

Extended Medicare Safety Net and EMSN capping

This fact sheet has been updated to reflect the actual EMSN benefit caps that will apply from 1 January 2010 and the standard Medicare rebate to apply from that time.

What is the Extended Medicare Safety Net?

The Extended Medicare Safety Net (EMSN) provides an additional rebate for Australian families and singles who incur out-of-pocket costs for out-of-hospital services. Out-of-hospital services include GP and specialist attendances. Once the relevant annual threshold of out-of-pocket costs has been met, Medicare will pay for 80% of any future out-of-pocket costs for out-of-hospital services for the remainder of the calendar year. However, as indicated in the 2009-10 Budget, from 1 January 2010 there will be an upper limit on the benefits that can be paid under the EMSN for a small number of Medicare items.

In 2010, the annual EMSN threshold for concession cardholders and people who receive Family Tax Benefits (Part A) is \$562.90. For all other singles and families the annual threshold is \$1,126.00. These amounts are indexed by Consumer Price Index on 1 January each year.

In-hospital services are not eligible for the EMSN. Where people receive their treatment in hospital as a private patient they are eligible for a Medicare rebate equal to 75% of the Medicare Schedule fee. If they hold Private Health Insurance (PHI), they will also receive a rebate from their PHI fund.

What is changing about the EMSN ?

From 1 January 2010, an upper limit will be placed on the amount of benefit that can be paid under EMSN for a small number of Medicare services. The upper limit of the EMSN benefit will be called the EMSN benefit cap.

The Government will not be means testing access to the EMSN.

When do the changes to the EMSN net take effect?

The changes to the EMSN will take effect on 1 January 2010. This will coincide with the start of the EMSN year.

What Medicare services will have an EMSN benefit cap under this change?

All Medicare services that are currently eligible for EMSN benefit will continue to be eligible. The only thing that is changing is that there will be a maximum limit on

the amount of benefits that will be paid for some MBS items under the EMSN from 1 January 2010.

The items that will have an EMSN benefit cap are:

- All obstetrics services;
- Some pregnancy related ultrasounds;
- All Assisted Reproductive Technology (ART) services;
- One type of varicose vein surgery (MBS item 32500);
- One type of cataract surgery (MBS item 42702); and
- Hair transplantation for the treatment of hair loss as the result of disease or injury (MBS item 45560).

Note that the item for the injection of a therapeutic substance into the eye (item 42740) will not have an EMSN benefit cap.

The affected MBS items and the levels of the EMSN benefit caps are available later in this document.

Why were those Medicare items chosen?

The Medicare items that are being capped in the 2009-10 Budget were identified in the Extended Medicare Safety Net Review Report 2009 (the Review report) as areas of concern.

The Review report found that between 2003 and 2008, the fees charged by obstetricians for in-hospital services reduced whilst the fees charged for out-of-hospital services increased significantly.

Similarly, the Review report found that the fees charged for ART services fell by 9% for in-hospital services, whilst the fees charged for out-of-hospital services increased by 62%.

This indicates that some doctors are structuring their billing to take advantage of the EMSN, as the fees charged for out-of-hospital services increased far in excess of the fees charged for in-hospital services.

The Review report also found that for some Medicare services with high out-of-pocket costs, such as varicose vein treatment, one type of cataract surgery and some ART services, for every EMSN dollar, 78 cents was spent on meeting doctors' higher fees, rather than reducing patients' out-of-pocket costs.

The EMSN benefit is intended to be a patient benefit. It is not intended to be a mechanism for doctors to increase their fees.

The Medicare item for hair transplantation for the treatment of alopecia was

identified in the Review report as one of the top items for EMSN spend per service. This is confirmed by Medicare data that shows that in some cases, the fee charged for the Medicare item of hair transplantation is in excess of \$10,000.

The Extended Medicare Safety Net Review Report can be found at www.health.gov.au/emsnreview

What is the new item structure for Assisted Reproductive Technologies?

