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SUBMISSION

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MBS shoulder surgery item changes

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The Australian Medical Association (AMA) is pleased to provide feedback on the proposed MBS shoulder surgery item changes effective 1 March 2027. The Department of Health, Disability and Ageing has advised the changes include new item consolidating rotator cuff repair items 48906, 48909 and 48960, a new item for complex rotator cuff repair, and removal of standalone subacromial decompression items 48900, 48903 and 48951 following MSAC application 1711.

The AMA supports clinician-led MBS reform that improves clarity, reflects contemporary practice and reduces unnecessary complexity. However, the proposed shoulder item changes raise a broader policy concern about the increasing consolidation of distinct shoulder conditions and surgical interventions into single items. Consolidation should not obscure the work performed, create billing uncertainty, under-recognise clinical complexity, or shift costs to patients.

We recommend the department reconsider whether the proposed item structure adequately distinguishes standard rotator cuff repair from additional shoulder pathology treated concurrently and from more complex reconstructive procedures. The final descriptors and fees must support clinically appropriate care in one operative episode, when in the patient's best interests. The proposed structure may create incentives for fragmented care, staged procedures or increased out-of-pocket costs if it does not adequately recognise additional clinically indicated work performed in the same operative episode.

Item structure should promote best practice

A single broad item may create unintended incentives contrary to patient-centred and efficient care. If treatment of multiple symptomatic shoulder conditions attracts the same benefit as treatment of a single condition, addressing all clinically indicated pathology in one procedure is disincentivised. The alternative may be staged interventions, additional anaesthetic and hospital episodes, longer recovery periods, greater inconvenience for patients and increased downstream system costs.

While duplicate benefits should not apply for procedures integral to the primary repair, the AMA is concerned separate symptomatic shoulder conditions treated concurrently, such as acromioclavicular joint pathology or long head of biceps pathology, may involve additional operative work and resources, which should be clearly recognised in the descriptor, explanatory notes and fee setting for the new item structure.

We recommend the department test the proposed descriptors against common clinical scenarios where multiple shoulder conditions are treated together. The MBS should support efficient, clinically

appropriate care and should not penalise doctors for addressing coexisting shoulder conditions in the same operative episode where this is in the patient's interests.

Complex rotator cuff repair

The AMA supports a separate complex rotator cuff repair item in principle. The creation of such an item appropriately recognises some rotator cuff procedures involve greater complexity than standard repair. However, the descriptor must clearly identify what makes the service complex and should not assume all complex shoulder reconstruction procedures are clinically or procedurally equivalent.

Specialist feedback received by the AMA raises whether multi-tendon repairs, augmentation procedures, superior capsular reconstruction and tendon transfer can be appropriately captured within one broad item. The AMA advises the department should test this with relevant specialist advisers, including the Shoulder and Elbow Society of Australia (SESA) and the Australian Orthopaedic Association (AOA), and consider whether some procedures require separate recognition or clearer sub-classification.

The department should also ensure the shoulder item structure is consistent with broader MBS principles, including recognition of increasing technical complexity and resource use where this is recognised in other surgical item structures.

Fee relativity and patient impacts

Descriptor changes must be matched with robust fee modelling. The AMA reiterates MBS fees should reflect the time, complexity, clinical responsibility, equipment, consumables and overall cost of providing the service. Where fees do not reflect the work involved, the likely consequences include higher patient out-of-pocket costs, reduced private sector viability and difficulty providing clear informed financial consent.

The AMA is particularly concerned where a consolidated item expands the range of work captured by the descriptor while reducing or failing to maintain the Schedule fee attached to the principal current item. This would be inconsistent with the objective of aligning MBS funding with contemporary practice and risks shifting costs to patients.

The department should ensure the MBS fees for the consolidated and complex items reflect the services captured by their descriptors. If one item is intended to cover procedures involving materially different levels of operative work and post-operative care, the fee must reflect that range. If a single fee cannot fairly account for this variation, the descriptor should be narrowed, or separate item recognition should be considered.

Subacromial decompression

The AMA acknowledges MSAC application 1711 and the decision not to support continued public funding of subacromial decompression as a standalone procedure for adult patients with

symptomatic subacromial shoulder impingement. MSAC material also records that subacromial decompression as part of rotator cuff repair was removed from the scope of the assessment.

The department should also confirm whether any limited clinical circumstances remain where standalone decompression or related procedures are clinically indicated but not captured by another appropriate item.

Implementation guidance should clearly distinguish removal of standalone subacromial decompression items from acromioplasty or decompression performed as part of clinically appropriate rotator cuff repair. This distinction is essential to avoid inconsistent interpretation by clinicians, patients, insurers and compensation schemes.

Implementation and review

The shoulder item changes should be implemented according to the standards the AMA has previously recommended for MBS reform: adequate lead time, transparent mapping from existing to new items, pre-commencement MBS Online and AskMBS guidance, worked examples for common claiming scenarios, and clear communication with clinicians, insurers, software vendors and compensation schemes. A 12-month post-implementation review should assess claiming patterns, patient out-of-pocket costs, insurer interpretation and any unintended access or affordability impacts.

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