

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 achieves this outcome by funding services through the Medicare Benefits Scheme (MBS). The Government also provides 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.

### The Year Ahead

In 2007-08, the Australian Government will continue to ensure that all Australians have access to high quality, cost-effective medical services by keeping up-to-date with changes in clinical practice and reflecting these in the funding of MBS services. The Government will also focus on improving access to specialist services and new technologies.

### Key Strategic Directions for 2007-08

During 2007-08, the Australian Government will:

- continue to subsidise services under the MBS, and ensure that services are undertaken in accordance with professionally agreed standards;
- work with the medical profession to ensure that the MBS reflects and encourages appropriate clinical practice;
- ensure that new technologies funded through Medicare undergo rigorous and efficient assessments. A key to this will be a major review of health technology assessment processes;
- provide incentives for better care for patients with chronic and complex conditions;
- further improve access to radiation oncology services; and
- improve access to optometric services for people in rural and remote communities.

## **Major Activities**

### **Services Funded under the Medicare Benefits Scheme**

In 2007-08, the Government will continue to subsidise a wide range of medical services delivered to the public through the MBS. These include general practitioner, enhanced primary care and specialist services, including consultations, obstetrics, anaesthetics, pathology and diagnostic imaging.

The Government will protect the integrity of the MBS through the Professional Services Review Scheme,<sup>1</sup> which reviews any suspected cases of inappropriate practice. It will also strengthen legislation which prevents the provision of inappropriate benefits to referrers seeking pathology and diagnostic imaging services.

The Department will continue to estimate and report on total MBS expenditure. It will also produce and distribute the Medicare Benefits Schedule of fees and services. In addition, the Department will analyse Medicare statistics to monitor and inform policy development and project management, so that funding is used appropriately.

### **Working with the Medical Profession**

The Australian Government, through the Department, will continue to consult with the medical profession to ensure that policies meet the needs of the community, and programs run smoothly. The Government will consult with the Australian Medical Association, Medicare Australia and relevant professional medical bodies, including through Medicare Benefits Consultative Committees.

### **New Technologies Funded Through Medicare**

The Department will manage an independent and public review of health technology assessments in 2007-08. The objectives of the review are to reduce fragmentation and unnecessary complexity, and to improve efficiency and transparency of existing assessment processes. As part of the review, assessment processes undertaken by the Medical Services Advisory Committee will be examined. The committee is responsible for evaluating new technologies for effectiveness and cost-effectiveness for the purposes of Government funding.

In 2007-08, the Government will provide access to Medicare-eligible Magnetic Resonance Imaging (MRI) units in an additional three locations, and additional support for a MRI unit in Dubbo. This will improve access to more affordable MRI services.

### **Better Care for Patients with Chronic and Complex Conditions**

The Australian Government will provide funding under the MBS to encourage consultant physicians to deliver better care for patients with multiple complex conditions. This initiative aims to increase consultant physician numbers in the cognitive specialities (such as internal and general medicine, geriatrics, paediatrics, renal medicine, rheumatology and haematology) and make consultant physician services more accessible and affordable for patients. The new MBS items will complement the work undertaken in the primary care

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<sup>1</sup> For further discussion on the Professional Services Review Scheme in 2007-08, please refer to the Professional Services Review chapter located later in this document.

setting (such as the Chronic Disease Management MBS items) around the need for prevention and better coordination of care.

The Government will also provide funding to help people with chronic conditions and complex care whose oral health is impacting on, or is likely to impact on, their general health. Eligible patients will be able to claim MBS benefits for a diagnostic dental consultation, and MBS benefits for a range of dental treatment services up to a maximum of \$2,000 (including Extended Medicare Safety Net benefits) each calendar year.

### **Improving Access to Radiation Oncology Services**

In 2007-08, the Government will continue to improve access to radiation oncology services, especially in non-metropolitan areas, by increasing the number of people trained in radiation therapy and medical physics. Funding will be provided to improve systems and expand the infrastructure required to deliver these treatments.

The Government will also reimburse radiation oncology service provider costs for equipment and professional services, through the Health Program Grants and the MBS.

### **Expansion of the Visiting Optometrists Scheme**

In 2007-08, the Government will improve access to optometric services for people in remote communities by enhancing the Visiting Optometrists Scheme to improve its operation and effectiveness.

The Visiting Optometrists Scheme provides assistance with the costs of travel and accommodation for optometrists delivering Medicare services in isolated areas. The revised scheme will better target service provision to areas of optometric need and facilitate the integration of Visiting Optometrists Scheme services with other health and eye health services. It will also better remunerate optometrists providing services to remote areas and increase the number of participating optometrists in the scheme. Some 34,000 people in rural and remote areas across Australia will benefit from this initiative.

