Outcome 3

ACCESS TO MEDICAL SERVICES

Access to cost-effective medical, practice nursing and allied health services, including through Medicare subsidies for clinically relevant services

Outcome Strategy

The Australian Government, through Outcome 3, provides access for eligible people, to high quality and clinically relevant medical, dental and associated services. This access is provided through the Medicare system. The Government also aims to ensure that existing and new Medicare services are safe and cost-effective.

In 2011-12, an estimated 324 million medical and associated services, or an average of 14.3 services per capita, will be funded through Medicare.[1]

The Government is seeking to maintain the sustainability of Medicare in the face of rising costs and demand for medical services. To respond to this challenge, funding decisions will be based on the best available evidence, ensuring that taxpayers share in the savings from the use of more efficient technologies and improved medical practice.

The quality and effective use of diagnostic imaging, pathology and radiation oncology services is an essential part of any contemporary health system. The Government will continue to support these services through improvements to accreditation processes, increased stakeholder engagement and funding for procedures and infrastructure.

Outcome 3 is the responsibility of Medical Benefits Division, Acute Care Division, and Mental Health and Chronic Disease Division.

Programs Contributing to Outcome 3

Program 3.1: Medicare services

Program 3.2: Targeted assistance – medical

Program 3.3: Diagnostic imaging services

Program 3.4: Pathology services

Program 3.5: Chronic disease – radiation oncology

[1] Medicare Benefits Schedule service volumes: projected figures agreed with Medicare Australia as at Mid-Year Economic and Fiscal Outlook (MYEFO). ERP: ABS 32010 Table 9 (released December 2010). Projected ERP: ABS 3222.0 Table 9 Series 'B' (released September 2008).

Outcome 3 Budgeted Expenses and Resources

Table 3.1 provides an overview of the total expenses for Outcome 3 by Program.

Table 3.1: Budgeted Expenses and Resources for Outcome 3

	2010-11 Estimated actual[1]	2011-12 Estimated expenses[1]
	$'000	$'000
Program 3.1: Medicare services		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	1,997	4,090
Special appropriations		
Dental Benefits Act 2008	68,523	75,306
Health Insurance Act 1973 - medical benefits	16,392,466	16,901,499
Departmental expenses		
Departmental appropriation[2]	34,113	29,605
Expenses not requiring appropriation in the budget year[3]	789	978
Total for Program 3.1	**16,497,888**	**17,011,478**
Program 3.2: Targeted assistance - medical[4]		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	13,451	23,892
Departmental expenses		
Departmental appropriation[2]	1,758	1,526
Expenses not requiring appropriation in the budget year[3]	41	50
Total for Program 3.2	**15,250**	**25,468**
Program 3.3: Diagnostic imaging services		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	4,438	4,189
Departmental expenses		
Departmental appropriation[2]	2,356	2,045
Expenses not requiring appropriation in the budget year[3]	55	68
Total for Program 3.3	**6,849**	**6,302**
Program 3.4: Pathology services		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	2,702	4,347
Departmental expenses		
Departmental appropriation[2]	2,663	2,312
Expenses not requiring appropriation in the budget year[3]	62	76
Total for Program 3.4	**5,427**	**6,735**

Table 3.1: Budgeted Expenses and Resources for Outcome 3 (Cont.)

	2010-11 Estimated actual[1]	2011-12 Estimated expenses[1]
	$'000	$'000
Program 3.5: Chronic disease - radiation oncology[5]		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	78,611	70,856
Departmental expenses		
Departmental appropriation[2]	2,313	2,008
Expenses not requiring appropriation in the budget year[3]	54	66
Total for Program 3.5	**80,978**	**72,930**
Outcome 3 totals by appropriation type		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	101,199	107,374
Special appropriations	16,460,989	16,976,805
Departmental expenses		
Departmental appropriation[2]	43,203	37,496
Expenses not requiring appropriation in the budget year[3]	1,001	1,238
Total expenses for Outcome 3	**16,606,392**	**17,122,913**

	2010-11	2011-12
Average staffing level (number)	279	262

1 The 2010-11 estimated actual and the 2011-12 estimated expenses are based on the new program structure to be implemented 1 July 2011 by the department as part of the *Health and Ageing Portfolio - administrative efficiencies* measure.

2 Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No 1)' and 'Revenue from independent sources (s31)'.

3 'Expenses not requiring appropriation in the Budget year' is made up of depreciation expense, amortisation expense, make good expense and audit fees.

4 Funding for the previous programs: 3.2 Alternative Funding for Health Provision, and 3.6 Targeted Assistance - Medical is combined within Program 3.2 Targeted Assistance - Medical.

5 This program includes National Partnerships paid to state and territory governments by the Treasury as part of the Federal Financial Relations (FFR) Framework. National partnerships are listed in this chapter under each program. For budget estimates relating to the National Partnership component of the program, please refer to Budget Paper 3 or Program 1.10 of the Treasury Portfolio Budget Statements.

Program 3.1: Medicare services

Program Objectives

Through Program 3.1, the Australian Government aims to:

- improve access to evidence-based, best-practice medical services;
- improve access to specialist medical services through the use of telehealth; and
- improve access to clinically relevant dental services.

Major Activities

Improve access to evidence-based medical services

Comprehensive management framework for the Medicare Benefits Schedule

The Australian Government is committed to building a comprehensive management framework for the Medicare Benefits Schedule (MBS) to ensure the MBS supports cost-effective, evidence-based best practice care. In 2011-12, the department will review existing MBS items for evidence of their quality and safety, to ensure that items listed on the MBS remain clinically relevant and consistent with best practice. The department will also review MBS fees to ensure they accurately reflect the costs involved in providing the services.

