

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Additional Estimates 2010-11, 23 February 2011

Question: E11-087

OUTCOME 3: Access to Medical Services

Topic: PATHOLOGY COLLECTION CENTRES

Hansard Page: CA 94

Senator Boyce asked:

There is to be, apparently, a disallowance motion in the Senate next week on the topic of pathology collection centres. The first question is:

- a) Has the number of collection centres increased by 46 per cent since July and why?
- b) Have patients been complaining of a lack of centres?
- c) Have there been productivity improvements in recent times? Has this been documented and by how much?
- d) If the change to the system was undertaken on the grounds that the old arrangement was contrary to National Competition Policy, what other parts of the health sector were affected?
- e) Were pathology collection centres the only anticompetitive arrangements subject to licensing regulation in health?
- f) Are there others and, if so, which ones?
- g) Do you agree that the change was not driven by, nor has it resulted in, any improvement in patient care?

Answer:

- a) According to Medicare data, as at 7 March 2011, collection centre numbers have increased by 1012 from 1 July 2010 an increase of 38.1%. This increase is due to the removal of restrictions on how many collection centres a pathology provider can operate.
- b) Collection centre arrangements were changed to increase competition.
- c) The Department of Health and Ageing monitors the number of collection centres and the payment of Medicare benefits for pathology services. It does not collect data on 'productivity improvements'.
- d) We are not aware that any other part of the health sector was affected by the uncapping of the pathology collection centre scheme.

- e) No. Collection centres are the only part of the pathology sector which are subject to 'licensing'.
- f) There are also restrictions in place at Commonwealth level for pharmacies wishing to supply Pharmaceutical Benefits. The relevant criteria are contained in the *National Health (Australian Community Pharmacy Authority Rules) Determination 2006*, known as the 'Pharmacy Location Rules'. In addition, state and territory legislation also restricts ownership of community pharmacies to registered pharmacists, consistent with the findings of the National Competition Policy Review of Pharmacy Legislation released in February 2000.
- g) The changes were designed to improve competition, remove barriers to new entrants to the market, and improve patient access.