

ATTACHMENT C

CALCULATION OF NSW PUBLIC HOSPITAL INPRIVATE PATIENTS MARKET SHARE OF TOTAL MEDICARE SERVICES CLAIMED BY PRIVATE PATIENTS IN NSW

Patient Episode Initiation Fees ("PEI") in NSW

A PEI can is a fee that a private pathology provider is entitled to claim in certain circumstances. It is not the fee for the performance of a test, which is another discrete charge . It is a fee that can be incurred in relation to a bundle of tests performed for a patient. A PEI cannot be charged by a public pathology service provider.

The average number of tests performed by a pathology service provider which relate to a single PEI is approximately 1.85. ¹

Hence the total number of tests where a Patient Episode Initiation Fee is claimed in NSW can be estimated by multiplying the total number of PEIs in NSW by 1.85. The PEI figure is obtained from the Medicare figures at Attachment D.

$$= 6,743,861 * 1.85$$

$$= 12,476,142.85 \quad \text{"A"}$$

Total number of test services

The total number of test services can be calculated with reference to the Medicare figures at Attachment D.

NSW total number of tests

= Medicare Total for NSW less PEIs (P10) and Specimen Referred (P11) amounts.

Like PEIs, the Specimen Referred amounts do not refer to the performance of a test, but to fees paid to a private pathologist when a pathology specimen is referred for testing to another private pathologist.

$$= 21,726,277 - (272,894 + 40,482)$$

$$= 21,726,277 - 313,376$$

$$= 21,412,901 \quad \text{"B"}$$

Simple Basic Tests

The "Simple Basic Tests" (P9) in the Medicare figures relate to tests performed by General Practitioners and not to tests performed by public hospital pathology providers.

The Medicare figures show that there were 6,743,861 simple basic tests performed for private patients in NSW. "C"

Total of services claimed under Medicare for private patients of NSW public hospitals

¹ Source: Commonwealth Department of Health and Aged Care

This can be calculated by taking away the number of tests associated with all the PEIs, and the number of simple basic tests from the total number of test services.

= **B** minus (**A** + **C**)

= 21,412,901 – (12,476,142.85 + 6,743,861)

= 21,412,901 – 19220003.85

= **2192897.15**

Percentage of all pathology services provided to private patients

The total services claimed for Medicare for private patients serviced in NSW public hospitals can be expressed as a percentage of all pathology services in NSW, with reference to the NSW "Total" figure in Attachment D.

= 2192897.15 / 21726277

=10%

However, this figure includes "privately referred non inpatients", which are described in paragraph 5.5 of the supporting submission. Whilst no patient episode fees are charged, the policy of the Circular does not apply to these patients.

The proportion of patients referred in this way varies from one Area Health Service to another. At South Eastern Sydney Area Health Service, if the proportion of patients who are referred to a specific specialist at a public hospital is subtracted from the figure above, it is estimated that the actual percentage of private pathology patients who are patients of the public hospitals in that Area Health Service is approximately 5%.

In summary, the pathology services claimed under Medicare for private patients of NSW public hospitals, which are affected by the policy, are in the range of 5-10% of all the pathology services provided to private patients in New South Wales.

ATTACHMENT D

MEDICARE FIGURES
REGARDING PATHOLOGY SERVICES



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**Requested MBS category by group and subgroup
processed from July 1999 to June 2000**

(Click on hyperlinks below to drill down to all items in the group)