To support these activities, the Australian Government will continue to seek independent expert advice from the Medical Services Advisory Committee (MSAC), which includes members with clinical, health administration, health economics and consumer expertise, to inform Government decision making on the circumstances under which public funds should be used to support new medical technologies and procedures, including through the MBS. All applications for new MBS items and all changes to existing items proposed through reviews will be considered by MSAC in consultation with relevant stakeholders, including clinical craft groups and consumers.

Health technology assessments

In 2011-12, the department will support MSAC in the implementation of reforms arising from recommendations outlined in the *Review of the Health Technology Assessment in Australia* (December 2009). MSAC will collaborate with stakeholders to refine its processes and improve the timeliness of its advice to Government. MSAC's expanded Terms of Reference require MSAC to provide expert, evidence-based advice on a broader range of new services and to review existing MBS items to ensure that Australians have access to health services that have been shown to be safe and clinically effective, as well as representing value for money for the Australian health care system.

Co-dependent technologies (such as a new drug that requires the use of a new test to identify the patients most likely to respond to treatment), require advice from more than one expert health technology assessment (HTA) committee. The department has established the HTA Access Point to assist applicants throughout the HTA process and to help them identify the most appropriate assessment pathway.[2]

With the introduction of concurrent assessment, the HTA Access Point will assist in streamlining the application and assessment process and ensure that Government is provided with the expert advice necessary to inform its decisions about funding co-dependent technologies.

Improved access to specialist medical services through telehealth

From July 2011, the Australian Government will provide Medicare rebates for online video consultations across a range of medical specialties, under the Connecting Health Services with the Future: Modernising Medicare by Providing Rebates for Online Consultations initiative. The initiative is intended to address some of the barriers preventing access to specialist services for Australians in remote, regional and outer metropolitan areas. The use of online consultations will, in many cases, provide patients in these areas with access to specialists sooner and without the time and expense involved in travelling to inner metropolitan areas.

Patients in remote, regional and outer metropolitan areas will be able to videoconference with specialists in cities or major regional centres on referral from a medical practitioner. The patient may be accompanied by his or her general practitioner (GP) or a nurse practitioner, midwife, Aboriginal health worker or practice nurse during the video consultation. MBS rebates will be available for the participating specialist and the GP, nurse practitioner or midwife attending the patient. Practice nurses and Aboriginal health workers will also be able to provide these services on behalf of eligible medical practitioners through the use of videoconferencing. Following commencement of the initiative, the department will monitor the utilisation of online consultations and evaluate their effectiveness. In addition, the department will fund training and support for practitioners to encourage them to provide services by videoconference where clinically appropriate.

Improve access to clinically relevant dental services

Medicare Teen Dental Plan

The Australian Government aims to improve the dental health of Australian teenagers by increasing access to preventative dental checks. The Government provides a voucher to eligible teenagers, once each calendar year, for this check. The voucher provides up to $159.85 per eligible teenager between 12-17 years of age in families receiving Family Tax Benefit Part A, or teenagers receiving Youth Allowance, Abstudy, Disability Support Pension, Parenting Payment, Special Benefit, Carer Payment, Double Orphan Pension or support under certain veterans' education and training assistance schemes.

[2] Contact details for the HTA Access Point are available at: <www.health.gov.au/hta>.

The assistance provided through the plan helps teenagers develop good oral health habits and encourages them to look after their teeth once they become independent and leave home. In 2011-12, the department will work with Medicare Australia, Centrelink, and the Department of Veterans' Affairs to issue these vouchers. In 2011-12, the department will also oversee the independent review of the operation of the *Dental Benefits Act 2008* as required by legislation.

Medicare Chronic Disease Dental Scheme

The Australian Government has announced its intention to close the Medicare Chronic Disease Dental Scheme in order to make funding available for the introduction of the Commonwealth Dental Health Program, which will fund additional public dental services.[3] However, the Government has been unable to pass the necessary subordinate legislation to close the scheme.

For further information on other activities the Government will undertake in 2011-12 to support dental health refer to Program 12.1 – Workforce and rural distribution and Program 13.3 - Public hospitals and information, in these Portfolio Budget Statements.

Program 3.1 is linked as follows:

- The Department of Human Services (Medicare Australia) for administering Medicare services and benefits payments, including telehealth services, veterans treatment accounts, MBS online claims, electronic claim lodgement and information processing service environment and the Medicare Teen Dental Plan, through its Services to the Community (Program 1.1).
- The Department of Human Services (Centrelink) for administering the Medicare Teen Dental Plan through its Services to the Community Program 1.1).

[3] For further discussion on this Government initiative, refer to Outcome 13 in these Portfolio Budget Statements.

Program 3.1 Expenses

Table 3.2: Program Expenses

	2010-11 Estimated actual $'000	2011-12 Budget $'000	2012-13 Forward year 1 $'000	2013-14 Forward year 2 $'000	2014-15 Forward year 3 $'000
Annual administered expenses					
Ordinary annual services	1,997	4,090	4,171	351	543
Special appropriations					
Dental Benefits Act 2008	68,523	75,306	82,940	90,097	98,022
Health Insurance Act 1973 - medical benefits	16,392,466	16,901,499	17,688,429	18,891,591	20,299,958
Program support	34,902	30,583	29,950	27,864	26,750
Total Program 3.1 expenses	**16,497,888**	**17,011,478**	**17,805,490**	**19,009,903**	**20,425,273**

Program 3.1: Deliverables

The department will produce the following 'deliverables' to achieve the objectives of Program 3.1

