



**THE HON NICOLA ROXON MP
MINISTER FOR HEALTH AND AGEING**

Mrs Julia Irwin MP
Chair
Standing Committee on Petitions
Parliament House
CANBERRA ACT 2600

Dear Mrs Irwin *Julie*

Thank you for your letter of 13 May 2010 forwarding a petition from the electorate of Wannon, regarding a Magnetic Resonance Imaging (MRI) 'licence' for Warrnambool Hospital.

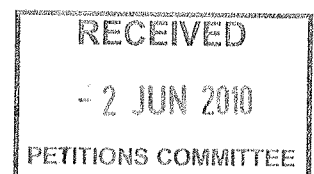
The Australian Government is responsible for the provision of Medicare benefits for a wide range of medical services, including MRI scans. As MRI is a sophisticated and expensive technology, there are particular requirements which need to be met in order for an MRI scan to attract a Medicare benefit. In particular, the MRI scan needs to be provided on 'eligible equipment' as defined in the Health Insurance (Diagnostic Imaging Services Table) Regulations.

There are 125 eligible equipment MRI units operating across Australia, including 28 in Victoria. There is no ongoing application process for obtaining eligible equipment status for an MRI unit.

Hospitals and diagnostic imaging providers may choose to install and operate MRI units which do not have eligible equipment status. Scans provided on these Medicare-ineligible MRI units do not attract Medicare benefits. Under the National Healthcare Agreement, scans provided to public inpatients of public hospitals do not attract Medicare benefits anyway.

In referring to an MRI licence, the petition seeks eligible equipment status for an MRI unit at Warrnambool Hospital, which would then be treated as a Medicare-eligible MRI unit.

The Government is aware of the calls for an MRI unit, preferably Medicare-eligible, in Warrnambool. The Government has received a number of representations on this matter from the Warrnambool community and from the Member for Wannon, the Hon David Hawker MP. My adviser has also met with Mr Hawker and others from Warrnambool. I appreciate that communities such as Warrnambool value access to convenient and affordable MRI services.



In May 2009, the Government announced that it would be undertaking a detailed review of possible long-term funding arrangements in diagnostic imaging. As part of this detailed review, the arrangements for funding MRI under Medicare are being examined, particularly the restrictions around Medicare-eligible/ineligible units. The outcomes of the detailed review are expected to be considered by the Government in the context of the 2011-12 Budget.

The petition calls on the Government to reverse its decision to not grant Warrnambool Hospital an MRI licence. I note, however, that as there is no ongoing process for applying for Medicare eligibility for an MRI unit, and no capacity at this time to increase the number of Medicare-eligible MRI units, the Government has not actually made a specific decision in relation to any request concerning Warrnambool.

I trust that the above information is of assistance.

Yours sincerely

NICOLA ROXON