As announced at Budget, the Medicare items for Assisted Reproductive Technology (ART) services, including In-Vitro Fertilisation (IVF), have been restructured in negotiation with the ART profession and patient group ACCESS. The new structure better reflect current clinical practice and will be of benefit to patients as the base MBS rebates have been increased for a typical treatment cycle. In some cases, patients will receive an increased base MBS rebate which is significantly higher across a typical treatment cycle. The new structure shows that the patients that are charged \$6,000 or less for a typical treatment cycle will not be worse off under these changes. More information about the new ART structure is provided below.

Will there be limits on access to ART services- such as limits on the number of cycles or age restrictions?

There will be no restriction placed on the number of cycles that patients can have under Medicare. Nor will there be any age restrictions placed on ART services.

Item number	Description	MBS Schedule Fee (1 Jan 2010) (\$)	A: MBS benefit (1 Jan 2010) (out-of-hospital) (\$)	B: EMSN Cap (1 Jan 2010) (\$)	Maximum Medicare benefit payable per claim out-of-hospital (A+B) (\$) #
I3200	ART services - superovulated treatment cycle proceeding to oocyte retrieval – initial cycle in a calendar year	2,940.00	2,870.90	1,550.00	4,420.90
I3201	ART services- superovulated treatment cycle proceeding to oocyte retrieval – subsequent cycle in a calendar year	2,750.00	2,680.90	2,250.00	4,930.90
I3202	ART services –	440.00	374.00	60.00	434.00

	superovulated cycles that is cancelled prior to oocyte retrieval				
I3203	Ovulation monitoring services for artificial insemination	460.00	391.00	100.00	491.00
I3206	ART services - natural treatment cycle or treatment cycle where oocyte growth and development is induced using oral medication only	440.00	374.00	60.00	434.00
I3209	Planning and management of an ART treatment cycle	80.00	68.00	10.00	78.00
I3212	Oocyte retrieval	335.00	284.75	65.00	349.75
I3215	Transfer of embryos to the female reproductive system	105.00	89.25	45.00	134.25
I3218	Preparation of frozen or donated embryos	750.00	680.90	650.00	1,330.90
I3221	Preparation of semen for artificial insemination	48.00	40.80	20.00	60.80
I3251	Intracytoplasmic sperm injection	395.00	335.75	100.00	435.75

New structure for the Medicare items for ART services from 1 January 2010

Note: Actual rebate payable depends on the amount of out-of-pocket cost that a patient needs to reach the EMSN threshold and the fee charged by the doctor.

How will the EMSN benefit caps work in practice?

The EMSN benefit cap will be applied at the item level. This means that the same level of EMSN benefit cap will apply to all claims for that item, regardless of the fee charged by the doctor.

All patients are eligible to receive up to the EMSN benefit cap, each time that they have a claim for the service.

Under the changes the method for determining the EMSN benefit will be the same, that is, 80% of the patient's out-of-pocket cost once the patient has reached the EMSN threshold. If this amount is greater than the EMSN benefit cap, then the patient receives the EMSN benefit cap amount. If the calculated benefit is less than the EMSN benefit cap, then the patient receives the calculated benefit (which is equal to 80% of the out-of-pocket costs for the claim).

For example, if it is assumed that the patient has already reached the EMSN

threshold and is therefore eligible for EMSN benefits, the following scenario could apply.

Item I6500, an antenatal attendance has a MBS Schedule Fee of \$44.55 and MBS rebate of \$37.90 and a \$30.45 EMSN cap.

Under the uncapped arrangements if the doctor charges \$80 for this service, a patient can receive an EMSN benefit of up to \$33.70 (80% of their out-of-pocket cost in addition to the \$37.90 rebate. This is \$71.60 in total).

If the EMSN cap was set at \$30.45, then the person would only receive an EMSN benefit of up to \$30.45 (\$68.35 in total including the MBS rebate).

For a person charged \$70, the EMSN benefit would be \$25.70, as this is equal to 80% of their

out-of-pocket costs for the claim (\$63.60 in total including the MBS rebate).

There is no impact on this patient as the EMSN benefit they are entitled to (\$25.70) is less than the EMSN benefit cap (\$30.45).

The EMSN benefit caps are only relevant for out-of-hospital services, as EMSN benefits are only paid for out-of-hospital services. The introduction of EMSN benefit caps will not impact on the amount that patients receive through their private health insurance.

How will I be affected?