Table 3.3: Qualitative Deliverables for Program 3.1

Qualitative Deliverables	2011-12 Reference Point or Target
Produce relevant and timely evidence-based policy research	Relevant evidence-based policy research produced in a timely manner
Stakeholders participate in program and/or policy development	Stakeholders participate in program and/or policy development through avenues such as regular consultative committees, conferences, stakeholder engagement forums, surveys, submissions on departmental discussion papers and meetings
Improve access to evidence-based medical services	
Implement an evidence based MBS management framework	All applications for new MBS items and changes to existing MBS items arising from reviews are considered by MSAC and recommendations provided to the Government on evidence relating to the safety, effectiveness and cost-effectiveness of the proposed or revised MBS items
Develop a cohesive, strategic health technology assessments framework	Commonwealth health technology assessments processes progressively aligned within the strategic policy framework proposed by the Review of Health Technology Assessment in Australia (December 2009)

Qualitative Deliverables	2011-12 Reference Point or Target
Improved access to specialist medical services through telehealth	
Successful implementation of the Connecting Health Services with the Future: Modernising Medicare by Providing Rebates for Online Consultation measure	MBS rebates provided for online specialist consultations from 1 July 2011

Table 3.4: Quantitative Deliverables for Program 3.1

Quantitative Deliverables	2010-11 Revised Budget	2011-12 Budget	2012-13 Forward Year 1	2013-14 Forward Year 2	2014-15 Forward Year 3
Percentage of variance between actual and budgeted expenses	≤0.5%	≤0.5%	≤0.5%	≤0.5%	≤0.5%
Improve access to evidence-based medical services					
Number of rapid reviews of existing MBS items commenced[4]	3	5	5	N/A	N/A
Number of specialty reviews of existing MBS items commenced[5]	1	2	2	N/A	N/A
Improved access to specialist medical services through telehealth					
Funds available for online specialist consultations[6]	N/A	$12.3m	$21.2m	$38.4m	$48.6m
Improve access to clinically relevant dental services					
Number of vouchers provided to eligible teenagers[7]	2011 1.3m	2012 1.3m	2013 1.3m	2014 1.3m	2015 1.3m

4 Funding for this initiative ends in 2012-13.

5 Funding for this initiative ends in 2012-13.

6 Telehealth commences 1 July 2011.

7 The Medicare Teen Dental Plan operates on a calendar year basis. As such, estimates are for vouchers provided in the relevant calendar year.

Program 3.1: Key Performance Indicators

The following 'key performance indicators' measure the effectiveness of Program 3.1 in meeting its objectives thereby contributing to the outcome.

Table 3.5: Qualitative Key Performance Indicators for Program 3.1

Qualitative Indicator	2011-12 Reference Point or Target
Improve access to evidence-based medical services	
Improved quality and safety of services funded through the MBS	Reviews promote changes to MBS items that ensure they are safe, high quality and consistent with clinical best practice
Improved access to specialist medical services through telehealth	
Improved access to specialist services for patients located in rural, remote and outer metropolitan areas	Medicare claiming data demonstrates an increase in telehealth specialist service to patients located in rural, remote and outer metropolitan areas

Table 3.6: Quantitative Key Performance Indicators for Program 3.1

Quantitative Indicators	2010-11 Revised Budget	2011-12 Budget Target	2012-13 Forward Year 1	2013-14 Forward Year 2	2014-15 Forward Year 3
Improve access to evidence-based medical services					
Number of services delivered through Medicare by providing rebates for items listed on the MBS	319m	324m	337m	351m	367m
Improved access to specialist medical services through telehealth					
MBS rebates paid for online consultations[8]	N/A	$30.5m	$58.2m	$109.3m	$167.7m
Improve access to clinically relevant dental services					
Percentage uptake of preventative dental checks by eligible teenagers[9]	2011 33%	2012 36%	2013 39%	2014 42%	2015 45%

[8] Telehealth commences 1 July 2011.

[9] The Medicare Teen Dental Plan operates on a calendar year basis. As such, estimates are for vouchers provided in the relevant calendar year.

Program 3.2: Targeted assistance – medical

Program Objective

Through Program 3.2, the Australian Government aims to:

- provide targeted assistance to eligible people to access health care, currently not covered under existing programs, including breast prostheses reimbursements;
- improve access to specialist medical services through the use of telehealth; and
- support access to necessary medical services that may not be available through mainstream mechanisms or which may not be available in Australia.

Major Activities

Targeted assistance

The Australian Government provides health care assistance to eligible victims of specific international disasters resulting from acts of terrorism, civil disturbances or natural disasters. In recent years, these have included events such as the Bali bombings and the Asian tsunami. The Government provides a policy framework for Medicare Australia's administration of ex-gratia payments. The department will continue to ensure these payments provide appropriate ongoing support to victims of terrorist incidents, in the context of the Government's broader package of support for victims of terrorist attacks. These payments cover out-of-pocket expenses for health care delivered in Australia for ill health or injury which has arisen as a result and includes those expenses that are not covered by Medicare or other government programs (including those provided by states and territories) or private travel or health insurance.

The Reciprocal Health Care Agreements are treaties with certain countries and provide reciprocal access to public health facilities for Australian residents while travelling overseas. The department takes a lead role in the negotiation of any new agreement, in collaboration with the Department of Foreign Affairs and Trade. While the department monitors utilisation of Medicare services under the agreements, they are founded on a cost-waiver principle, with no reconciliation of outlays by participating countries. Because roughly similar numbers of visitors travel between Australia and reciprocal countries, the agreements are considered to incur no net cost to Australia's health system.

In 2011-12, the Australian Government will continue to implement the National External Breast Prostheses Reimbursement program. This program provides reimbursement of up to $400 for new or replacement external breast prostheses to eligible women who have had a mastectomy as a result of breast cancer. Reimbursements are accessed through Medicare Australia. The department will continue to manage the program, including providing policy advice on the program, program monitoring and managing the administrative arrangements between the department and Medicare Australia.

