

Examples of diagnostic imaging equipment duplication by public hospitals

Townsville PET/CT

In Townsville, the public hospital, The Townsville Hospital (TTH) services the public sector and the two Mater Hospital (Pimlico and Hyde Park) service the private sector. In January 2012 Queensland X-Ray installed a state of the art PET/CT in the new Mater Hyde Park Hospital as part of a comprehensive imaging practice to serve the needs of cancer patients in North Queensland.

The population of Townsville and the surrounding area is approximately 170,000. This was likely to create demand for PET/CT studies in the vicinity of 5 – 10 patients per day. At this time Queensland X-Ray performed PET/CT studies for TTH patients at the bulk-bill rate, and offered a 5 days per week service. There is no cyclotron in Townsville. Because of transportation difficulties, with the isotope coming from either Sydney, Melbourne or Brisbane cyclotrons, it is quite an expensive exercise to offer PET/CT in a provincial site such as Townsville.

An economically viable PET/CT such as Queensland X-Ray has at the Mater Hospital in Brisbane has to perform in excess of 12 patients per day to break even financially. On these numbers the Townsville PET/CT was always going to be borderline or minimally profitable on the projected numbers, but was an important community service provided by Queensland X-Ray.

Queensland X-Ray offered to bulkbill all TTH outpatients for PET/CT. The public sector was making very significant savings throughout 2012 using the Mater Hyde Park PET/CT since they saved the cost of transportation by air for public patients to go to Royal Brisbane Hospital for their PET scans. This transportation often required additional expense for a nurse escort and for overnight accommodation in Brisbane.

The Queensland Government then funded the installation of a second PET/CT scanner which was installed at TTH in January 2013 at a cost of over \$5million. The result of this is that each machine in Townsville now does 3-4 cases per day, so that neither is economically viable.

Installation costs alone run to \$1.5million, so that the option of picking up the Mater PET/CT and relocating it is extraordinarily wasteful of capital, and the machines, which are identical 128 slice Siemens PET/CT units in each institution costing in excess of \$2million.

The fact that Queensland X-Ray was installing its Mater Hyde Park Hospital PET/CT was well known to TTH administration in January 2011.

A suggestion was made that it would be a better idea to install the PET/CT that was going to be installed in 2012 in TTH in the Oncology Centre in Cairns. This would have saved transportation costs for Cairns patients, and saved the additional \$5million expenditure currently scheduled for a PET/CT for Cairns in 2014.

Ballarat MRI

Ballarat Health Services (BHS) has spent \$1.8 million (from Victorian Government funding), plus the cost of building works, to install a second MRI at the Ballarat Base Hospital. This is despite there being an underutilised MRI at Lake Imaging, located next door to the Hospital. Lake Imaging is currently provided MRI services to Hospital patients under a service level agreement, with BHS charged 75% of the applicable Medicare fee for in hours work and on a cost recovery basis for out of hours work. Urgent patients are accommodated on the same day, and the average waiting time for patients is 1-3 days, which compares favourably with many metropolitan centres.

BHS is campaigning to secure MRI eligibility for the new MRI from the Commonwealth Government. If this is approved, MRI services would be delivered at a higher cost to taxpayers than if services continue to be provided by Lake Imaging.

Ballarat PET/CT

Ballarat Health Services (BHS) recently announced in a press release that it intends to install a PET/CT in the Ballarat Base Hospital. This would cost almost \$8 million (from Victorian Government funding) for equipment and building works.

Ballarat is already served by a PET/CT service by Lake Imaging, which provides a cutting edge service at its practice next door to Ballarat Base Hospital. Lake Imaging currently provides PET/CT services to Hospital patients, with BHS bulk billed for Medicare-eligible services, or charged below cost for non-Medicare eligible services.

Lake Imaging provides research support, and links to radiation oncology services. The facility is accredited for PET/CT training, and Lake Imaging employs a registrar. However, the service is currently running at around 30% of capacity. Should a second PET/CT service open at the Hospital next door, the Ballarat community will be poorly served through fragmentation of a centralised service, with loss of patient serial monitoring, dilution of technical and medical expertise, potential loss of diagnostic accuracy and quality and probable loss of accreditation for advanced registrar training.