Private Healthcare Australia
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Hospital treatment classification for MBS item for intravitreal eye injections fact sheet

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Contact:

Ben Harris, Director Policy and Research

ben.harris@pha.org.au

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 98% of people covered by private health insurance. PHA member funds provide healthcare benefits for 14.4 million Australians.

Response

PHA welcomes the opportunity to provide the Department with feedback in relation to the hospital treatment classification for MBS item for intravitreal eye injections fact sheet. These changes are necessary, are clearly explained in the fact sheet, and will help reduce the incidence of low value care across in health system.

Intravitreal eye injections are an outpatient procedure that rarely requires admission to hospital. The related MBS Review found that at most, 3% of patients requiring this procedure should have it done in hospital. At present, however, the figure is 18% and growing. In hospital intravitreal eye injections appear integral to the commercial interests of a small number of doctor-owned ophthalmology clinics (at last count, ten facilities account for more than half of in-hospital services nationwide).

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 and $15 million to the government (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 taking place in hospital – at a much higher cost – than in an ophthalmology clinic.

The fact sheet reminds practitioners that the procedure does 'not normally require hospital treatment' and appropriately outlines the information practitioners must provide when preparing certification for submission to private health insurers, where intravitreal eye injections are provided in hospital. In addition, it identifies that failure to submit a sufficiently detailed Type C certificate will result in delays in benefits payment.

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). The addition of different MBS item numbers for the left (42738-A) and right (42738-B) eye will also provide PHIs with more specificity regarding the procedure undertaken for billing purposes. The fact sheet clearly articulates the MBS item changes, which should prevent miscoding.

Low value care

Estimates of the prevalence of low value care in Australia indicate a significant issue for consumers, funders and governments. Braithwaite et al (2020) notes, "While change is everywhere, performance has flatlined: 60% of care on average is in line with evidence- or consensus-based guidelines, 30% is some form of waste or of low value, and 10% is harm."[1]

[1] At https://bmcmedicine.biomedcentral.com/articles/10.1186/s12916-020-01563-4

PHA identifies three key aspects of low value care:

- **Fraud**, where monies are claimed for a service that did not occur. We consider fraud to be rare in Australia. PHA recommends that payors, governments and consumers adopt a zero-tolerance policy to fraud.
- **Miscoding**, where a provider chooses the more lucrative description of a service where the descriptors are open to interpretation. In a fee for service model such as Australia, miscoding is endemic among some providers.
- **Low value care**, where there is low benefit (or risk of harm) which do not outweigh the costs of the procedure.

The definitions of low value care are contestable and estimates of the prevalence vary significantly. Regardless of the scale of the problem, low value care should be eliminated to maximise public benefit. Private health insurance is prone to fraud, miscoding and low value care because some providers see private health insurance as a cash cow to be exploited. It is not. To ensure that health insurance remains affordable and can deliver timely access to quality healthcare for Australia's aging and sicker population, that has more chronic disease now than ever, we must stamp out these attitudes and related behaviour.

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 to the classification of MBS item for intravitreal eye injections will improve health care and reduce burden of treatment. The fact sheet adequately explains these changes. We look forward to implementation from 1 July 2025.