### Outcome 3 Resourcing

Table 3.1.3 shows how the 2007-08 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 2006-07 \$'000	Budget estimate 2007-08 \$'000
<b>Administered appropriations</b>		
<b>Program 3.1: Medicare Services</b>		
<i>Health Insurance Act 1973</i> - Medical Benefits	11,633,471	12,471,116
Total Special Appropriations	11,633,471	12,471,116
	<b>11,633,471</b>	<b>12,471,116</b>
<b>Program 3.2: Alternative Funding for Health Service Provision</b>		
Appropriation Bill 1	3,349	3,385
Appropriation Bill 2	-	-
	<b>3,349</b>	<b>3,385</b>
<b>Program 3.3: Diagnostic Imaging Services</b>		
Appropriation Bill 1	11,546	10,296
Appropriation Bill 2	1,100	1,200
	<b>12,646</b>	<b>11,496</b>
<b>Program 3.4: Pathology Services</b>		
Appropriation Bill 1	8,266	7,390
	<b>8,266</b>	<b>7,390</b>
<b>Program 3.5: Chronic Disease - Radiation Oncology</b>		
Appropriation Bill 1	61,638	77,687
Appropriation Bill 2	1,160	1,185
	<b>62,798</b>	<b>78,872</b>
<b>Program 3.6: Targeted Assistance - Medical</b>		
Appropriation Bill 1	5,989	5,064
	<b>5,989</b>	<b>5,064</b>
<b>Total Administered Appropriations</b>	<b>11,726,519</b>	<b>12,577,323</b>

**Table 3.1.3: Total Resources for Outcome 3 (cont)**

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000
<b>Departmental appropriations</b>		
<b>Health and Ageing</b>		
Output Group 1 - Policy Advice	21,288	22,886
Output Group 2 - Program Management	7,425	7,983
<b>Total price of departmental outputs</b> <i>(Total revenue from government and from other sources)</i>	28,713	30,869
Total revenue from government (appropriations) contributing to price of departmental outputs	27,380	29,572
Total revenue from other sources	1,333	1,297
<b>Total price of departmental outputs</b> <i>(Total revenue from government and from other sources)</i>	28,713	30,869
<b>Total Price of Outputs for Outcome 3</b> <i>(Total Revenue from Government and from other sources)</i>	28,713	30,869
<b>Total estimated resourcing for Outcome 3</b> <i>(Total price of outputs and administered appropriations)</i>	<b>11,755,232</b>	<b>12,608,192</b>
	2006-07	2007-08
<b>Average Staffing Level (number)</b>		
Department	167	172

### 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 2007-08*, available on the Australian Government website at: <[www.budget.gov.au](http://www.budget.gov.au)>.

### Contribution of Administered Programs to Outcome 3

#### Program 3.1: Medicare Services

The Medicare Services program provides affordable access to a range of medical and diagnostic services listed under the Medicare Benefits Schedule. Through this program, the Government funds all medical and diagnostic services and payments made under the Medicare safety nets and bulk-billing incentives. This program also includes payments made under s129A of the *Health Insurance Act 1973* for the Visiting Optometrists Scheme, to enable optometrists to deliver services to people in remote and very remote areas.

#### 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 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 accessing 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 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
<b>Administered Funding – Medical Services Programs</b>		
Efficient Medicare services.	Number of Medicare rebates provided.	Medicare rebates will be provided for an estimated 264 million services, representing approximately 12.6 services per capita.
Efficiency of assessments for evidence of safety, efficacy and cost effectiveness.	Percentage of new medical technologies listed for funding under the MBS have been assessed for safety, efficacy and cost effectiveness.	100% of new medical technologies listed for funding under the MBS have been assessed for evidence of safety, efficacy and cost effectiveness.
<b>Cost: \$12,577.323m</b>		

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#### Performance Information for Departmental Outputs

Indicator	Measured by	Reference Point or Target
<b>Output Group 1 – Policy Advice</b>		
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.
<b>Price: \$22.886m</b>		

Budget Statements – Department of Health and Ageing

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Indicator	Measured by	Reference Point or Target
<b>Output Group 2 – Program Management</b>		
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 regular consultative committees, conferences and stakeholder engagement forums.
<b>Price: \$7.983m</b>		

### Evaluations

The Department does not plan to undertake any evaluations under Outcome 3 in 2007-08.

### Major Reviews

#### Reducing Regulatory Burdens on Business

In 2007-08, the Department will manage an independent and public review of health technology assessment in response to the *Rethinking Regulation: Report of the Taskforce on Reducing Regulatory Burdens on Business*. The review will identify opportunities for enhancing the efficiency and transparency of current systems for regulating and approving medical procedures and devices. The Department expects the review to be completed by the end of 2007.

#### Extended Medicare Safety Net

In 2007, the Department will manage an independent review of the operation, effectiveness and implications of the extended Medicare safety net. The review is a requirement under the *Health Insurance Act 1973*.