

Outcome 3

Access to Medical Services

Australians have access to cost-effective 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

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- 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

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000
Administered appropriations		
Program 3.1: Medicare Services		
<i>Health Insurance Act 1973 - Medical Benefits</i>	10,703,853	11,207,851
Total Special Appropriations	10,703,853	11,207,851
	10,703,853	11,207,851
Program 3.2: Alternative Funding for Health Service Provision		
Appropriation Bill 1	5,512	3,349
Appropriation Bill 2	684	-
	6,196	3,349
Program 3.3: Diagnostic Imaging Services		
Appropriation Bill 1	10,213	8,116
Appropriation Bill 2	1,000	1,100
	11,213	9,216
Program 3.4: Pathology Services		
Appropriation Bill 1	9,130	7,994
	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
	81,724	58,455
Program 3.6: Targeted Assistance - Medical		
Appropriation Bill 1	28,845	29,237
	28,845	29,237
Total Administered Appropriations	10,840,961	11,316,102

Table 3.1.3: Total resources for Outcome 3 (cont)

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000
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 <i>(Total revenue from government and from other sources)</i>	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 <i>(Total revenue from government and from other sources)</i>	27,355	27,477
Total Price of Outputs for Outcome 3 <i>(Total Revenue from Government and from other sources)</i>	27,355	27,477
Total estimated resourcing for Outcome 3 <i>(Total price of outputs and administered appropriations)</i>	10,868,316	11,343,579
	2005-06	2006-07
Average staffing level (number)		
Department	156	157

Measures Affecting Outcome 3

A summary of measures affecting this outcome is provided at Table 2.2, Section 2. Measure descriptions are published in full in Budget Paper No. 2, *Budget Measures 2006-07*, available on the Australian Government website at <<http://www.budget.gov.au>>.

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.

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

Indicator	Measured by	Reference Point or Target
Administered Funding – Medicines and Medical Services Programs		
Efficient Medicare Services.	Number of Medicare rebates provided.	Medicare rebates will be provided for an estimated 255 million services, representing approximately 12.3 services per capita.
Efficient Medicare safety net.	Number of families and singles that benefit from the extended Medicare safety net.	An estimated 446,000 families and 120,000 singles benefit from the extended Medicare safety net in calendar year 2006.
Efficiency of assessments for evidence of safety, efficacy and cost effectiveness.	Percentage of new medical services listed for funding under the MBS have been assessed for safety, efficacy and cost effectiveness.	100% of new medical services listed for funding under the MBS have been assessed for evidence of safety, efficacy and cost effectiveness.
Cost: \$11,316.102m		

Performance Information for Departmental Outputs

Indicator	Measured by	Reference Point or Target
Output Group 1 – Policy Advice		
Quality, relevant and timely advice for Australian Government decision-making.	Ministerial satisfaction.	Maintain or increase from previous year.
Relevant and timely evidence-based policy research.	Production of relevant and timely evidence-based policy research.	Relevant evidence-based policy research produced in a timely manner.
Price: \$21.432m		

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Indicator	Measured by	Reference Point or Target
Output Group 2 – Program Management		
Administered budget predictions are met and actual expenses vary less than 0.5% from budgeted expenses.	Percentage that actual expenses vary from budgeted expenses.	0.5% variance from budgeted expenses.
Stakeholders to participate in program development.	Opportunities for stakeholder participation through a range of avenues, such as surveys, conferences and meetings.	Stakeholders participated in program development through (eg. surveys, conferences and meetings).
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.

