

# Extended Medicare Safety Net and EMSN capping Specialist and consultant physician consultations

(for example, sub-groups A.3 and A.4 in the MBS)

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This fact sheet provides information on the EMSN benefit caps from 1 November 2012 that were announced in the 2012-13 Budget for all specialist and consultant physician consultation items.

Separate fact sheets provide more information about the Extended Medicare Safety Net (EMSN) and the Original Medicare Safety Net (OMSN) and how EMSN benefit capping will apply to other items.

## Why are there EMSN caps on specialist and consultant physician consultation items?

Benefit caps have been introduced for all consultation and attendance items. The caps on all consultation items are equal to 300 per cent of the Medicare Benefits Schedule (MBS) fee to a maximum of \$500.

The introduction of EMSN benefit caps on consultations responds to a number of issues raised in the independent review of safety net arrangements in 2009 and the independent review of EMSN benefit capping in 2011. The reports found that some specialist doctors felt fewer competitive constraints on their fees if they knew their patients would reach the EMSN threshold and get 80 per cent of their out of pocket costs reimbursed through the EMSN. The changes have been made to support the long term sustainability of the EMSN.

## What are the EMSN caps on specialist and consultant physician consultation items?

The EMSN benefit cap is 300 per cent of the MBS Fee up to \$500. That is, the EMSN benefit payable will be up to three times the MBS Fee, up to a maximum of \$500.

## How will I be affected?

The majority of patients will not be affected. The caps placed on consultations are set generously; therefore the caps will only apply in the small number of instances where the doctor's fee results in a calculated EMSN benefit that is higher than the capped amount and where the patient has already reached the EMSN threshold.

Furthermore:

- There is no change in how people qualify for the EMSN;
- There is no impact on in-hospital services as they are not eligible for EMSN benefits; and
- There are no changes to the operation of the OMSN.

The following scenarios illustrate how the EMSN caps work. The scenarios assume that the patient has already reached their EMSN threshold and is therefore eligible to receive EMSN benefits.

From 1 November 2012, item 104, an initial consultation with a specialist, has an MBS Fee of \$85.55, an out of hospital MBS rebate of \$72.75 and an EMSN benefit cap of \$256.65.

**Example A: No impact to patients due to EMSN caps**

If the specialist charges \$140 for the consultation, the patient’s out-of-pocket cost before EMSN benefits are paid is \$67.25 (doctor’s fee minus the MBS rebate received). Assuming the patient has reached the relevant EMSN threshold, the EMSN benefit for this consultation is calculated to be \$53.80 (80 per cent of the patient’s out-of-pocket cost).

As the calculated EMSN benefit is below the EMSN benefit cap amount of \$256.65 the patient will receive the full \$53.80 in EMSN benefits. As a result, the total cost incurred by the patient is \$13.45 and EMSN capping has no impact on the patient.

**Example B: Impact to patients due to EMSN caps**

If the specialist charges \$500 for the consultation, the patient’s out-of-pocket cost before EMSN benefits are paid is \$427.25 (doctor’s fee minus the MBS rebate received). Eighty per cent of the out-of-pocket cost would be equal to \$341.80. This amount is higher than the EMSN benefit cap of \$256.65, therefore, assuming the patient has reached the relevant EMSN threshold, the maximum EMSN benefit that the patient will receive is \$256.65. The total MBS benefit for this consultation is calculated to be \$329.40 (MBS rebate plus the EMSN benefit cap). As a result, the total cost incurred by the patient is \$170.60. The effect of the specialist billing at this rate means that the EMSN benefit cap has impacted on the patient’s out of pocket cost.

Note: Medicare benefits are rounded up to the nearest 5 cents.

## What are the EMSN benefit caps that will apply to the specialist and consultant physician consultation items?

Note: All specialist and consultant physician consultation items have an EMSN benefit cap, however only the more commonly claimed items have been included in this table.

### Specialist consultations

Item Number	Brief description of service	EMSN benefit cap (percentage of MBS fee up to \$500)	EMSN cap (\$)
104	Initial specialist consultation	300%	256.65
105	Subsequent specialist consultation	300%	129.00

<b>Item Number</b>	<b>Brief description of service</b>	<b>EMSN benefit cap (percentage of MBS fee up to \$500)</b>	<b>EMSN cap (\$)</b>
106	Initial specialist ophthalmologist consultation	300%	213.00
107	Initial specialist consultation – home visit	300%	376.50
108	Subsequent specialist consultation – home visit	300%	238.35
109	Initial specialist ophthalmologist paediatric consultation	300%	500.00

Note: Amounts are correct to 5 cents due to rounding.

### **Consultant physician consultations**

<b>Item Number</b>	<b>Brief description of service</b>	<b>EMSN benefit cap (percentage of MBS fee up to \$500)</b>	<b>EMSN cap (\$)</b>
110	Initial consultant physician consultation	300%	452.70
116	Subsequent consultant physician consultation	300%	226.50

<b>Item Number</b>	<b>Brief description of service</b>	<b>EMSN benefit cap (percentage of MBS fee up to \$500)</b>	<b>EMSN cap (\$)</b>
119	Minor subsequent consultant physician consultation	300%	129.00
122	Initial consultant physician (other than in psychiatry) consultation – home visit	300%	500.00
128	Subsequent consultant physician (other than in psychiatry) consultation – home visit	300%	332.25
131	Minor subsequent consultant physician (other than in psychiatry) consultation – home visit	300%	239.25
132	Consultant physician (other than in psychiatry) treatment and management plan	300%	500.00
133	Consultant physician (other than in psychiatry) review of treatment and management plan	300%	396.30

Note: Amounts are correct to 5 cents due to rounding.