You will still receive the standard Medicare rebate for the services. You will still be eligible to receive EMSN benefits for all out-of-hospital Medicare services once you reach the EMSN threshold. The only thing that is changing is that there will be a maximum limit placed on the amount that you will get back through the EMSN for selected items from 1 January 2010.

For all other Medicare out-of-hospital services, you will continue to receive 80% of your total out-of-pocket cost.

What action is being taken to minimise the impact on patients?

The 2009-10 Budget also includes funding of \$120.5 million for a maternity services reform package to provide greater choice for women, while maintaining Australia's strong record of safe, high quality maternity services.

The Maternity Services package includes:

- Medicare Benefits Schedule and Pharmaceutical Benefits Scheme (PBS) benefits for services provided by eligible midwives, to provide greater access to maternity care provided by midwives working in collaboration with doctors – expanding choice for women;
- A Government-supported professional indemnity insurance scheme for eligible midwives
- More services for rural and remote communities, where the state of maternity services is poor, through an expansion of the successful Medical Specialist Outreach Assistance Program (MSOAP).
- Extra scholarships for GPs and midwives to expand the maternity workforce, particularly in rural and remote Australia
- A new 24 hour, seven days a week telephone helpline and information service to provide women, their partners and families with great access to maternity information and support before and after birth.

The package will be implemented progressively with new Medicare arrangements for midwives beginning from 1 November 2010.

The Medicare rebates for 15 obstetrics items will be increased at a cost of \$157.6 million over four years. This will be of particular benefit for those women that do not qualify for EMSN benefits. The increased Medicare rebates will commence from 1 January 2010.

Which Obstetrics services will have the rebates increased?

The Medicare rebates will be increased for 15 obstetrics services from 1 January 2010, including:

- The planning and management of pregnancy;
- All Medicare items for management of labour and delivery;
- Standard antenatal attendances; and
- Antenatal attendances where the patient is in hospital for treatment of particular conditions such as premature labour.

Over a standard course of maternity care, the base MBS rebates have been increased by about \$300 per patient. This means that all patients will now receive a higher rebate before they even qualify for the EMSN.

These changes are outlined in the table which sets out the EMSN benefit caps for the obstetric items.

What are the new attendance items 16401 and 16404?

Two new items for consultations relating to pregnancy, I6401 and I6404, will be introduced into the obstetrics section of the MBS. These items will have the same fee as specialist attendance items I04 and I05. As is the current arrangements for items I04 and I05, these items will be restricted to specialists. These new items will also be subject to EMSN benefit caps.

From 1 January 2010, these items should be claimed for any attendance relating to pregnancy, including any initial attendance with the obstetrician for discussion of the pregnancy or any postnatal care provided to the patient subsequent to the expiration of normal aftercare period. It is still intended that item I6500 will be claimed for routine antenatal attendances.

It is important to note that practitioners are required to bill the Medicare item that best describes the service that they provide. Additionally, under the *Health Insurance Act 1973*, the amount that is specified on the account must be the amount charged for the service that is specified. This means that any component for other goods or services that are not part of the MBS item that is being billed must not be included in the fee for that item. For example, the fee charged for a service cannot be loaded onto the fee for another service.

What are the EMSN benefit caps that will apply to the obstetric items?

Item Number	Description of service	Fee increase	Current Schedule Fee	New Schedule fee 1 January 2010	A: MBS rebate from 1 January 2010	B: EMSN Cap (from 1 Jan 2010)	A +B: Maximum Medicare benefit payable per claim out-of-hospital
I6400	Antenatal attendance by a nurse or midwife on the behalf of a medical practitioner	10%	22.90	25.80	21.95	10.15	32.10
I6401	Initial specialist attendance by a practitioner in the practice of obstetrics	0%	79.05	(80.85) Standard increase only	68.75	50.75	119.50
I6404	Subsequent specialist attendance by a practitioner in the practice of obstetrics	0%	39.70	(40.60) Standard increase only	34.55	30.45	65.00
I6500	Antenatal attendance	10%	39.55	44.55	37.90	30.45	68.35
I6501	External Cephalic Version for Breech Presentation, After 36 Weeks	0%	129.85	(132.85) Standard increase only	112.95	60.90	173.85
I6502	Attendance for treatment of Polyhydramnios,	10%	39.55	44.55	33.45*	20.30	Usually provided in hospital*

