

Budget 2024–25: Reforming Diagnostic Imaging

Through Medicare, the Australian Government supports all Australians to access subsidised diagnostic imaging services as listed on the Medicare Benefits Schedule (MBS).

Through the 2024–25 Budget, an investment of \$162.6 million will implement three reforms to Medicare funded diagnostic imaging services. The reforms include a pathway to expand access to magnetic resonance imaging (MRI) services, improve the viability of nuclear medicine imaging, and a mechanism to ensure sustainability of Commonwealth supported computed tomography (CT) services.

The Department of Health and Aged Care will continue to work with stakeholders on the implementation of the changes and more detailed information for patients and providers will be made available at www.mbsonline.gov.au and www.health.gov.au.

Removing final barriers to access MRI

This measure will open up patient access to MRI services listed on the MBS in metropolitan areas (MM1). Patients will benefit from reduced waiting times leading to quicker diagnosis and more timely management of their conditions. Patient affordability will be improved through increased provider competition for services.

Increased access to MRI services will be achieved through the staged removal of licencing arrangements:

- From **1 July 2025**, any practice location that holds a current licence will receive a 'practice-based' licence that provides full Medicare eligibility to all MRI equipment located at the practice. Sites without an existing MRI licence will need to wait until the next phase.
- From **1 July 2027**, all comprehensive diagnostic imaging practices will have their ineligible MRI machines upgraded to access all Medicare funded MRI services, at which point all MRI licensing requirements will cease.

From 14 July 2024 until 1 July 2025, all non-essential permanent and temporary transfers of existing Medicare-eligible MRI machines will generally not be considered, unless warranted by exceptional circumstances.

Targeted fee increase and reintroduction of indexation for nuclear medicine imaging

A one-off fee increase for non-Positron Emission Tomography (PET) services will occur, followed by a phased reintroduction of annual indexation to all nuclear medicine imaging services, to address discrepancies between MBS rebates and costs of providing the services:

- From **1 November 2024**, the subgroup for non-PET imaging services will receive a one-off fee increase of 3.5%, followed by annual indexation from **1 July 2025** onwards.
- From **1 July 2027**, the remaining subgroups (PET services and adjunctive services) will be indexed annually.

This will support practices, particularly in regional and remote areas, to remain viable and will improve patient affordability for nuclear medicine imaging services while further work is done on longer term funding arrangements for radiopharmaceuticals.

Reducing fees for CT services

This Budget takes an important next step to ensure the sustainability of Medicare subsidised CT services. CT expenditure is growing at a faster rate than most other areas of Medicare, and represents the largest expenditure of any imaging modality, with \$1.5 billion in Medicare benefits paid in 2022-23.

Australia has significantly more CT machines per capita than most other countries. This is likely attributable to CT having no licensing restrictions. Recent technological advances in CT scanning have reduced scan times for many examinations, enabling faster throughput.

For the Government to responsibly ensure the sustainability of Medicare subsidised CT services, a marginal schedule fee reduction is required. This measure is intended to support patients to access more appropriate imaging modalities, rather than limit access to CT, through reinvesting in MRI and nuclear medicine imaging.

The following amendment will apply to all CT services:

- From **1 November 2024**, the schedule fee will be reduced by 2%.

This change will not apply to the lung cancer screening CT items that are proposed to commence from 1 July 2025.