Improved access to specialist medical services through telehealth

From July 2011, the Australian Government will provide incentive payments to participating practitioners and eligible facilities to encourage the uptake and ongoing use of specialist online consultations, under the Connecting Health Services with the Future: Modernising Medicare by Providing Rebates for Online Consultations initiative. The incentive payments will be made to support the uptake of Medicare rebates for online video consultations that are referenced in Program 3.1 - Medicare services.

Patients in remote, regional and outer metropolitan areas will be able to videoconference with specialists in cities or major regional centres on referral from a medical practitioner. Practising practitioners and eligible facilities will be encouraged to provide these services through incentive payments. MBS rebates will be available for the participating specialist and the GP, nurse practitioner or midwife attending the patient. Practice nurses and Aboriginal health workers will also be able to provide these services on behalf of eligible medical practitioners through the use of videoconferencing.

Medical services not available through mainstream mechanisms

The Government provides funding and support for a range of targeted services to groups with special needs (such as the homeless, the disadvantaged and the visually impaired), who have difficulty accessing services through mainstream mechanisms.

In 2011-12, the department will fund organisations through health program grants to effectively overcome barriers to accessing services such as: primary health care; intervention counselling relating to addiction, lifestyle, social problems and mental health pathology; harm reduction and minimisation; and self care. Optometry and orthoptic consultations; and scientific aids, assisted technology and adaptive living aids for low vision and rehabilitation will also be provided.

Funded organisations will be required to report on a quarterly basis to the department about the type and number of services they have provided so that the department can assess whether the needs of the target audience are being met through the program.

The Government, through the Medical Treatment Overseas program, also provides financial assistance for Australians with a life-threatening medical condition to receive treatments which are not available in Australia. Applicants must meet four mandatory medical eligibility criteria before assistance can be provided, including that the life-saving medical treatment is accepted as standard treatment by the Australian medical profession, and will not be available in Australia in time to benefit the patient. In 2011-12, the department will continue to assess applications made under this program, in accordance with the program guidelines, to determine applicants' eligibility for financial assistance.

A panel of medical advisors assesses eligibility based on information provided by the applicant and obtained by the department. Applications can be made either prospectively or retrospectively (within two years of the treatment commencing). There is a minimum assessment timeframe of six weeks, which is dependent on the

availability of expert advice about the applicants' condition and alternative treatment options in Australia and overseas.

Program 3.2 is linked as follows:

- The Department of Human Services (Medicare Australia) for administering breast cancer prostheses reimbursements, telehealth financial incentive payments, and ex-gratia payments for the Disaster Health Care Assistance Schemes.

Program 3.2 Expenses

Table 3.7: Program Expenses

	2010-11 Estimated actual	2011-12 Budget	2012-13 Forward year 1	2013-14 Forward year 2	2014-15 Forward year 3
	$'000	$'000	$'000	$'000	$'000
Annual administered expenses					
Ordinary annual services	13,451	23,892	32,948	50,302	60,636
Program support	1,799	1,576	1,543	1,436	1,379
Total Program 3.2 expenses	**15,250**	**25,468**	**34,491**	**51,738**	**62,015**

Program 3.2: Deliverables

The department will produce the following 'deliverables' to achieve the objectives of Program 3.2.

Table 3.8: Qualitative Deliverables for Program 3.2

Qualitative Deliverables	2011-12 Reference Point or Target
Produce relevant and timely evidence-based policy research	Relevant evidence-based policy research produced in a timely manner
Stakeholders participate in program and/or policy development	Stakeholders participate in program and/or policy development through avenues such as regular consultative committees, conferences, stakeholder engagement forums, surveys, submissions on departmental discussion papers and meetings
Targeted assistance	
Reimbursement for breast prostheses provided to eligible women	Appropriate assistance provided in a timely manner

Qualitative Deliverables	2011-12 Reference Point or Target
Improved access to specialist medical services through telehealth	
Financial incentives provided to practitioners who participate in specialist telehealth video consultations and to eligible facilities which host these services for patients located in remote, regional and outer metropolitan areas	Financial incentives provided to eligible telehealth practitioners and eligible facilities in a timely manner
Medical services not available through mainstream mechanisms	
Regular review of gaps in service provision to ensure program objectives are met	Timely and responsive review process

Table 3.9: Quantitative Deliverables for Program 3.2

Quantitative Deliverables	2010-11 Revised Budget	2011-12 Budget	2012-13 Forward Year 1	2013-14 Forward Year 2	2014-15 Forward Year 3
Percentage of variance between actual and budgeted expenses	≤0.5%	≤0.5%	≤0.5%	≤0.5%	≤0.5%
Targeted assistance					
Funds available for additional health care assistance to eligible people affected by specific international disasters	$780,000	$780,000	$780,000	$780,000	$780,000
Funds available for health care assistance to people under Reciprocal Health Care Agreements – Agreement between Australia and the Republic of Italy[10]	$50,000	$50,000	$50,000	$50,000	$50,000

[10] The Reciprocal Health Care Agreement between Italy and Australia is unique in that it is the only one with a financial adjustment provision, set out in the agreement's administrative arrangements. While the identification of costs to be reimbursed does not occur on a regular basis, funds must be available to meet this obligation on an annual basis.