	Unstable Lie, Multiple Pregnancy, Pregnancy Complicated by Diabetes or Anaemia, Threatened Premature Labour Treated by Bed Rest Only or Oral Medication,						
I6504	Attendance for the treatment of Habitual Miscarriage by Injection of Hormones Each Injection Up to a Maximum of 12 Injections	10%	39.55	44.55	37.90	20.30	58.20
I6505	Attendance for threatened Abortion, Threatened Miscarriage or Hyperemesis Gravidarum,	10%	39.55	44.55	33.45*	20.30	Usually provided in hospital*
I6508	Attendance for Pregnancy Complicated by Acute Intercurrent Infection, Intrauterine Growth Retardation, Threatened Premature Labour With Ruptured Membranes or Threatened Premature Labour Treated by Intravenous Therapy	10%	39.55	44.55	33.45*	20.30	Usually provided in hospital*
I6509	Attendance for the treatment of Preeclampsia, Eclampsia or Antepartum Haemorrhage	10%	39.55	44.55	33.45*	20.30	Usually provided in hospital*
I6511	Purse String Ligation of Cervix	0%	203.20	(207.85) Standard increase only	155.90*	101.50	Usually provided in hospital*
I6512	Removal of Purse String Ligature of Cervix	0%	58.65	(60.00) Standard increase only	45.00*	30.45	Usually provided in hospital*
I6514	Antenatal Cardiotocography in the Management of High Risk Pregnancy	0%	33.85	(\$34.65) Standard increase only	29.50	15.25	44.75
I6515	Management of Vaginal Delivery As An Independent Procedure Where the Patient's Care Has Been Transferred by Another Medical Practitioner for Management of the Delivery	30%	320.25	425.95	319.50*	162.40	Usually provided in hospital*

16518	Management of Labour, Incomplete, Where the Patient's Care Has Been Transferred to Another Medical Practitioner for Completion of the Delivery	30%	320.25	425.95	319.50*	162.40	Usually provided in hospital*
16519	Management of Labour and Delivery by Any Means (Including Caesarean Section) Including Post-partum Care for 5 Days	30%	493.15	655.85	491.90*	304.50	Usually provided in hospital*

What are the EMSN benefit caps that will apply to the obstetric items (continued)?

Item Number	Description of service	Fee increase	Current Schedule Fee	New Schedule fee 1 January 2010	A: MBS rebate from 1 January 2010	B: EMSN Cap (from 1 Jan 2010)	A +B: Maximum Medicare benefit payable per claim out-of-hospital
16520	Caesarean Section and Post-operative Care for 7 Days Where the Patient's Care Has Been Transferred by Another Medical Practitioner	30%	576.35	766.55	574.95*	304.50	Usually provided in hospital *
16522	Management of complicated birth	30%	1,157.90	1,539.90	1,154.95*	406.00	Usually provided in hospital*
16525	Management of Second Trimester Labour, With or Without Induction, for Intrauterine Fetal Death, Gross Fetal Abnormality or Life Threatening Maternal Disease	30%	273.15	363.25	272.45*	142.10	Usually provided in hospital*
16564	Evacuation of Retained Products of Conception (Placenta, Membranes or Mole) As a Complication of Confinement, With or Without Curettage of the Uterus	0%	201.40	(206.05) Standard increase only	154.55*	203.00	Usually provided in hospital*
16567	Management of Postpartum Haemorrhage by Special Measures Such As Packing of Uterus	0%	294.55	(301.30) Standard increase only	226.00*	203.00	Usually provided in hospital*
16570	Vaginal Correction of Acute Inversion of the	0%	384.35	(393.20) Standard	294.90*	203.00	Usually provided in

