The Royal Australian and New Zealand College of Radiologists®

2019-2020 Federal Pre-budget Submission

About the Royal Australian and New Zealand College of Radiologists

The Royal Australian and New Zealand College of Radiologists (RANZCR) is the peak body advancing patient care and quality standards in the clinical radiology and radiation oncology sectors. It represents over 4,000 members in Australia and New Zealand.

RANZCR's role is to drive the appropriate, proper and safe use of radiology and radiation oncology medical services. This includes supporting the training, assessment and accreditation of trainees, the maintenance of quality and standards in both specialties, and workforce mapping to ensure we have the staff to support the sectors in the future. RANZCR advocates to key decision makers to support our members to provide quality services to patients.

Summary of Recommendations

1. To prevent continued growth in out of pocket expenses for patients and support safe, high-quality radiology, reinstate indexation for all remaining diagnostic imaging services by 2020.
2. Ensure delivery of the full $176.4 million allocated in the 2018-19 Mid-Year Economic and Fiscal Outlook to increase MRI access for patients.
3. Fund detailed modelling followed by a pilot of the proposed changes to the radiation oncology MBS schedule.
4. Ensure adequate funding is made available to state and territory governments to support patients and their carers travelling to and from a particle therapy centre.

Clinical Radiology

Medical imaging (or clinical radiology) is an essential part of Australia's healthcare system, allowing us to find and treat injury or disease earlier and more effectively than ever before.

Clinical radiologists are medical practitioners who have undertaken broad medical training as well as comprehensive specialist training in performing and interpreting medical imaging tests. Working alongside other doctors and healthcare practitioners, radiologists are integral to the care of patients, by making accurate diagnoses, monitoring responses to treatment, performing imaging-guided treatments and advising on how best to use radiology in the care of patients.

Many of the major breakthroughs in medical care in the last 40 years have followed innovations and advancements in clinical radiology. The use of clinical radiology has increased significantly in this time and other healthcare professionals have come to rely on clinical radiology to care for their patients.

Upfront investment in radiology services provides long term savings to the health care system through early and accurate detection of disease, reducing unnecessary treatments and produces and providing clarity of care pathways for the patient down the line.

Indexation

Issue

The failure of the Coalition Government to reintroduce indexation of Medicare rebates for diagnostic imaging alongside GPs has been a disappointing blow to patients and the diagnostic imaging sector.

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Re-indexation was a key component to the Government's election commitment to patients and the diagnostic imaging sector in 2016. The partial indexation of some tests, including CT, mammography and interventional procedures from 2020 is not a sustainable solution. This will create a two-tiered system providing incentives that preference some modalities over others. Further, it will add unnecessary complexities to MBS billing.

After 18 years of frozen Medicare rebates, the diagnostic imaging sector is stretched thin leading to increasing gap payments and out of pocket costs for patients. Rebates for diagnostic imaging services have not been indexed since 1998. As the Deloitte Report noted, non-indexation has led to rebates being inappropriately low overall with some items markedly underfunded compared to others.[1] ABS data showed that one in 14 people who needed to see a medical specialist delayed or did not see the specialist due to the cost of treatment involved.[2] With early diagnosis often crucial to successful treatment, such delays could mean the difference between an operable and inoperable cancerous tumour.

The diagnostic imaging sector has some unique practice input costs including high capital and fit-out costs and the involvement of a team of health professionals including clinical radiologists, radiographers, sonographers, nurses and medical physicists (all with associated wage costs) in the provision of services. Despite these funding challenges, substantial productivity and efficiency gains have been delivered to the Government by the private sector enabling out-of-pocket costs for diagnostic imaging services to be largely contained.

Imaging providers have invested in the most sophisticated data management systems in healthcare, largely driven by the need to manage increasing workloads. At the same time advances in imaging technologies and algorithms of practice are creating further cost pressures. It has not been recognised by governments that the IT platforms and connectivity installed by diagnostic imaging practices are already sustaining the system at a lower cost, providing greater cost-effectiveness and greater efficiency. The diagnostic imaging sector needs a stable and predictable fiscal environment to maintain investment and deliver high quality imaging services. Furthermore, clinical radiologists are medical specialists who support diagnosis and decision-making across the healthcare system and their expertise should be reimbursed fairly.

