditure and for production and distribution of the Medicare Benefits Schedule of fees and services. There are three tables contained in the MBS: the General Medical Services Table (GMST), the Diagnostic Imaging Services Table and the Pathology Services Table. The outcome manages specialist services, procedural items and broader matters of Medicare eligibility and policy interpretation.
The Government has agreed to extend existing funding for Visudyne therapy for eligible vision impaired individuals at a cost of $139.8 million over four years. The Visudyne Program provides Medicare items for the administration of Visudyne and the associated laser treatment. The Visudyne dye itself is funded under an arrangement between the supplier of the product and the Government.

The Department interrogates and analyses Medicare statistics, so as to monitor and inform program management and policy development. The voluntary Indigenous identifier introduced in November 2002 by the Department has improved the quality of information obtained on access to Medicare benefits by Aboriginal and Torres Strait Islander peoples. In 2006-07, work will continue to further refine data development and information reporting on Indigenous health.

The Department will maintain constructive consultative arrangements with the medical profession in 2006-07, in particular through Medicare Benefits Consultative Committee (MBCC) processes. The MBCC, comprising representatives of the Department, Medicare Australia, the Australian Medical Association (AMA) and relevant professional bodies, considers submissions and reviews evidence regarding the operation of Medicare schedule items. In 2006-07, following consultations with the medical profession, the Government will introduce a new Medicare item to enable nurses, midwives and Aboriginal Health Workers to provide antenatal checks in rural areas.

The (MSAC) complements the MBCC by evaluating new and existing medical services and technologies to ensure they are safe, effective and cost-effective. In 2006-07, a further focus for MSAC will be to conduct horizon scanning activities to monitor new and emerging medical technologies.

The Professional Services Review (PSR) Scheme aims to protect the integrity of the Medicare and Pharmaceutical Benefits Schemes by protecting patients and the community in general from the risks associated with inappropriate practices, and protecting the Commonwealth from meeting the cost of services provided as a result of inappropriate practice.

The Department, with the involvement of the AMA and Medicare Australia, is conducting a review of the PSR Scheme focussed on the operation of the PSR, the extent to which it has achieved its objectives and its capacity to do so in the future. The Review will be completed in the early part of 2006-07. Further information concerning the PSR can be found in the PSR chapter of this publication.

**Diagnostic Services**

Funding is provided through the MBS for diagnostic imaging services (including X-ray, Computed Tomography, Magnetic Resonance Imaging (MRI), Positron Emission Tomography and Ultrasound) and for pathology services. While fee-for-service MBS arrangements apply to both diagnostic imaging and pathology, services are provided under the terms of the Memoranda of Understanding (MoU) with the relevant industry and professional bodies. The MoU provides for certainty of funding over a five year period and allows for collaboration on key matters including ways to improve the quality and appropriateness of services.

During 2006-07:

- a three year trial of Medicare-eligible mobile MRI services in Gippsland and south eastern New South Wales will commence, and a further MRI unit will become Medicare-eligible, bringing the total number to 102; and
there will be continuing expansion of radiation oncology services especially outside major centres, and increased radiotherapy workforce numbers.

**Outcome 3 Resourcing**

Table 3.1.3 shows how the 2006-07 Budget appropriations translate to total resourcing for Outcome 3, including administered expenses, revenue from government (appropriation), revenue from other sources, and the total price of outputs.

**Table 3.1.3: Total resources for Outcome 3**

<table>
<thead>
<tr>
<th>Administered appropriations</th>
<th>Estimated actual 2005-06</th>
<th>Budget estimate 2006-07</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program 3.1: Medicare Services</td>
<td>10,703,853</td>
<td>11,207,851</td>
</tr>
<tr>
<td><em>Health Insurance Act 1973 - Medical Benefits</em></td>
<td>10,703,853</td>
<td>11,207,851</td>
</tr>
<tr>
<td>Total Special Appropriations</td>
<td>10,703,853</td>
<td>11,207,851</td>
</tr>
<tr>
<td>Total Administered Appropriations</td>
<td>10,840,961</td>
<td>11,316,102</td>
</tr>
</tbody>
</table>

