

MAGNETIC RESONANCE IMAGING MACHINE, PRINCESS MARGARET HOSPITAL FOR CHILDREN

Statement by Minister for Health

MR KUCERA (Yokine - Minister for Health) [2.05 pm]: Tomorrow the Commonwealth's magnetic resonance imaging monitoring and evaluation group will meet. It is understood that Western Australia's request for a Medicare-funded magnetic resonance imaging facility at Princess Margaret Hospital for Children will be considered at this meeting. The Department of Health has written to the chair of the committee, Professor John Blandford, confirming that the State's only children's hospital is the State Government's No 1 priority for an MRI licence. The State Government has promised to buy or lease an MRI scanner for Princess Margaret Hospital for Children if the federal Government grants a Medicare licence.

The situation we face today is a direct result of a fundamentally flawed allocation system. It is the reason we are determined not to let the Commonwealth off the hook. Until 1998, State Governments received funding from the Commonwealth towards the capital and running costs of public hospital MRI units. In the 1998-99 budget, the former federal Minister for Health, Dr Michael Wooldridge, expanded the medical benefits schedule to include MRI fee-for-service items. It subsequently emerged that in the few days leading up to the budget, radiologists rushed to buy or place orders for the machines - a reported 33 orders in just four days. On budget day, Dr Wooldridge announced that MRIs purchased before the budget would qualify for a Medicare rebate. Those private radiologists who had ordered an MRI in the lead-up to the budget were - by way of their extraordinary insight, good luck or first-hand knowledge - "poised to make a commercial killing", as the *Sydney Morning Herald* reported in March 2000.

That "commercial killing" has had many victims among users of the public health system, and Western Australian children are among them. In an attempt to put the brakes on the huge blow-out in MRI rebates since 1998, the federal Government set up an independent review process to make recommendations on Medicare licensing of MRI machines. Last year's Blandford report recommended that another licence be issued to Western Australia, but the federal Government ignored this advice.

There is little doubt that the mistakes made in the Commonwealth's handling of this issue have had massive repercussions for this State. Just two of the 10 MRI units in WA are in the public sector and four of those private machines have Medicare licences - all of them granted since 1998. We know from Health Insurance Commission statistics that the value of medical benefits paid in Western Australia for MRI scans in 2001 rose by well over \$3 million, or approximately 37 per cent, in one year. A fraction of this increase in commonwealth MRI expenditure would have funded MRI scans for children at Princess Margaret Hospital for Children. The WA public has a right to know why the Commonwealth is willing to support a huge increase in private sector MRI scans - much of it being spent on scans of shoulders and knees - while very sick children are denied access. It is another example of the warped priorities of the federal Government - a Government that was prepared to rip \$5 million out of asthma and rural health programs to construct new headquarters for doctors' lobby groups in Canberra.

When I became aware of the inequities in the system, I wrote to the current federal health minister, Hon Kay Patterson, calling on her Government to meet its responsibilities and issue a licence for Princess Margaret Hospital for Children. Senator Patterson wrote to me three weeks ago saying that MRI Medicare eligibility was based on "priority areas of need". Apparently sick kids do not fit the bill. With the exception of Adelaide, all the other main children's hospitals in Australia have access to a licensed MRI scanner on campus. We believe that all Australian children should have equal access to this technology.

The State Government has a strong case and we sincerely hope that the MRI monitoring and evaluation group will find in WA's favour at its meeting tomorrow.