



Private Healthcare Australia
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Hospital treatment classification for intravitreal eye injections

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About Private Healthcare Australia

Private Healthcare Australia (PHA) is the Australian private health insurance industry's peak representative body. We have more than 20 registered health funds throughout Australia as members and collectively represent over 98% of people covered by private health insurance. PHA member funds provide healthcare benefits for 15 million Australians.

Response

PHA welcomes the opportunity to provide the Department with further feedback on the hospital treatment classification for the Medicare Benefits Schedule (MBS) item for intravitreal eye injections. We look forward to the Department making what are necessary changes that have been recommended by the MBS Review Taskforce and other clinical advisers.

Braithwaite (2020) and others estimates that 30% of care is wasted or of low value.¹ There are several studies available highlighting low value care, including several in the Australian context. The work of Choosing Wisely and the Australian Council for Quality and Safety in Healthcare (ACQSHC) highlight a number of areas of low value care.

Intravitreal eye injections are an outpatient procedure that only rarely requires admission to hospital. The MBS Review found that, at most, 3% of patients requiring this procedure should have it done in hospital. But at present, the figure is 18% and growing. It appears integral to the business model of a small number of doctor-owned ophthalmology clinics. This is despite the Royal Australian and New Zealand College of Ophthalmologists (RANZCO) supporting greater use of out-of-hospital settings.²

The MBS Review Taskforce made a clear recommendation to change this procedure from Type B to Type C.³ It stated the Taskforce recommendation "focuses on reducing low-value care... Performing these injections in a hospital or day surgery adds significant cost to the procedure with no apparent clinical benefit".⁴

Changing the MBS item classification from a Type B to Type C procedure is expected to result in savings to private health insurers of up to \$75 million per annum. It will also save the Australian Government \$15 million through the private health insurance rebate.

Treating practitioners will be required, under the Private Health Insurance (Benefits Requirements) Rules 2011, to provide clinical reasons specific to the individual patient's circumstances as to why the treatment is taking place in hospital – at a much higher cost – than in an ophthalmology clinic.

Importantly, the change will ensure that people who do need to be hospitalised for this minor procedure will continue to have access to this through a simple certification process (a Type C Certificate).

¹ At <https://bmcmmedicine.biomedcentral.com/articles/10.1186/s12916-020-01563-4>

² See <https://www.choosingwisely.org.au/recommendations/ranzco4>

³ At <https://www.health.gov.au/sites/default/files/documents/2020/12/taskforce-final-report-ophthalmology-mbs-items.pdf>, Recommendation 7.

⁴ At <https://www.health.gov.au/sites/default/files/documents/2020/12/taskforce-final-report-ophthalmology-mbs-items.pdf>, pp.48-49.

As stated above, a small number of doctors who own ophthalmology clinics are behind the ongoing push to be able to continue providing in-hospital intravitreal eye injections due to the profits they are making from doing so. About 10 facilities are providing more than half of in-hospital services nationwide.

This small number of doctors are being remunerated twice – once for the procedure, and once through their ownership of day hospitals and the admissions being billed to health funds at a significant multiple of the cost of the procedure.

These doctors appear to be behind a coordinated campaign warning of higher consumer out-of-pocket costs if the changes are implemented. PHA has seen correspondence from a number of patients from these clinics that all use standard phraseology to highlight concerns around potential out-of-pocket costs to consumers if these services can no longer be provided in hospital.

PHA looks forward to when more information is available on the Medical Costs Finder website to help patients avoid being overcharged by practitioners in this treatment area.

Commentary from the MBS Review Taskforce highlights the high hourly rate of MBS rebates for ophthalmology procedures compared to other procedures covered by the MBS, noting the high rate of rebates has not translated into lower costs for consumers. Overall, ophthalmologists receive a significantly higher level of income than other specialists from all sources.

The MBS Review Taskforce noted that providing intravitreal eye injections in hospital "is largely unnecessary and may be due to financial incentives".⁵ While health funds have no power to limit what doctors charge, it isn't fair to private health fund members to lump the cost of these bills from inappropriate admissions.

As several of the hospitals that have unusually high rates of intravitreal eye injections are owned by the medical practitioners undertaking the procedure, PHA recommends the Department work with the Australian Health Practitioner Regulation Agency (AHPRA) to promote the Code of Conduct requirements for doctors to disclose financial interests to their patients.

Finally, the MBS Review Taskforce also made a recommendation for a "specific focus to assess the expansion of intravitreal injections to include appropriately trained nurse practitioners and optometrists, working to updated guidelines".⁶ PHA would welcome the Australian Government focussing on this recommendation, which is also in line with the Cormack Review on scope of practice.⁷

Introducing greater competition into the market for intravitreal eye injections across the community should help reduce out-of-pocket costs for consumers.

Conclusion

For the 15 million Australians with private health insurance, reducing low value care improves the value of private health care, and reduces the burden of treatment for patients. The changes

⁵ At <https://www.health.gov.au/sites/default/files/documents/2020/12/taskforce-final-report-ophthalmology-mbs-items.pdf>, pp.13.

⁶ At <https://www.health.gov.au/sites/default/files/documents/2020/12/taskforce-final-report-ophthalmology-mbs-items.pdf>, p. 19.

⁷ At <https://www.health.gov.au/our-work/scope-of-practice-review?language=en>.

to the classification of MBS item for intravitreal eye injections will help achieve this. We look forward to implementation from 1 July 2026 – more than five years after the recommendation was made by the Medicare Review Taskforce.