The solution

The issues outlined above were recognised by the Coalition Government in the 2016 Federal Election with a commitment to rectify the underfunding of radiology by introduction indexation of all diagnostic imaging services alongside GPs. What resulted was partial indexation from mid-2020. Further delays to indexation of radiology are creating a growing burden on patients with increasing out of pocket of costs, therefore falling short of the expectation that Medicare provides equitable access to medical services for all Australians. The shortfall in funding also puts pressure on clinical radiologists to manage workload and to provide safe, high quality radiology services to all patients.

RANZCR urges the Government to index all radiology services as was promised in 2016. We have modelled the cost of indexing the remaining (i.e. excluding CT, mammography and select interventional procedures) radiology services. Reinstating indexation to all radiology services in 2020 would require an investment of some $250 million up to end of June 2023.

[1] Independent evaluation of the commercial environment of comprehensive diagnostic imaging practices. Final Report. Deloitte Access Economics. April 2017.
[2] ABS '*Patient experiences in Australia: Summary of Findings'*, 2016-2017,

Recommendation 1: To prevent continued growth in out-of-pocket expenses for patients and support safe and high-quality diagnostic imaging, reinstate indexation for all remaining radiology services by 2020.

Improving MRI Access

Issue

MRI has been an incredible advancement in the practice of radiology. It provides an unrivalled ability to image multiple body systems and emits no ionising radiation. It is most suitable for high level diagnosis of diseases of the musculoskeletal system and central nervous system; early detection of tumours and other abnormalities in areas such as the breast, prostate, spinal cord and brain; and staging tests for various cancers (e.g. rectum and cervix). In the vast majority of cases, MRI can and should replace the use of CT in children given the radiation risks involved. Unfortunately, access to MRI is limited by restrictive funding from the Federal Government and complex Medicare eligibility rules. This includes Medicare rules governing which machines can claim rebates, restrictions in referral pathways, and failure to expand MRI rebates to industry accepted clinical indications.

Concerns about MRI access were raised by multiple healthcare stakeholders in the Senate Inquiry into the Availability and Accessibility of Diagnostic Imaging Services.[3] Restrictions on access to MRI services are having a profound impact on patients, in particular young patients and cancer patients. We are seeing overuse of CT (with associated exposure to ionising radiation) and a failure to implement best practice use of MRI services, including in the management of cancer. Patients are facing high out of pocket costs, significant delays while waiting for public access or simply forgoing MRI imaging altogether at the expense of their health.

The solution

Funding for MRI services in Australia must change to significantly increase access, support patient management and improve clinical outcomes. RANZCR believes that the licensing scheme creates geographic inequities and anomalies in the market. The time has come to transition away from licensing. Recognising that the Government has raised cost concerns, RANZCR recommends transitioning all partial licences to full and commencing with new licences in areas with the greatest demonstrable need.

Government investment must continue to increase in the number of MRI scanners eligible for Medicare rebates and significantly expand the clinical indications which are funded under Medicare rules. Despite the 2012 expansion of access and availability, MRI services remain severely underutilised. Australia has approximately 42 MRI procedures per 1,000 people every year which is substantially lower than the OECD average of 62.8. Australia falls significantly below the OECD average and rates reported by other countries.

RANZCR welcomed the Government's commitment of $176.4 million over four years from 2018-19 to provide licences for an additional 30 MRI machines, which includes 20 new Medicare eligible MRI machines and the conversation of 10 partially eligible machines to fully eligible. RANZCR believes the cost of these additional licences has been overestimated and encourages the Government to invest any outstanding funding on increasing access and affordability to patients who require these vital scans. This requires

[3] https://www.ranzcr.com/whats-on/news-media/196-ranzcr-submission-to-inquiry-into-availability-and-accessibility-of-diagnostic-imaging-equipment-around-australia

transparency regarding the marginal increase in expenditure from the awarding of these 30 new licences. Any unspent funds ought to be used to upgrade more partially eligible machines to fully eligible, in areas most in need.

As previously recommended by RANZCR and the Senate Inquiry, any process of allocating funding for MRI machines must be based on clear and transparent criteria such as the local population's health needs, hospital infrastructure and services being delivered at those locations.

Recommendation 2: Ensure delivery of the full $176.4 million allocated in the 2018-19 Mid-Year Economic and Fiscal Outlook to increase MRI access for patients

Radiation Oncology

Radiation oncology is a medical specialty that involves the controlled use of radiation to treat cancer either for cure, or to reduce pain and other symptoms caused by cancer. It is involved in around 40% of all cancer cures.