Quantitative Deliverables	2010-11 Revised Budget	2011-12 Budget	2012-13 Forward Year 1	2013-14 Forward Year 2	2014-15 Forward Year 3
Improved access to specialist medical services through telehealth					
Funds available for financial incentives to practitioners and facilities for participation in specialist telehealth consultations[11]	N/A	$12.3m	$21.2m	$38.4m	$48.6m
Medical services not available through mainstream mechanisms					
Number of health services provided to eligible Australian residents, that could not be provided through Medicare, due to patient access barriers	36,400	36,600	36,800	37,000	37,200

Program 3.2: Key Performance Indicators

The following 'key performance indicators' measure the effectiveness of Program 3.2 in meeting its objectives thereby contributing to the outcome.

Table 3.10: Quantitative Key Performance Indicators for Program 3.2

Quantitative Indicators	2010-11 Revised Budget	2011-12 Budget Target	2012-13 Forward Year 1	2013-14 Forward Year 2	2014-15 Forward Year 3
Targeted assistance					
Percentage of claims by eligible women under the National External Breast Prostheses Reimbursement Program processed within ten days of lodgement	90%	90%	90%	90%	90%

[11] Telehealth commences 1 July 2011.

Quantitative Indicators	2010-11 Revised Budget	2011-12 Budget Target	2012-13 Forward Year 1	2013-14 Forward Year 2	2014-15 Forward Year 3
Improved access to specialist medical services through telehealth					
Percentage of specialists who receive a telehealth incentive payment[12]	N/A	2.7%	4.5%	8.0%	10%
Medical services not available through mainstream mechanisms					
Percentage of applications for health program grants processed within agreed timelines	90%	90%	90%	90%	90%
Percentage of applications for financial assistance under the Medical Treatment Overseas program processed within agreed timelines	90%	90%	90%	90%	90%

Program 3.3: Diagnostic imaging services

Program Objective

Through Program 3.3, the Australian Government aims to:

- provide access to safe, efficient and clinically effective diagnostic imaging services.

Major Activities

Safe, cost-effective, clinically relevant diagnostic imaging services

Magnetic resonance imaging

The Australian Government will expand patient access and service provision of Medicare funded magnetic resonance imaging (MRI) services. From 1 May 2012 the individually prescribed operating arrangements will be removed and a more consistent approach applied. The bulk billing incentive for MRI will increase from 95 per cent to 100 per cent from 1 May 2012, to ensure patients affordable access to MRI services.

Currently, Medicare-eligible MRI scans can only be requested by specialists or consultant physicians. From 1 November 2012, GPs will be able to request MRIs for all patients under 16 years of age for clinically appropriate indications. This will

[12] Telehealth commences 1 July 2011.

ensure that young Australians have more direct access to MRI and are less likely to be exposed to radiation from alternative imaging modalities such as CT.

In addition, from 1 November 2012 current MBS-ineligible MRI units operating outside major cities will be eligible to claim all MBS-eligible MRI services. At the same time, Medicare ineligible MRI units operating in major cities will receive eligibility for MRI items listed in the MBS for the staging of rectal and cervical cancer and the screening of breast cancer in women under 50 years of age as well as the new GP requested services. This will make it easier for patients to access MRI services, particularly in regional areas.

The Australian Government will commence a process to extend access to all MBS-eligible MRI services to an additional 12 MRI units between 2012-15, on the basis of applications to provide services in defined areas of need.

From 1 November 2013, GPs will be able to request MRIs for all patients over 16 years of age for clinically appropriate indications. To help GPs ensure every patient receives the most appropriate imaging, the extension of requesting rights for these items will be made contingent on the development and dissemination of clinical guidelines. GP requesting will have a significant impact on access for patients to timely Medicare eligible MRI services.

Bulk-billing incentives for diagnostic imaging

The Australian Government introduced bulk-billing incentive payments to support access to Medicare-funded diagnostic imaging services from 1 November 2009. These incentive payments could provide up to 10 per cent of the MBS fee for each out-of-hospital diagnostic imaging service that is bulk-billed to the patient. From 1 May 2012, there will be an increase to the bulk-billing incentive from 95 per cent to 100 per cent of the MBS fee for all bulk-billed Medicare-eligible MRI services. This will encourage practices to bulk-bill services for patients.

Encourage more effective use of diagnostic imaging

In 2011-12, the Australian Government will review the structure of the diagnostic imaging Medicare Benefits Schedule (MBS) items to respond to the recent review of diagnostic imaging that found that the current structure is outdated. This will involve working closely with the sector to develop the most appropriate structure and to ensure that MBS items align with clinical practice and clinical training. Once the item structure review is completed the MBS fee relativities across and within modalities will be assessed to examine their appropriateness. Any changes to the structure will be completed in a cost neutral framework. Outcomes from the MBS review will be phased in gradually from 1 November 2013 and be completed by 1 November 2015.

In 2011-12, the Australian Government will support a number of research projects aimed at ensuring Australians continue to have access to safe, high quality, clinically relevant and cost-effective diagnostic imaging services. The department will run a competitive grants program, the Diagnostic Imaging Quality Program, which will target projects that meet an identified priority area in diagnostic imaging. The department, through the Diagnostic Imaging Quality Committee,

will seek input on these priority areas from individuals with significant experience in the diagnostic imaging industry.

Through the Diagnostic Imaging Quality Program the department will work closely with the Royal Australian College of General Practitioners and the Royal Australian and New Zealand College of Radiologists to develop and disseminate clinical guidelines and educational resources for diagnostic imaging to assist requestors in the appropriate selection of imaging.

The department will continue to manage the framework for the provision of positron emission tomography (PET) services to ensure that PET services are provided in a safe and effective manner. This includes updating the MBS requirements for PET services, where appropriate, to reflect current industry standards and opinions on the safety and effectiveness of PET and implementing any outcomes of the Review of Funding of Diagnostic Imaging, relevant to PET services and funding.