**Program 3.2: Alternative Funding for Health Service Provision**

| Appropriation Bill 1                   | 5,512                    | 3,349                   |
| Appropriation Bill 2                   | 684                      | -                       |
| Total                                    | 6,196                    | 3,349                   |

**Program 3.3: Diagnostic Imaging Services**

| Appropriation Bill 1                   | 10,213                   | 8,116                   |
| Appropriation Bill 2                   | 1,000                    | 1,100                   |
| Total                                    | 11,213                   | 9,216                   |

**Program 3.4: Pathology Services**

| Appropriation Bill 1                   | 9,130                    | 7,994                   |
| Total                                    | 9,130                    | 7,994                   |

**Program 3.5: Chronic Disease - Radiation Oncology**

| Appropriation Bill 1                   | 80,583                   | 57,295                  |
| Appropriation Bill 2                   | 1,141                    | 1,160                   |
| Total                                    | 81,724                   | 58,455                  |

**Program 3.6: Targeted Assistance - Medical**

| Appropriation Bill 1                   | 28,845                   | 29,237                  |
| Total                                    | 28,845                   | 29,237                  |

Total Administered Appropriations | 10,840,961               | 11,316,102              |
Table 3.1.3: Total resources for Outcome 3 (cont)

<table>
<thead>
<tr>
<th>Estimated actual</th>
<th>Budget estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005-06 $'000</td>
<td>2006-07 $'000</td>
</tr>
</tbody>
</table>

Departmental appropriations

**Health and Ageing**

Output Group 1 - Policy Advice 21,337 21,432
Output Group 2 - Program Management 6,018 6,045

Total price of departmental outputs

(Total revenue from government and from other sources)
27,355 27,477

Total revenue from government (appropriations) contributing to price of departmental outputs 26,520 26,577
Total revenue from other sources 835 900

Total price of departmental outputs

(Total revenue from government and from other sources)
27,355 27,477

Total Price of Outputs for Outcome 3

(Total Revenue from Government and from other sources)
27,355 27,477

Total estimated resourcing for Outcome 3

(Total price of outputs and administered appropriations)
10,868,316 11,343,579

Average staffing level (number)

Department 156 157

Measures Affecting Outcome 3


Contribution of Administered Programs to Outcome 3

**Program 3.1: Medicare Services**

This expenditure is paid in accordance with the MBS and includes Medicare Safety Net payments and bulk-billing incentive payments to eligible doctors. Safety net payments protect eligible families and individuals who have high out-of-pocket costs during a calendar year for eligible out-of-hospital services. The visiting optometrist scheme provides support to optometrists to deliver services to people in remote and very remote areas. Medicare Australia is responsible for delivering payment of Medicare benefits under the *Health Insurance Act 1973*. The contribution of the MBS to this outcome is measured by the total number of Medicare services delivered to eligible people, the number of Medicare services received per head of population and the number of families and singles who benefit from the extended Medicare Safety Net.

**Program 3.2: Alternative Funding for Health Service Provision**

The Australian Government provides funding to ensure Australians access essential medical services that would not otherwise be available. The contribution to the outcome is measured by the number of Australians from high risk and special need population groups accessing health services, scientific aids and lifesaving medical treatment overseas.
Section 3 – Department Outcomes – 3 Access to Medical Services

Program 3.3: Diagnostic Imaging Services
The Department provides funding to promote the quality and effectiveness of diagnostic imaging services to ensure consumers receive the services that they properly require for their health management. The contribution to this outcome is measured by the progress towards accreditation of radiology services providers.

Program 3.4: Pathology Services
The Department provides funding to promote the quality and effectiveness of pathology services to ensure consumers receive the services that they properly require for their health management. The contribution to this outcome is measured by the number of pathology laboratories accredited in accordance with national accreditation standards and the progress of strategies developed and implemented to manage diabetes care in identified Aboriginal and Torres Strait Islander health services.