	Uterus			increase only			hospital*
16571	Repair of Extensive Laceration or Lacerations of the Cervix	0%	294.55	(301.30) Standard increase only	226.00*	203.00	Usually provided in hospital*
16573	Repair of Third Degree Tear, Involving Anal Sphincter Muscles and Rectal Mucosa	0%	240.05	(245.55) Standard increase only	184.20*	203.00	Usually provided in hospital*
16590	Planning and Management of a Pregnancy That Has Progressed Beyond 20 Weeks.	150%	119.75	306.30	260.40	203.00	463.40
16591 new	Planning and Management of a Pregnancy where the care of the patient will be transferred to another medical practitioner for the labour and delivery	10%	119.75	134.80	114.60	101.50	216.10
16600	Amniocentesis	0%	58.65	(60.00) Standard increase only	51.00	30.45	81.45
16603	Chorionic Villus Sampling	0%	112.60	(115.20) Standard increase only	97.95	60.90	158.85
16606	Fetal Blood Sampling From Umbilical Cord or Foetus	0%	224.70	(229.85) Standard increase only	195.40	121.80	317.20
16609	Fetal Intravascular Blood Transfusion, Using Blood Already Collected, Including Neuromuscular Blockade, Amniocentesis and Fetal Blood Sampling.	0%	458.20	(468.75) Standard increase only	399.65	233.45	633.10
16618	Amniocentesis, Therapeutic	0%	192.00	(196.40) Standard increase only	166.95	96.45	263.40
16624	Drainage of Fetal Fluid Filled Cavity	0%	276.30	(282.65) Standard increase only	240.30	131.95	372.25
16627	Feto-amniotic Shunt, Insertion of, Into Fetal Fluid Filled Cavity, Including Neuromuscular Blockade	0%	562.60	(575.55) Standard increase only	506.45	284.20	790.65

	and Amniocentesis						
16633	Procedure On Multiple Pregnancies Relating to Items 16606, 16609, 16612, 16615 and 16627	0%	Derived fee	No increase	The rebate depends on the item number claimed for the first foetus	213.15	The rebate depends on the item number claimed for the first foetus
16636	Procedure On Multiple Pregnancies Relating to Items 16600, 16603, 16618, 16621 and 16624	0%	Derived fee	No increase	The rebate depends on the item number claimed for the first foetus	81.20	The rebate depends on the item number claimed for the first foetus

Note: Actual rebate payable depends on the amount of out-of-pocket cost that a patient needs to reach the EMSN threshold and the fee charged by the doctor.

*Note: This service is usually provided to an admitted patient in a hospital. Therefore, EMSN benefits are not payable. It is difficult to determine the maximum benefit payable for in-hospital services as different private health insurance funds provide different levels of coverage and different patients have different policies. The MBS rebate for in-hospital services is 75% of the MBS Schedule fee.

Why are EMSN benefit caps applied on labour and delivery items when these services are usually provided in-hospital?

EMSN benefit caps are only relevant for out-of-hospital services, as EMSN benefit are only paid for out-of-hospital services. Whilst the majority of services for items which cover labour and delivery are provided in-hospital, there are a small proportion of patients that receive these services out-of-hospital.

EMSN benefit caps are also applied to items in recognition that some patients and doctors choose to have these services out-of-hospital and to ensure consistency in the application of EMSN benefit caps across MBS obstetrics services.

What are the EMSN benefit caps on pregnancy ultrasounds?

Item Number	Description of service	Fee increase	Current Schedule Fee	New Schedule fee 1 January 2010	A: MBS rebate from 1 January 2010	B: EMSN Cap (from 1 Jan 2010)	A +B: Maximum Medicare benefit payable per claim out-of-hospital
55700	Pregnancy related	0%	60.00	No increase	51.00	30.45	81.45