Diagnostic Imaging Accreditation Scheme

Accreditation of practices providing diagnostic imaging services will help ensure that patients receive access to high quality and safe services. The Australian Government is achieving this through the Diagnostic Imaging Accreditation Scheme, which links the MBS payment to accredited diagnostic imaging sites for services covered by the Diagnostic Imaging Services Table. Consequently, any practice intending to provide Medicare eligible diagnostic imaging services must be accredited under the scheme.

The scheme implements arrangements for all practices to move incrementally from accreditation under minimum entry level standards to accreditation under a full suite of standards. The department continues to closely monitor and evaluate the scheme which will be enhanced over time.

Research into the impacts on providers of diagnostic imaging services as a result of participating in the scheme, will commence in April 2010 and continue over a three year period to contribute to a final review of the scheme in 2013.

A Monitoring and Implementation Committee has been established and comprises individuals with technical expertise and professional experience in diagnostic imaging. The committee's key focus will be to manage the ongoing development of the scheme and ensure the scheme's standards continue to reflect contemporary clinical practice while remaining consistent with National Health Standards being developed by the Australian Commission on Safety and Quality in Health Care.

Capital sensitivity measure

From 1 July 2011, under the capital sensitivity measure, diagnostic imaging services rendered on fully depreciated equipment will trigger a 50 per cent reduction in the Medicare rebate for all diagnostic imaging modalities including ultrasound, diagnostic radiology, nuclear medicine imaging and magnetic resonance imaging.

The measure is intended to encourage providers to upgrade aged equipment, and ensure that the Government does not continue to pay the capital costs for machines

that have depreciated in value. Following stakeholder consultation, the life for each type of equipment will vary from 10 to 15 years, and providers will be able to extend the life of equipment by a further five years if the equipment undergoes an upgrade that is certified by the equipment supplier in Australia.

Program 3.3 Expenses

Table 3.11: Program Expenses

	2010-11 Estimated actual	2011-12 Budget	2012-13 Forward year 1	2013-14 Forward year 2	2014-15 Forward year 3
	$'000	$'000	$'000	$'000	$'000
Annual administered expenses					
Ordinary annual services	4,438	4,189	3,359	3,383	3,451
Program support	2,411	2,113	2,069	1,924	1,848
Total Program 3.3 expenses	**6,849**	**6,302**	**5,428**	**5,307**	**5,299**

Program 3.3: Deliverables[13]

The department will produce the following 'deliverables' to achieve the objectives of Program 3.3.

Table 3.12: Qualitative Deliverables for Program 3.3

Qualitative Deliverables	2011-12 Reference Point or Target
Produce relevant and timely evidence-based policy research	Relevant evidence-based policy research produced in a timely manner
Stakeholders participate in program and/or policy development	Stakeholders participate in program and/or policy development through avenues such as regular consultative committees, conferences, stakeholder engagement forums, surveys, submissions on departmental discussion papers and meetings
Safe, cost-effective, clinically relevant diagnostic imaging services	
Manage a grants-based, industry-focused program for the funding of activities that improves the quality of diagnostic imaging services	Funding agreements for the first funding round of the Diagnostic Imaging Quality Program developed, agreed and managed Second funding round for the Diagnostic Imaging Quality Program released by June 2012

[13] As a result of the Strategic Review, deliverables may have changed from the 2010-11 Portfolio Budget Statements.

Qualitative Deliverables	2011-12 Reference Point or Target
Manage the Diagnostic Imaging Accreditation Scheme	The department will closely monitor and evaluate the Diagnostic Imaging Accreditation Scheme. Research will be rolled out in three phases from early 2011 to 2013 to assess and evaluate the impacts of the scheme on practices participating in the scheme
Implement the Capital Sensitivity measure	Implementation of this measure will take place from 1 July 2011

Table 3.13: Quantitative Deliverables for Program 3.3

Quantitative Deliverables	2010-11 Revised Budget	2011-12 Budget	2012-13 Forward Year 1	2013-14 Forward Year 2	2014-15 Forward Year 3
Percentage of variance between actual and budgeted expenses	≤0.5%	≤0.5%	≤0.5%	≤0.5%	≤0.5%

Program 3.3: Key Performance Indicators[14]

The following 'key performance indicators' measure the effectiveness of Program 3.3 in meeting its objectives thereby contributing to the outcome.

Table 3.14: Quantitative Key Performance Indicators for Program 3.3

Quantitative Indicators	2010-11 Revised Budget	2011-12 Budget Target	2012-13 Forward Year 1	2013-14 Forward Year 2	2014-15 Forward Year 3
Safe, cost-effective, clinically relevant diagnostic imaging services					
Increase or maintain bulk-billing rates for diagnostic imaging	66%	66%	66%	66%	66%
Number of practices participating in the Diagnostic Imaging Accreditation Scheme[15]	4,100	4,200	4,300	4,400	4,500

14 As a result of the Strategic Review, key performance indicators may have changed from the 2010-11 Portfolio Budget Statements.

15 This figure has been amended from the 2010-11 Portfolio Budget Statements. The new figure recognise the growth in the number of imaging practices, across both comprehensive and smaller single modality practices.

Program 3.4: Pathology services

Program Objectives

Through Program 3.4, the Australian Government aims to:

- align pathology services with best clinical practice to ensure access to and efficient use of testing.

Major Activities

Access to pathology services

Pathology Funding Agreement

In 2011-12, the Australian Government entered into a five year Pathology Funding Agreement with key stakeholders of the pathology sector. The Agreement provides for capping of pathology outlays to ensure that funding through MBS arrangements represents value for money for Australian taxpayers.