Program 3.5: Chronic Disease – Radiation Oncology
Radiation therapy funding promotes access to affordable and quality radiotherapy services for cancer by reimbursing the costs of major capital equipment used in radiotherapy, workforce development activities, research, and supporting expansion of the radiotherapy sector. The contribution of these services to this outcome is measured by the number of Australians accessing radiotherapy services.

Program 3.6: Targeted Assistance – Medical
Funding provided under this program group supports a number of diverse areas of Australian Government health care assistance. Financing of reciprocal health care agreements through this item enables residents of nine international countries to access the Australian health care system. Funding is also provided for ex-gratia payments to Australian victims of the Bali and London bombings and health care assistance to Australian victims of the December 2004 Tsunami.

Contribution of Departmental Outputs to Outcome 3
The Department describes its core activities in terms of three output groups: policy advice, program management and agency-specific service delivery. Outcome 3 reports on policy advice and program management. Refer to Section 3.1 for more information on output groups.
Performance Information for Outcome 3

Performance information for administered programs, individual outputs and output groups relating to Outcome 3 are summarised in Table 3.2.3.

**Table 3.2.3: Key Performance Information for Outcome 3**

**Performance Information for Administered Programs**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Measured by</th>
<th>Reference Point or Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administered Funding – <strong>Medicines and Medical Services Programs</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Efficient Medicare Services.</td>
<td>Number of Medicare rebates provided.</td>
<td>Medicare rebates will be provided for an estimated 255 million services, representing approximately 12.3 services per capita.</td>
</tr>
<tr>
<td>Efficient Medicare safety net.</td>
<td>Number of families and singles that benefit from the extended Medicare safety net.</td>
<td>An estimated 446,000 families and 120,000 singles benefit from the extended Medicare safety net in calendar year 2006.</td>
</tr>
<tr>
<td>Efficiency of assessments for evidence of safety, efficacy and cost</td>
<td>Percentage of new medical services listed for funding under the MBS have been assessed for safety, efficacy and cost effectiveness.</td>
<td>100% of new medical services listed for funding under the MBS have been assessed for evidence of safety, efficacy and cost effectiveness.</td>
</tr>
<tr>
<td>effectiveness.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Cost: $11,316.102m

**Performance Information for Departmental Outputs**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Measured by</th>
<th>Reference Point or Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Output Group 1 – <strong>Policy Advice</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality, relevant and timely advice for Australian Government decision-</td>
<td>Ministerial satisfaction.</td>
<td>Maintain or increase from previous year.</td>
</tr>
<tr>
<td>making.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relevant and timely evidence-based policy research.</td>
<td>Production of relevant and timely evidence-based policy research.</td>
<td>Relevant evidence-based policy research produced in a timely manner.</td>
</tr>
</tbody>
</table>

Price: $21.432m
### Section 3 – Department Outcomes – 3 Access to Medical Services

#### Output Group 2 – Program Management

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Measured by</th>
<th>Reference Point or Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administered budget predictions are met and actual expenses vary less than 0.5% from budgeted expenses.</td>
<td>Percentage that actual expenses vary from budgeted expenses.</td>
<td>0.5% variance from budgeted expenses.</td>
</tr>
<tr>
<td>Stakeholders to participate in program development.</td>
<td>Opportunities for stakeholder participation through a range of avenues, such as surveys, conferences and meetings.</td>
<td>Stakeholders participated in program development through (eg. surveys, conferences and meetings).</td>
</tr>
</tbody>
</table>

**Price:** $6.045m

### Evaluations

There are no evaluations planned to be undertaken in 2006-07.

### Major Reviews

The Department, with the involvement of the AMA and Medicare Australia, is conducting a review of the PSR Scheme focussed on the operation of the PSR, the extent to which it has achieved its objectives and its capacity to do so in the future. The Review will be completed in the early part of 2006-07. Further information concerning the PSR can be found in the PSR chapter of this publication.

### Performance Improvement Initiatives

There are no performance improvement initiatives to be undertaken in 2006-07.