A radiation oncologist is a medical specialist doctor with training in the use of radiation therapy (also called radiotherapy) to cure or reduce the symptoms of cancer, and in the overall care of cancer patients. They are ultimately responsible for assessing individual patients, determining the best management plan, overseeing treatment and assessing progress.

In the lead up to the next Federal election, we look forward to working with the Government on key matters such as the implementation of a new structure for radiation therapy items from the Medical Benefits Schedule (MBS) Review and enabling patient access to particle therapy. Both these initiatives will require minimal financial outlay by the Federal Government in the future.

MBS Review

Issue

The existing MBS Schedule for radiation therapy, which is 30 years old, is now outdated. Although it reflected the latest thinking at the time, it does not allow for responsive changes with the evolution in practice through advances in technology. In particular, many of the existing item numbers are based on the concept of a 'field'. Fields no longer serve as a surrogate for complexity due to the widespread adoption of intensity modulated radiation therapy (IMRT) with associated image guided radiation therapy (IGRT) which have significantly improved the precision of treatment.

RANZCR believes incremental changes in technology and techniques should be better accommodated in descriptors to support patient access to best practice, evidence-based treatments. The MBS has a rigid process to bring about change that does not lend itself well to smaller incremental changes seen with advances in techniques and technologies.

The Solution

RANZCR has provided feedback to the Oncology Clinical Committee of the MBS Review Taskforce on the proposed revised schedule for radiation oncology. It is our understanding that these amendments will be supported by the MBS Review Taskforce. RANZCR encourages the Government to implement the new schedule as a matter of priority to ensure that Medicare funding aligns with contemporary practice.

RANZCR is aware that the principle of cost neutrality is central in the MBS Review. However, the proposed changes to the radiation oncology items are forward looking. They represent significant change to the status quo. With such change comes enormous risk of serious issues in transitioning from the current to the proposed schedule. RANZCR asserts that this risk can only be mitigated through undertaking very detailed modelling of the changes followed by a pilot of the proposed schedule, which might require further investment in the future. Anything less may lead to major disruption to patients and care providers (if the new items numbers are underfunded) or to the Government (if the new item numbers are overfunded).

Recommendation 3: Fund detailed modelling followed by a pilot of the proposed changes to the radiation oncology schedule.

Particle Therapy

Issue

Particle therapy is a form of external beam radiation therapy used to treat cancer. The particles target cancer cells with a burst of focused energy ensuring that normal tissues around the target (tumour) receive a reduced radiation dose. Internationally, this technology is being adopted for difficult presentations, including paediatric tumours, tumours of the skull base, central nervous system, head and neck.

In 2012, the Australian Nuclear and Science Technology Organisation (ANSTO) conservatively estimated the Australian and New Zealand caseload for proton therapy to be 630 per year with established conditions and up to 5,000 patients using expanded indications.[4]

In 2017, RANZCR welcomed the Government's announcement of $68 million to support the establishment of Australia's first proton therapy centre in South Australia. There are a number of patients who will benefit from this treatment. However, due to Australia's distinct geography and dispersed population, consideration must be given to the catchment areas for any new proton facility and ease of travel to those locations. Particle therapy often follows surgery and chemotherapy, so patients are still recovering and cannot travel far. Moreover, travel also places additional financial burden on patients and their carers.

In due course, further Federal investment will be required to support another one or two particle therapy centres in Australia. This will require ongoing collaboration between the Federal Government, States and Territories to determine the best location for these facilities.

To ensure true national value of the facility and return on investment, all services should be national coordinated. Any plan proposed for the proton centre needs to be adequately and sustainably funded with a commitment to ongoing affordable access for all Australians. There are important lessons to be learnt from experiences overseas where several proton facilities have run into financial difficulties.

Due to rapid advancements in this field, further research is essential to refine treatments and explore new applications of this technology. Therefore, research infrastructure must also feature as a core consideration when determining the number and locations of these facilities.

[4] HealthPACT (2017) Health Policy Advisory Committee on Technology, Proton and Heavy Ion Therapy: An Overview

The Solution

In the context of the upcoming Federal Budget in April, the Government should ensure adequate funding is made available to state and territory governments to support patients and their carers travelling to and from a particle therapy centre, much like is done under the current MTOP arrangement.

Recommendation 4: Ensure adequate funding is made available to state and territory governments to support patients and their carers travelling to and from a particle therapy centre.

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