The Agreement provides a framework to enable the Government and the sector to work cooperatively in order to: maintaining the quality, access and affordability of pathology services; improve fiscal sustainability of the pathology sector; improve transparency by introducing a mechanism for setting and reviewing fees for pathology items; maximise competition in the pathology sector; encourage investment; and recognise the mix of private, public and not-for-profit pathology providers. These elements of the Agreement are aimed at ensuring the sustainability of the pathology sector.

In 2011-12 the Australian Government, through the department, will also focus on improving the efficiency in the sector by developing a National Pathology Framework. The National Pathology Framework will be centred around a number of elements including: keeping pathology practices in Australia contemporary and up-to-date with international standards; encouraging evidence-based decision making and pathology requests; ongoing improvement to the quality, safety and accessibility of the sector; and ensuring financial sustainability of the sector without impacting the diversity of services provided in order to drive competition. At the centre of the National Pathology Framework design is patient care.

The Australian Government is committed to the integration of pathology services into the broader eHealth agenda and developing capacity in the sector for more efficient and evidence-based practice through support for eHealth engagement strategies. This will be done by the development of better decision support for requesting pathology services in order to improve the quality and clinical appropriateness of these requests, and adoption of National E-Health Transition Authority standards in relation to the Personally-Controlled Electronic Health Record. This will provide consistency and improve dialogue on matters that concern both these initiatives.

Additionally, work will be done to ensure a sustainable workforce for pathology through analysis of workforce requirements for safe pathology practice, including contributing to a detailed investigation of the status of the current pathology and

scientific workforce, trainee numbers and disciplines and exploration of more efficient workforce models.

The department, on behalf of the Government, has collaborated with the pathology sector to reaffirm its commitment to the National Pathology Accreditation Advisory Council regulatory process, and the National Association of Testing Authorities and the Royal College of Pathologists Australasia laboratory accreditation program while also working on new pathology governance arrangements to monitor expenditure and provide advice to the department on managing outlays and other elements of the Agreement.

Assurance of quality and accessibility of services

The Australian Government aims to ensure access to high quality, clinically relevant and cost-effective pathology services. Access to services is improved through bulk-billing incentives, removal of barriers affecting a patient's choice of provider and increasing competition in the industry by removing restrictions on the number of collection centres that a provider may operate.

The department manages the provision of quality pathology services through two programs. The National Pathology Accreditation program requires that laboratories be accredited in order to be eligible for Medicare Benefits Schedule (MBS) rebates. The Quality Use of Pathology program supports innovative approaches to improving the quality of pathology services. The department collaborates with consumer representatives and professionals representing pathologists, scientists, medical practitioners and other health practitioners who request pathology services.

Since 1 November 2009, bulk-billing incentives are payable per patient episode, ranging from $1.20 to $3.40. This is paid in addition to the standard MBS rebate and will help ensure continued access to affordable pathology services for patients.

Program 3.4 Expenses

Table 3.15: Program Expenses

	2010-11 Estimated actual	2011-12 Budget	2012-13 Forward year 1	2013-14 Forward year 2	2014-15 Forward year 3
	$'000	$'000	$'000	$'000	$'000
Annual administered expenses					
Ordinary annual services	2,702	4,347	4,744	4,295	5,343
Program support	2,725	2,388	2,339	2,175	2,089
Total Program 3.4 expenses	**5,427**	**6,735**	**7,083**	**6,470**	**7,432**

Program 3.4: Deliverables[16]

The department will produce the following 'deliverables' to achieve the objectives of Program 3.4.

Table 3.16: Qualitative Deliverables for Program 3.4

Qualitative Deliverables	2011-12 Reference Point or Target
Produce relevant and timely evidence-based policy research	Relevant evidence-based policy research produced in a timely manner
Stakeholders participate in program and/or policy development	Stakeholders participate in program and/or policy development through avenues such as regular consultative committees, conferences, stakeholder engagement forums, surveys, submissions on departmental discussion papers and meetings
Access to pathology services	
Develop a mechanism to ensure pathology in Australia maintains its existing level of quality, affordability and accessibility	A National Pathology Framework will be developed by 30 June 2012
Commitment to the Government's broader e-Health agenda	Inclusion of patient healthcare identifiers into pathology records by July 2012
Develop an approach to genetic testing	A working party will be established by the Government by December 2011 to conduct a review of current genetic testing arrangements
Contribute to developing a more transparent mechanism for setting and reviewing schedule fees for Pathology Services Table items	In-principle agreement to the range of costs that should be considered in setting MBS fees for pathology and how the agreed range of costs should be reflected in developing fees for pathology items that are new to the PST by July 2012

[16] As a result of the Strategic Review, deliverables may have changed from the 2010-11 Portfolio Budget Statements.

Table 3.17: Quantitative Deliverables for Program 3.4

Quantitative Deliverables	2010-11 Revised Budget	2011-12 Budget	2012-13 Forward Year 1	2013-14 Forward Year 2	2014-15 Forward Year 3
Percentage of variance between actual and budgeted expenses	≤0.5%	≤0.5%	≤0.5%	≤0.5%	≤0.5%
Access to pathology services					
Number of new and/or revised national accreditation standards produced for pathology laboratories	4	4	4	4	4

Program 3.4: Key Performance Indicators[17]

The following 'key performance indicators' measure the effectiveness of Program 3.4 in meeting its objectives thereby contributing to the outcome.

Table 3.18: Quantitative Key Performance Indicators for Program 3.4

Quantitative Indicators	2010-11 Revised Budget	2011-12 Budget Target	2012-13 Forward Year 1	2013-14 Forward Year 2	2014-15 Forward Year 3
Access to pathology services					
Percentage of Medicare-eligible laboratories meeting pathology accreditation standards	100%	100%	100%	100%	100%
Value of bulk-billing incentive payments for pathology services	$91.6m	$96.2m	$101.2m	$106.7m	$112.0m
Percentage of pathology services that are bulk-billed	86%	86%	86%	86%	86%
Percentage of patients who can exercise choice between available pathology providers	100%	100%	100%	100%	100%

[17] As a result of the Strategic Review, key performance indicators may have changed from the 2010-11 Portfolio Budget Statements.