Category 6 - Pathology Services	State								Total
	NSW	VIC	QLD	SA	WA	TAS	ACT	NT	
	Services	Services	Services	Services	Services	Services	Services	Services	
Group									
P1 Haematology	3,807,062	2,580,783	1,753,088	597,857	783,148	223,403	110,317	48,338	9,903,996
P2 Chemical	6,624,699	4,579,655	3,190,262	1,004,734	1,541,466	371,446	231,670	88,184	17,632,116
P3 Microbiology	2,299,825	1,442,784	1,274,599	325,989	558,756	126,244	84,795	61,004	6,173,996
P4 Immunology	559,133	275,620	247,960	58,943	97,446	23,737	18,847	6,818	1,288,504
P5 Tissue Pathology	558,533	322,528	394,059	88,929	121,874	30,885	17,127	8,623	1,542,558
P6 Cytopathology	660,222	317,959	381,417	104,378	192,137	52,120	29,541	16,053	1,753,827
P7 Cytogenetics	11,727	9,054	6,700	1,999	4,315	606	278	260	34,939
P8 Infertility and Pregnancy Tests	147,839	89,085	66,992	21,902	39,828	6,453	5,356	3,556	381,011
P9 Simple Basic Tests	272,894	194,631	156,324	48,520	64,203	19,080	8,621	5,085	769,358
P10 Patient Episode Initiation	6,743,861	4,770,234	3,851,995	1,148,476	1,774,665	464,470	259,553	121,430	19,134,684
P11 Specimen Referred	40,482	63,776	16,387	12,016	3,399	8,499	1,610	286	146,455
Total	21,726,277	14,646,109	11,339,783	3,413,743	5,181,237	1,326,943	767,715	359,637	58,761,444

- This page is best printed in landscape mode.
- The figures in the report include only those services that are performed by a registered provider, for services that qualify for Medicare Benefit and for which a claim has been processed by the HIC. They do not include services provided by hospital doctors to public patients in public hospitals or services that qualify for a benefit under the Department of Veteran's Affairs National Treatment Account.
- Services per capita (ie. per 100,000 population) is calculated by dividing the number of services processed in a

- month by the number of people enrolled in Medicare at the end of that month
- State/Territory is determined according to the address (at the time of claiming) of the patient to whom the service was rendered.
 - Month is determined by the date the service was processed by the HIC, not the date the service was provided.
 - Monthly figures may vary due to the varying number of processing days in a month, which depends on the number of days in the month, public holidays, overtime worked etc.
 - A financial year is 1 July to 30 June.
 - The Health Insurance Commission has taken every care to ensure the data supplied is accurate but does not warrant that the data is error free and does not accept any liability for errors or omissions in the data.
 - Instructions on how to download the statistics into a spreadsheet are contained in [Downloading Statistical Information](#).

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	NSW	VIC	QLD	SA	WA	TAS	ACT	NT	
	\$ Benefit	\$ Benefit	\$ Benefit	\$ Benefit	\$ Benefit	\$ Benefit	\$ Benefit	\$ Benefit	
Group									
P1 Haematology	58,394,944	39,450,462	27,475,403	9,044,297	12,206,316	3,434,761	1,704,756	784,523	152,495,462
P2 Chemical	130,144,524	86,667,704	65,002,719	19,407,613	31,057,394	6,833,777	4,808,115	1,807,711	345,729,558
P3 Microbiology	56,347,411	36,718,484	33,882,988	8,090,598	14,622,827	3,119,544	1,989,871	1,645,902	156,417,625
P4 Immunology	15,360,281	7,252,834	7,410,160	1,518,692	2,463,684	563,688	467,375	171,418	35,208,132
P5 Tissue Pathology	44,089,817	25,732,889	30,828,768	7,055,821	9,820,284	2,430,306	1,392,640	672,365	122,022,892
P6 Cytopathology	12,991,082	6,144,992	6,962,608	2,472,171	3,887,783	991,818	613,269	280,049	34,343,771
P7 Cytogenetics	3,351,662	2,566,814	1,874,653	568,370	1,218,007	171,663	78,420	73,170	9,902,760
P8 Infertility and Pregnancy Tests	2,003,321	1,410,195	1,113,887	357,162	597,631	103,902	84,585	56,138	5,726,821
P9 Simple Basic Tests	2,099,675	1,490,173	1,207,933	381,391	503,915	135,585	70,694	41,680	5,931,046
P10 Patient Episode Initiation	74,703,395	56,222,892	45,049,598	12,156,184	21,079,497	4,919,259	2,985,359	1,362,154	218,478,338
P11 Specimen Referred	359,301	565,743	145,243	105,067	30,106	75,368	14,289	2,520	1,297,638
Total	399,845,413	264,223,181	220,953,960	61,157,367	97,487,445	22,779,672	14,209,374	6,897,630	1,087,554,042

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