

CALMS Ltd
Canberra After Hours Locum
Medical Service
PO Box 3434
Weston ACT 2611



31st of May 2006

Mr David Hatfield
Director, Adjudication
Australian Competition & Consumer Commission
PO Box 1199
Dickson ACT 2602

FILE No:

DOC:

MARS/PRISM:

Dear Mr Hatfield

RE: Minor Variation to ACCC Authorisation for the Canberra After Hours Locum Medical Service (CALMS Ltd.)

CALMS Ltd. (Canberra Afterhours Locum Medical Service) and ACT Health hereby apply for a minor variation to the authorisation for a capped fee structure granted by ACCC in May 2005. This variation to the original authorisation is requested because of changes to the operational use of various existing Medical Benefits Schedule item numbers, triggered by recent clarification by the Commonwealth Department of Health and Ageing of the use of these item numbers, and also the existence of 'new' item numbers arising from the 'Round the Clock Medicare' initiative of the Commonwealth Government. The item numbers available for use by locums conducting home visits prior to 11pm have particularly been altered. In most situations, the Medicare benefit available to patients for what are now deemed the appropriate item numbers to use for home visits conducted prior to 11pm are less than in the past, and out of pocket expenses for patients have increased. We would like to notify the ACCC of this change, and ask the ACCC to consider an amended capped fee structure for CALMS Ltd reflecting these changes.

The Department of Health and Ageing has recently released 'clarifications' in relation to the "Emergency consultations" item numbers (1, 2, 601, and 602) subsequent to the original application for ACCC authorisation. These item numbers were used by medical locums for most home visits conducted before 11pm prior to the release of this clarification.

The HIC has released the following definition of an emergency in relation to the Emergency after-hours item numbers after the initial ACCC authority application was lodged by CALMS Ltd. and ACT Health:

"HIC has received the following advice from the Department of Health and Ageing regarding the meaning of the phrase "the patient's medical condition requires immediate treatment" in relation to the following MBS items—1, 2, 601, 97, 98, 697, and 698.

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The clinical judgment and experience of the medical practitioner would inform the decision as to whether 'immediate treatment' reasonably applies.

Given that the above listed items are emergency items, the following definition of emergency applies (*Health Insurance Regulation 1975 Reg 30*):

An emergency is a situation where the patient is treated by a medical practitioner within 30 minutes of presentation and the patient is:

- *at risk of serious morbidity or mortality requiring urgent assessment and resuscitation, or*
- *suffering from suspected acute organ or system failure, or*
- *suffering from an illness or injury where the viability or function of a body part or organ is acutely threatened, or*
- *suffering from drug overdose, toxic substance or toxin effect, or*
- *experiencing severe psychiatric disturbance whereby the health of the patient or other people is at immediate risk, or*
- *suffering acute severe pain where the viability or function of a body part or organ is suspected to be acutely threatened, or*
- *suffering acute significant haemorrhage requiring urgent assessment and treatment."*

Although most of the home visits booked through CALMS Ltd would meet these clinical criteria, the majority of people would not be seen within 30 minutes for home visits initiated prior to 11pm. It is therefore no longer appropriate, on the basis of this clarification, to apply the emergency item numbers to the majority of home visits initiated prior to 11pm.

Furthermore, the use of the emergency item numbers is also governed by an explanatory note in the Medical Benefits Schedule. The note states the following:

Emergency After-Hours Attendances (Items 1, 2, 97, 98, 448, 449, 601, 602, 697, 698)

Definition of After Hours:

"A.10.3: An after-hours consultation or visit is a reference to an attendance on a public holiday, on a Sunday, before 8 am or after 1 pm on a Saturday, or at any time other than between 8 am and 8 pm on a week day not being a public holiday.

A.10.4: Where a practice or clinic routinely conducts its business during hours other than those quoted above, it would be necessary for the emergency service to be initiated and rendered outside the hours normally observed by that practice or clinic for it to attract a Medicare rebate under items 1, 2, 97, 98, 448, 449, 601, 602, 697 or 698."

Given that the CALMS Ltd clinics are open until 11pm on most days, the emergency item numbers can no longer be applied by medical locums for home visits prior to 11pm. Emergency item numbers can still be used appropriately by medical locums after 11pm, as this falls outside of the normal operating time of CALMS Ltd's clinics and medical locums are usually able to respond within 30 minutes of patients requesting a home visit that falls within the Department of Health and Ageing's definition of a "medical emergency".

Instead of using the 'Emergency' item numbers for home visits prior to 11pm, medical locums will now use two different sets of item numbers. If the medical locum attends the patient on a home visit prior to 8pm, he or she will use the regular Medicare item numbers for home visits. If the locum attends a patient on a home visit after 8pm but prior to 11pm, the medical locum will use a special series of item numbers that have been released by Medicare as part of the "Round the Clock Medicare" initiative. These item numbers lie between 5000 and 5100 in the Medicare Benefits Schedule, and attract an extra \$10 rebate payable to the patient from Medicare vs the rebate payable for the ordinary 'in hours' item numbers related to similar professional consultations.

In order to compensate medical locums fairly for home visits done prior to 11pm, the CALMS Ltd Board has decided that the capped professional fees for home visits prior to 11pm should remain the same as outlined in the original application for authorisation to the ACCC. The out of pocket expense to patients has hence increased, however, due to reduced Medicare rebates payable for the new 5000 series Medicare item numbers vs that payable in the past when the 'Emergency' item numbers were appropriately used. The out of pocket expense has thus been limited to \$87 for regular patients and \$67 for pensioners and Health Care Card holders before 8pm, and \$76 for regular patients and \$56 for pensioners and Health Care Card holders after 8pm. The exception is for short home visits up to five minutes in length, where the out of pocket expense is \$103 and \$83 respectively before 8pm and \$93 and \$73 respectively after 8pm. It is not anticipated that medical locums will frequently use item numbers for short home visits, however, due to the complexities encountered during home visits on the majority of occasions. This anticipation is validated by past patterns of consultations by locums.

Please find attached a copy of the proposed new capped fee structure for CALMS Ltd. (CALMS Ltd no longer maintains a capped fee structure for non-vocationally registered locums, as all medical locums working for designated Medical Deputising Services now have access to the A1 Medicare item numbers previously reserved for Vocationally Registered general practitioners only.)

ACT Health and CALMS appreciate your consideration of this minor variation to the original authority for a capped fee structure granted to CALMS Ltd in May 2005.

Yours sincerely,



Dr Ian D Brown
(President, CALMS Ltd)