

Outcome 3

Access to Medical Services

Australians have access to cost-effective medical services

OUTCOME SUMMARY

Outcome 3 ensures that Australians have access to cost-effective and high quality medical services. The Australian Government is committed to restoring and extending Medicare to meet a range of new health care demands, ensuring that it reflects and encourages appropriate clinical practice, while protecting its integrity. The Government will also provide funding to help people access radiation oncology, as well as essential medical services that may not be available through mainstream mechanisms.

Outcome 3 is the responsibility of the Medical Benefits Division. The Primary and Ambulatory Care Division also contributes to this outcome.

Key Strategic Directions

- Improve access to radiation oncology, Magnetic Resonance Imaging and Positron Emission Tomography capital-intensive health services.
- Improve access to dental services.
- Protect the integrity of Medicare benefits arrangements through enhanced and increased compliance activity by Medicare Australia.
- Ensure the Medicare Benefits Schedule reflects and encourages appropriate clinical practice undertaken in accordance with professionally agreed standards.

The Government will also support:

- The states and territories to improve access to public dental services and to help reduce the number of people waiting for public dental treatment (Outcome 13).

Major Activities

Improve Access to Radiation Oncology Services, Magnetic Resonance Imaging and Positron Emission Tomography

The Australian Government will improve access to capital intensive health services, particularly in non-metropolitan areas, by funding contributions to capital expansion and increasing the number of people trained in radiation therapy and medical physics, through the Better Outcomes for Hospitals and Community Health Initiative. This includes the initial planning and potential construction of expanded radiation oncology services, increased access to Positron Emission Tomography (PET) services and expanding access to Medicare eligible Magnetic Resonance Imaging (MRI) machines across Australia. The initiative will also provide support for new radiation oncology facilities in North Queensland and North/North West Tasmania, and fast track an existing project in Lismore to increase access to radiotherapy in these regional areas.

The Australian Government will increase access to PET/Computed Tomography scanning services by providing funding to the Royal Hobart Hospital and the Newcastle Calvary Mater Hospital for the purchase of new equipment and for the upgrade of infrastructure and scanning equipment.

Fifteen new MRI locations were announced by the Australian Government on 12 February 2008. Of these, priority will be given to public hospitals. For other locations, the Government is seeking providers through an 'invitation to apply' process. Through this initiative, the Government will ensure that MRI Medicare eligible machines are more accessible.

Funding for this major activity is sourced from Program 3.3 – Diagnostic Imaging Services, and Program 3.5 – Chronic Disease – Radiation Oncology.

Teen Dental Plan

The Australian Government will make it more affordable for Australian families to keep their children's teeth in good health. The Teen Dental Plan will provide up to \$150 per person towards an annual preventative check for teenagers aged 12-17 in families receiving Family Tax Benefit A, or teenagers in the same age group who are receiving Youth Allowance or Abstudy. The initiative will help parents with the cost of a preventative dental check for their children and encourage young adults to continue to look after their teeth once they become independent and leave home.

The Teen Dental Plan is expected to commence in July 2008. Once the initiative commences, families will receive a voucher, issued by Medicare Australia, advising them of their teenager's eligibility for a preventative dental check.

The Department has overall policy responsibility for the Teen Dental Plan, including coordination of the development activities across several Australian Government departments, agencies and consultation with stakeholders. The Department will also develop the business rules with Medicare Australia and Centrelink, putting in place the necessary legal framework and communication strategies with providers (refer to Outcome 13 for discussion on the Commonwealth Dental Health Program).

Funding for this major activity is sourced from Program 3.1 – Medicare Services.

Protecting the Integrity of Medicare through Increased Compliance Activity

The Australian Government will protect the integrity of the Medicare Benefits Schedule (MBS) through the Professional Services Review¹ (PSR) Scheme and the compliance activities of Medicare Australia. The PSR reviews any suspected cases of inappropriate practice referred to it by Medicare Australia. Medicare Australia undertakes audits and investigations in relation to Medicare payments.

During 2008-09, Medicare Australia and the Department, on the Australian Government's behalf, will work with the medical profession and other stakeholders to develop a more strategic focus on MBS compliance through implementation of the Increased MBS Compliance Audits Initiative. This initiative will enhance Medicare Australia's ability to detect and treat non-compliance by increasing audit activity on Medicare services to ensure

¹ For further discussion on the PSR Scheme, please refer to the PSR chapter located later in these Portfolio Budget Statements.

that practitioners are fulfilling the requirements of relevant MBS item descriptors. Medicare Australia will conduct an additional 2,000 audits each year on Medicare providers who have been identified as having unusual billing practices. At the same time, the Government will introduce legislation to increase the powers of Medicare Australia, so that when auditing practitioners and services are identified as being at medium to high-risk of incorrect claiming, practitioners will be compelled to produce evidence, where appropriate, to substantiate Medicare billing. The initiative also introduces financial sanctions for practitioners who are billing Medicare inappropriately.

