



Changes to MBS rules for diagnostic imaging services fact sheet - capital sensitivity

Last updated: 2 May 2022

- Capital sensitivity refers to the allocation of life ages to diagnostic imaging equipment for the purposes of attracting Medicare benefits for services rendered on the equipment.
- From **1 May 2022**, the capital sensitivity provisions for diagnostic imaging services will change.
- These changes are relevant for all health professionals delivering and claiming diagnostic imaging services, consumers receiving and claiming the services, private health insurers and hospitals.
- Provider billing arrangements from **1 May 2022** will need to be adjusted to reflect these changes.

What are the changes?

From **1 May 2022**, the only exemption to capital sensitivity arrangements will be where practices in any location may be granted a three-month exemption where they have demonstrated that they have been unable to replace or upgrade the equipment before it has reached its effective life age or maximum extended life age due to circumstances beyond the control of the practice.

Why are the changes being made?

From **1 May 2020**, diagnostic services performed on out-of-date equipment were no longer eligible for Medicare. This resulted in Medicare funding being available for diagnostic imaging services rendered on equipment that had not exceeded its effective life age or maximum extended life. Machines in rural and remote areas were provided additional time to upgrade or replace their older equipment.

Removal of the rural and remote area exemptions were to come into effect on **1 May 2021**. On **15 December 2020**, the Australian Government extended the capital sensitivity exemptions for diagnostic imaging equipment in rural and remote Australia until **1 May 2022**.

This was based on recommendations from the MBS Review Taskforce, which was informed by the Diagnostic Imaging Clinical Committee (DICC). More information about the Taskforce and associated Committees is available on the Department of Health's website www.health.gov.au by searching for 'Medicare Benefits Schedule (MBS) Review'. This also has links to reports of the review.

What does this mean for providers and requesters of diagnostic imaging services?

Providers of diagnostic imaging services will need to update or replace their equipment before it reaches its effective life age or maximum extended life age for patients to receive Medicare benefits for the services they provide. Under the principles of informed financial consent, providers should advise patients that no Medicare benefits are payable if the service will be rendered on out-of-date equipment.



How will these changes affect patients?

The changes will ensure that patients have access to high quality diagnostic imaging services using up-to-date equipment.

Who was consulted on the changes?

The MBS Review included a targeted consultation process on the DICC report in 2018.

Feedback on the DICC report was received from a range of stakeholder groups including:

- Royal Australian and New Zealand College of Radiologists (RANZCR)
- Australian Diagnostic Imaging Association (ADIA)
- Royal Australian College of General Practitioners (RACGP)
- Australasian Association of Nuclear Medicine Specialists (AANMS).

The DICC considered submissions prior to making its final recommendations to the Taskforce.

The capital sensitivity changes were announced by Government in the 2019-20 Budget under the *Guaranteeing Medicare – improved access to diagnostic imaging* measure.

During 2020 and 2021, the Department consulted with the diagnostic imaging sector on a review of capital sensitivity arrangements.

Where can I find more information?

Further information on these changes and the remaining capital sensitivity exemption is available from the Department of Health's website at www.health.gov.au/capitalsensitivity.

The Department of Health provides an email advice service for providers seeking advice on interpretation of the MBS items and rules and the Health Insurance Act and associated regulations. If you have a query relating exclusively to interpretation of the Schedule, you should email askMBS@health.gov.au.

Subscribe to '[News for Health Professionals](#)' on the Services Australia website and you will receive regular news highlights.

If you are seeking advice in relation to Medicare billing, claiming, payments, or obtaining a provider number, please go to the Health Professionals page on the Services Australia website or contact the Services Australia on the Provider Enquiry Line – 13 21 50.

Data files for software vendors, when available, can be accessed via the [Downloads](#) page.

Please note that the information provided is a general guide only. It is ultimately the responsibility of treating practitioners to use their professional judgment to determine the most clinically appropriate services to provide, and then to ensure that any services billed to Medicare fully meet the eligibility requirements outlined in the legislation.

This sheet is current as of the Last updated date shown above and does not account for MBS changes since that date.