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Ms Hongxia Jin
Assistant Secretary
Compliance Audit and Education Branch
Benefits Integrity & Digital Health Division
Health Resourcing Group
Australian Government Department of Health
Via email: Hongxia.Jin@health.gov.au

Dear Ms Jin,

Notice of Medicare Compliance Activity - Claiming of Sleep Study MBS items 12203 and 12250

Thank you very much for your letter informing the Australasian Sleep Association of upcoming compliance activity in relation to sleep study MBS items.

I am writing to request a postponement of this action because of pandemic-related circumstances that have significantly affected sleep studies across Australia in a range of different ways.

- COVID infection risks have affected public and private sleep laboratories differently which has impacted billing volumes. I attach our most recent consensus statement on COVID risks in sleep laboratories that provides some context and explanation in relation to this point.
- Private laboratories have been able to utilise non-contact sleep study methods much faster than public laboratories. Public system staff have been caring directly for COVID patients and many public sleep laboratories have been either closed or operating at very reduced capacity for many months. This may artificially inflate the differences observed.
- While compliance is important, sleep laboratories are still catching up after two years of COVID disruption. Many of them are not doing CPAP or NIV titration studies at all, which will once again artificially change the proportion of 12203 and 12250 billing.

In addition, clinicians remain extremely busy managing the pandemic backlog of patients and sleep studies, along with many still helping to manage COVID-19 patients in the public health system. Some are also managing COVID staff shortages. They will have significant limitations on their ability to review their billings in an effective way at this time.

I also want to reiterate two points we made in a letter to Mr Alex Taylor dated 5 October 2021 responding to questions about sleep study billing:

- “Sleep physicians are usually dual qualified as both respiratory and sleep physicians. Across the sleep physician workforce in Australia there is a large variation in the proportion of physicians’ weeks spent in the practice of sleep medicine. In fact, the majority of sleep physicians practice sleep medicine part time and would therefore only be performing sleep studies as a small proportion of their work. Whereas a small minority of sleep physicians practice sleep medicine full time with sleep studies comprising a significant proportion of their work. This makes it highly likely that a volume-based assessment of sleep study billing will specifically select that subset of sleep physicians working full-time in sleep medicine. It

also means that measures, such as for example the 75th centile of items billed, will be significantly skewed. With the majority of sleep physicians working part-time in sleep medicine, a more accurate reflection would be sleep study items billed per fractional allocation of time spent working in sleep medicine.

- Sleep physicians also work across public and private settings. In settings where public hospital sleep studies are funded via activity-based funding, a significant amount of their work is invisible to Medicare and not captured in utilisation of items 12203 or 12250. In these settings, sleep physicians working in private practice would appear to be disproportionately billing these item numbers.”

We ask, therefore, that this activity is postponed by 6-12 months to ensure that claiming figures represent a steady state unaffected by pandemic pressures, and that sleep physicians have the capacity to engage with compliance requests in a constructive way. We would be happy to meet with you or other Department officials to review claiming data and how targeted compliance activity may be conducted more appropriately in the circumstances set out in this letter. Our CEO, Marcia Balzer, would be happy to arrange such a meeting.

Yours sincerely,



A/Prof. Sutapa Mukherjee
President



Dr David Cunnington
Clinical Chair

Attachment: [Recommendations for the Performance of Sleep Studies in Australia and New Zealand during Periods of High Community Transmission of COVID-19](#)