This initiative will further protect the integrity of Medicare by boosting the Medicare compliance program and ensuring that public revenue is used appropriately on clinically relevant services. The Department, in conjunction with Medicare Australia, will undertake significant consultation with the medical profession and other stakeholders during 2008-09, about the changes to the compliance program. The Privacy Commissioner is being consulted in the development of this initiative.

Implementation of the recommendations arising from a review of PSR, completed in 2007, will continue during 2008-09. This will involve collaboration between the Department, PSR, Medicare Australia and the medical profession, and will further enhance the role of the PSR Scheme.

Funding for this major activity is sourced from Program 3.1 – Medicare Services.

Encouraging Appropriate Clinical Practice in the MBS

The Australian Government, through the Department, will consult with the medical profession, Medicare Australia and the Medicare Benefits Consultative Committees to ensure policies meet the needs of the community and that the MBS offers appropriate incentives for good clinical practice.

The Government will achieve this through subsidising a wide range of medical services delivered to the public via the MBS. These include general practitioner, enhanced primary care and specialist services, such as consultations, obstetrics, anaesthetics, pathology and diagnostic imaging.

In 2008-09, the Department will estimate and report on total MBS expenditure, and produce and distribute the MBS fees and services. In addition, the Department will analyse Medicare statistics to monitor and inform policy development and project management, to ensure funding is used appropriately.

From 1 July 2008, the Australian Government will reinstate Medicare benefits for reversal of sterilisation procedures through the Medicare Funding for Reversal of Sterilisations Initiative to provide a more affordable option for people wanting to restore their fertility.

In 2008-09, the Department will commence reviewing relevant MBS items in the context of outcomes from the development of the National Maternity Services Plan to consider the role of midwives in the provision of maternity care. The review will focus on the scope of the services covered by the MBS, to ensure that the items support and encourage choice within appropriate clinical practice and facilitate the provision of safe treatment for Australian mothers and their babies.

In 2008-09, the Department will also work with the Medical Services Advisory Committee to further refine its processes to ensure it provides timely and high quality advice to the Australian Government. The committee is responsible for evaluating the safety,

effectiveness and cost effectiveness of new medical technologies for the purposes of informing Government funding decisions. Effort will focus on conducting better, more consistent economic analyses, developing new ways to match the method of assessment with the nature of the technology under review, and working with stakeholders so assessments are informed by the best available expert clinical and consumer advice.

Funding for this major activity is sourced from Program 3.1 – Medicare Services and Output Group 1 – Policy Advice.

Outcome 3 Resourcing

Table 3.1 shows how the 2008-09 Budget appropriations translate to total resourcing for Outcome 3, including administered expenses, revenue from government (appropriations), revenue from other sources, and the total price of outputs.

Table 3.1: Total Resources for Outcome 3

	2008-09 Total estimate of available resources \$'000	2007-08 Estimated actual \$'000
Outcome 3 Administered and Departmental Output Resources		
Program 3.1: Medicare Services		
<i>Administered Items</i>		
Special Appropriations		
<i>Health Insurance Act 1973 - Medical Benefits</i>	13,597,055	12,818,269
Dental Benefits Bill 2008 ¹	91,475	-
<i>Departmental Outputs</i>		
Annual Appropriation Bill 1 (Ordinary Annual Services)	15,407	15,978
Revenues from other sources (s.31) for goods and services	442	439
Subtotal for Program 3.1	13,704,379	12,834,686
Program 3.2: Alternative Funding to Health Service Provision		
<i>Administered Items</i>		
Annual Appropriation Bill 1 (Ordinary Annual Services)	3,422	3,785
<i>Departmental Outputs</i>		
Annual Appropriation Bill 1 (Ordinary Annual Services)	416	432
Revenues from other sources (s.31) for goods and services	12	12
Subtotal for Program 3.2	3,850	4,229
Program 3.3: Diagnostic Imaging Services		
<i>Administered Items</i>		
Annual Appropriation Bill 1 (Ordinary Annual Services)	11,092	6,971
Annual Appropriation Bill 2 (Other Services)	11,300	1,200
<i>Departmental Outputs</i>		
Annual Appropriation Bill 1 (Ordinary Annual Services)	4,523	4,691
Revenues from other sources (s.31) for goods and services	130	129
Subtotal for Program 3.3	27,045	12,991
Program 3.4: Pathology Services		
<i>Administered Items</i>		
Annual Appropriation Bill 1 (Ordinary Annual Services)	4,215	3,651
<i>Departmental Outputs</i>		
Annual Appropriation Bill 1 (Ordinary Annual Services)	3,276	3,397
Revenues from other sources (s.31) for goods and services	94	93
Subtotal for Program 3.4	7,585	7,141