	scan - less than 12 weeks referred patient							
55703	Pregnancy related scan - less than 12 weeks non referred patient	0%	35.00	No increase	29.75	15.25	45.00	
55704	Pregnancy related scan - 12 to 16 weeks referred patient	0%	70.00	No increase	59.50	35.55	95.05	
55705	Pregnancy related scan - 12 to 16 weeks non referred patient	0%	35.00	No increase	29.75	15.25	45.00	
55706	Pregnancy related scan - 17 to 22 weeks referred patient	0%	100.00	No increase	85.00	50.75	135.75	
55707	Pregnancy related scan - rump length of 45 to 84mm referred patient	0%	70.00	No increase	59.50	35.55	95.05	
55708	Pregnancy related scan - rump length of 45 to 84mm non referred patient	0%	35.00	No increase	29.75	15.25	45.00	
55709	Pregnancy related scan - 17 to 22 weeks non referred patient	0%	38.00	No increase	32.30	20.30	52.60	
55712	Pregnancy related scan - 17 to 22 weeks referred patient by obstetrician	0%	115.00	No increase	97.75	60.90	158.65	
55715	Pregnancy related scan - 17 to 22 weeks non referred patient, performed by obstetrician	0%	40.00	No increase	34.00	20.30	54.30	
55718	Pregnancy related scan - after 22 weeks referred patient	0%	100.00	No increase	85.00	50.75	135.75	
55721	Pregnancy related scan - after 22 weeks referred patient by obstetrician	0%	115.00	No increase	97.75	60.90	158.65	
55723	Pregnancy related scan - after 22 weeks non referred patient	0%	38.00	No increase	32.30	20.30	52.60	

55725	Pregnancy related scan - after 22 weeks non referred patient, performed by obstetrician	0%	40.00	No increase	34.00	20.30	54.30
55729	Duplex scanning after 24th week	0%	27.25	No increase	23.20	15.25	38.45
55762	Pregnancy related scan - 17 to 22 weeks non referred patient which identifies multiple pregnancy	0%	60.00	No increase	51.00	30.45	81.45
55764	Pregnancy related scan - 17 to 22 weeks referred patient which identifies multiple pregnancy, performed by obstetrician	0%	160.00	No increase	136.00	81.20	217.20
55766	Pregnancy related scan - 17 to 22 weeks non referred patient which identifies multiple pregnancy, performed by obstetrician	0%	65.00	No increase	55.25	30.45	85.70
55768	Pregnancy related scan - after 22 weeks referred patient which confirms multiple pregnancy	0%	150.00	No increase	127.50	76.15	203.65
55770	Pregnancy related scan - after 22 weeks non referred patient which confirms multiple pregnancy	0%	60.00	No increase	51.00	30.45	81.45
55772	Pregnancy related scan - after 22 weeks referred patient by obstetrician which confirms multiple pregnancy	0%	160.00	No increase	136.00	81.20	217.20
55774	Pregnancy related scan - after 22 weeks referred patient which confirms multiple pregnancy performed by obstetrician	0%	65.00	No increase	55.25	35.55	90.80

Note: Actual rebate payable depends on the amount of out-of-pocket cost that a patient needs to reach the EMSN threshold and the fee charged by the doctor.

*Note: This service is usually provided to an admitted patient in a hospital. Therefore, EMSN benefits are not payable. It is difficult to determine the maximum benefit payable for in-hospital services as different private health insurance funds provide different levels of coverage and different patients have different policies.

What are the EMSN benefit caps that will apply to the selected items?

Item number	Description	MBS Schedule Fee (1 November 2009)	A: MBS rebate from 1 November 2009	B: EMSN Cap (from 1 Jan 2010)	A +B: Maximum Medicare benefit payable per claim out-of-hospital
32500	Varicose vein treatment via injection of sclerosant	103.81	88.25	111.65	199.90
42702	Cataract surgery	454.35	386.20	101.50	487.70*
45560	Hair Transplantation	447.65	380.55	152.25	532.80

Note: Actual rebate payable depends on the amount of out-of-pocket cost that a patient needs to reach the EMSN threshold and the fee charged by the doctor.

* Maximum benefit payable for out-of-hospital service. The majority of cataract surgeries are performed on an in-hospital basis.

Item 42740, injection of a therapeutic substance into the eye, was to have EMSN benefit cap under the policy announced at Budget. The Government has decided that this item will no longer have an EMSN benefit cap.

Will the levels of the EMSN benefits caps be indexed?

The EMSN benefit caps will be indexed by Consumer Price Index on 1 January each year. The EMSN benefit caps outlined in this document will apply from 1 January 2010.

What will patients and doctors need to do to comply with the changes?

Doctors and patients will not be required to do anything extra to comply with the changes. The EMSN benefit caps will be stored in the Medicare Australia claiming systems and be applied by Medicare Australia at the time of processing the claim for payment.

Will there be more EMSN benefit caps placed on Medicare services in the future?

At present, the EMSN benefit caps will only apply to the identified Medicare items.