Program 3.5: Chronic disease – radiation oncology

Program Objective

Through Program 3.5, the Australian Government aims to:

- complement the delivery of radiation oncology services under Medicare and the Regional Cancer Centres Initiative (Outcome 10) by improving access to, and the quality of, appropriately equipped radiation oncology treatment facilities for Australians with cancer.

Major Activities

Access to quality radiation oncology services

The Australian Government aims to improve access to high quality radiation oncology services by contributing funding for approved capital equipment, for quality improvements, workforce and research initiatives and national service planning activities.

To achieve this, in 2011-12 the department will provide Radiation Oncology Health Program Grants. These grants reimburse service providers, over five or ten years, for the cost of major capital equipment used to provide treatment services, ensuring that equipment is replaced in line with best-practice recommendations and that patients are treated using current techniques and technologies.

The Australian Government will fund training and development programs to increase the number of employees in the radiotherapy workforce by improving the evidence used to support workforce and service planning, retain skilled employees, and improve the capacity of the available workforce.[18]

The department will also continue to develop a quality framework for the radiation oncology sector and will work with the professions to develop options for implementing radiation oncology practice standards and an assessment program. In 2011-12, the Australian Clinical Dosimetry Service will provide independent checks of radiation treatment equipment to ensure the accuracy of radiation dose. This project is part of a three year trial conducted by the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA) and will inform future options for a permanent program.[19]

[18] Activities and performance information related to improving the radiation oncology workforce can also be found in the Health Workforce Fund in Outcome 12 of these Portfolio Budget Statements.

[19] For further information, refer to the ARPANSA chapter later in these Portfolio Budget Statements.

Program 3.5 is linked as follows:

- This program includes National Partnerships payments for:
  - *Cairns integrated cancer centre*; and
  - *Tasmanian health package - Radiation Oncology Services in North/North West Tasmania.*

  These Partnerships payments are paid to state and territory governments by The Treasury as part of the Federal Financial Relations (FFR) Framework. For budget estimates relating to the National Partnership component of the program, please refer to Budget Paper 3 or Program 1.10 of the Treasury Portfolio Budget Statements.

Program 3.5 Expenses

Table 3.19: Program Expenses

	2010-11 Estimated actual $'000	2011-12 Budget $'000	2012-13 Forward year 1 $'000	2013-14 Forward year 2 $'000	2014-15 Forward year 3 $'000
Annual administered expenses					
Ordinary annual services	78,611	70,856	71,645	70,482	70,638
Program support	2,367	2,074	2,031	1,889	1,814
Total Program 3.5 expenses	**80,978**	**72,930**	**73,676**	**72,371**	**72,452**

Program 3.5: Deliverables[20]

The department will produce the following 'deliverables' to achieve the objectives of Program 3.5.

Table 3.20: Qualitative Deliverables for Program 3.5

Qualitative Deliverables	2011-12 Reference Point or Target
Produce relevant and timely evidence-based policy research	Relevant evidence-based policy research produced in a timely manner
Stakeholders participate in program and/or policy development	Stakeholders participate in program and/or policy development through avenues such as regular consultative committees, conferences, stakeholder engagement forums, surveys, submissions on departmental discussion papers and meetings
Access to quality radiation oncology services	
Develop a framework to improve patient safety and clinical outcomes from radiation treatment	Develop an evidence-based framework and investigate options for implementation in a timely manner

[20] As a result of the Strategic Review, deliverables may have changed from the 2010-11 Portfolio Budget Statements.

Table 3.21: Quantitative Deliverables for Program 3.5

Quantitative Deliverables	2010-11 Revised Budget	2011-12 Budget	2012-13 Forward Year 1	2013-14 Forward Year 2	2014-15 Forward Year 3
Percentage of variance between actual and budgeted expenses	≤0.5%	≤0.5%	≤0.5%	≤0.5%	≤0.5%
Access to quality radiation oncology services					
Number of Radiation Oncology Health Program grants provided to eligible public and private providers[21]	62	65	67	69	71

Program 3.5: Key Performance Indicators[22]

The following 'key performance indicators' measure the effectiveness of Program 3.5 in meeting its objectives thereby contributing to the outcome.

Table 3.22: Qualitative Key Performance Indicators for Program 3.5

Qualitative Indicator	2011-12 Reference Point or Target
Access to quality radiation oncology services	
Radiation oncology standards help to ensure better outcomes for patients	Radiation Oncology Practice Standards finalised and recognised by the sector as a guide to good clinical practice

Table 3.22: Quantitative Key Performance Indicators for Program 3.5

Quantitative Indicators	2010-11 Revised Budget	2011-12 Budget Target	2012-13 Forward Year 1	2013-14 Forward Year 2	2014-15 Forward Year 3
Access to quality radiation oncology services					
The number of sites delivering radiation oncology [23]	62	65	67	69	71

21 The figures in the 2010-11 Portfolio Budget Statements included the Cairns radiotherapy facility, which was expected to commence operations in 2011-12. Figures have been adjusted to reflect amended targets.

22 As a result of the Strategic Review, key performance indicators may have changed from the 2010-11 Portfolio Budget Statements.

23 The figures in the 2010-11 Portfolio Budget Statements included the Cairns radiotherapy facility, which was expected to commence operations in 2011-12. Figures have been adjusted to reflect amended targets.