Table 3.1: Total Resources for Outcome 3 (cont)

	2008-09 Total estimate of available resources \$'000	2007-08 Estimated actual \$'000
Program 3.5: Chronic Disease - Radiation Oncology		
<i>Administered Items</i>		
Annual Appropriation Bill 1 (Ordinary Annual Services)	93,880	68,850
Annual Appropriation Bill 2 (Other Services)	6,001	1,185
<i>Departmental Outputs</i>		
Annual Appropriation Bill 1 (Ordinary Annual Services)	1,380	1,431
Revenues from other sources (s.31) for goods and services	40	39
Subtotal for Program 3.5	101,301	71,505
Program 3.6: Targeted Assistance - Medical		
<i>Administered Items</i>		
Annual Appropriation Bill 1 (Ordinary Annual Services)	38,379	14,400
<i>Departmental Outputs</i>		
Annual Appropriation Bill 1 (Ordinary Annual Services)	3,544	3,676
Revenues from other sources (s.31) for goods and services	102	101
Subtotal for Program 3.6	42,025	18,177
Total Resources for Outcome 3	13,886,185	12,948,729
Outcome 3 Resources by Departmental Output Group		
Department of Health and Ageing		
Output Group 1: Policy Advice	23,228	24,060
Output Group 2: Program Management	6,138	6,358
Total Departmental Resources	29,366	30,418
	2008-09	2007-08
Average Staffing Level (Number)	163.5	175.8

¹ The Dental Benefits Bill will be introduced into Parliament in the Winter sitting period. The Teen Dental Plan will be administered under its own legislation; previously this has been under the *Health Insurance Act 1973*.

Measures Affecting Outcome 3

A summary of measures affecting this outcome is provided at Table 1.3.1, Section 1. Measure descriptions are published in full in *Budget Paper No. 2, Budget Measures 2008-09*, available on the Australian Government website at <<http://www.budget.gov.au>>.

Contribution of Administered Programs

Program 3.1 – Medicare Services

The Medicare Services Program supports access to a range of medical services listed in the MBS. Through this program, the Australian Government funds medical services and payments made under the Medicare safety nets and bulk-billing incentives and enables optometrists to deliver services to people in remote and very remote areas. The Department maintains and analyses comprehensive data on services, benefits and costs to patients, as an aid to developing advice on the program's contribution to government policy.

The contribution to this outcome is measured by the Department's efficiency in translating Government policy into practice through changes to accessing affordable medical services under Medicare.

Program 3.2 – Alternative Funding for Health Service Provision

The Alternative Funding for Health Service Provision Program helps people access essential medical services that may not be available through mainstream mechanisms. For example, the Australian Government may provide funding when a person with a rare condition needs to travel overseas for life-saving treatment.

The contribution to this outcome is measured by the number of Australians from high risk and special need population groups funded to access health services, scientific aids and life-saving medical treatment overseas.

Program 3.3 – Diagnostic Imaging Services

The Diagnostic Imaging Services Program promotes the quality and effectiveness of diagnostic imaging services to ensure people receive the services they need to manage their health.

The contribution to this outcome is measured by the provision of safe and effective imaging services.

Program 3.4 – Pathology Services

The Pathology Services Program promotes the quality and effectiveness of pathology services to ensure that people receive the services they need to manage their health.

The contribution to this outcome is measured by the maintenance of a robust pathology accreditation system that promotes incremental improvements in the quality and appropriateness of pathology services.

Program 3.5 – Chronic Disease – Radiation Oncology

The Chronic Disease – Radiation Oncology Program promotes better access to radiation therapy treatment for cancer patients, by reimbursing the costs of major capital equipment

and expanding the number of facilities. Costs for developing the workforce and supporting research in radiation oncology are also reimbursed.

The contribution to this outcome is measured by the number of Australians requiring radiation therapy who have access to such services.

Program 3.6 – Targeted Assistance – Medical

The Targeted Assistance – Medical Program supports a number of diverse areas of Australian Government health care assistance that is not covered by other programs. For example, under this program, the Government provides ex-gratia payments to Australian victims of the Bali, London and Egypt bombings, and health care assistance to Australian victims of the December 2004 Asian tsunami.

Contribution of Departmental Outputs to Outcome 3

The Department describes its core activities in terms of two output groups: policy advice and program management. Outcome 3 reports on both output groups. Refer to Section 2.1 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.

Table 3.2: Key Performance Information for Outcome 3

Performance Information for Administered Programs

Indicator	2008-09 Reference Point or Target
<p>Program 3.1 – Medicare Services</p> <ul style="list-style-type: none"> Administered Items 	
<p>Number of Medicare rebates provided.</p>	<p>Medicare rebates will be provided for an estimated 288 million services, representing approximately 13.5 services per capita.</p>
<p>Effective communication to providers and patients to maximise utilisation of the Teen Dental Plan.</p>	<p>1.1 million vouchers provided to eligible teenagers annually and program information provided to approximately 9,000 dentists. Utilisation will be measured by the uptake of the preventative dental check by patients and providers.</p>
<ul style="list-style-type: none"> Departmental Outputs² 	
<p>Resourcing: \$13,704.379m</p>	

² The Department has four standard performance indicators for departmental output groups. See 'Performance Information for Departmental Outputs' for further information.

Indicator	2008-09 Reference Point or Target
Program 3.2 – Alternative Funding for Health Service Provision	
<ul style="list-style-type: none"> Administered Items 	
Timely administration of alternative funding programs.	Applications and conditions of grants are processed within agreed timelines.
<ul style="list-style-type: none"> Departmental Outputs³ 	
Resourcing: \$3.850m	

Indicator	2008-09 Reference Point or Target
Program 3.3 – Diagnostic Imaging Services	
<ul style="list-style-type: none"> Administered Items 	
Funding of high quality, relevant diagnostic imaging services.	Medicare rebates will be provided for an estimated 12 million diagnostic imaging services representing approximately 0.6 services per capita.
Expansion of Medicare-eligible MRI services throughout Australia.	Up to 127 Medicare-eligible MRI units in 2008-09.
<ul style="list-style-type: none"> Departmental Outputs³ 	
Resourcing: \$27.045m	

Outcome | 03

³ The Department has four standard performance indicators for departmental output groups. See 'Performance Information for Departmental Outputs' for further information.

Indicator	2008-09 Reference Point or Target
Program 3.4 – Pathology Services	
<ul style="list-style-type: none"> Administered Items 	
All pathology laboratories are capable of meeting national pathology accreditation standards.	100% of laboratories meet national pathology accreditation standards.
<ul style="list-style-type: none"> Departmental Outputs⁴ 	
Resourcing: \$7.585m	

Indicator	2008-09 Reference Point or Target
Program 3.5 – Chronic Disease – Radiation Oncology	
<ul style="list-style-type: none"> Administered Items 	
Radiation oncology initiatives are developed to increase workforce capacity to support capital expansions.	Workforce research and capital projects are progressed in consultation with the radiation oncology sector. Applications and conditions of grant are processed in line with program guidelines.
<ul style="list-style-type: none"> Departmental Outputs⁴ 	
Resourcing: \$101.301m	

Indicator	2008-09 Reference Point or Target
Program 3.6 – Targeted Assistance – Medical	
<ul style="list-style-type: none"> Administered Items 	
Quality, relevant and timely advice to Medicare Australia on eligibility of claims for assistance.	Stakeholder satisfaction.
<ul style="list-style-type: none"> Departmental Outputs⁴ 	
Resourcing: \$42.025m	

⁴ The Department has four standard performance indicators for departmental output groups. See 'Performance Information for Departmental Outputs' for further information.

Performance Information for Departmental Outputs

In relation to the following programs:

- 3.1: Medicare Services;
- 3.2: Alternative Funding for Health Service Provision;
- 3.3: Diagnostic Imaging Services;
- 3.4: Pathology Services;
- 3.5: Chronic Disease – Radiation Oncology; and
- 3.6: Targeted Assistance – Medical.

Indicator	2008-09 Reference Point or Target
Output Group 1 – Policy Advice	
Quality, relevant and timely advice for Australian Government decision-making measured by Ministerial satisfaction.	Ministerial satisfaction.
Production of relevant and timely evidence-based policy research.	Relevant evidence-based policy research produced in a timely manner.
Output Group 1 Resourcing: \$23.228m	

Indicator	2008-09 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 measured by comparison of actual expenses against budget.	0.5% variance from budgeted expenses.
Stakeholders participate in program development through a range of forums.	Stakeholders participated in program development through regular consultative committees, conferences and stakeholder engagement forums.
Output Group 2 Resourcing: \$6.138m	

Outcome | 03

