

29 September 2011

Dr Ian Holland
Committee Secretary
Senate Standing Committees on Community Affairs
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Dr Holland

Review of the Professional Services Review (PSR) Scheme – responses to Questions on Notice

The Consumers Health Forum of Australia (CHF) provided evidence at a public hearing of the Senate Community Affairs References Committee Inquiry into the Review of the PSR Scheme on Friday, 23 September 2011. At that hearing, we were asked to provide further information on the following matters:

1. CHF's current membership
2. CHF's perceptions of the natural justice, or otherwise, of the PSR process
3. Whether the Medicare Local model could result in increased requests from Medicare to PSR for review due to an emphasis on collaborative care planning
4. Suggestions for alternative or additional audit methods that go beyond the current statistical analyses.

Further information on each of these is provided below.

1. CHF's current membership

CHF currently has 85 voting members, 168 associate members (including 61 organisational members, six corporate members and 101 individual members) and two honorary life members. A full list of member organisations is provided at Attachment A. This information is available on CHF's website www.chf.org.au, and lists of members are also included in CHF's Annual Reports, which are also available to download from the website.

2. CHF's perceptions of the natural justice, or otherwise, of the PSR process

CHF noted two widely differing perspectives on whether or not the PSR processes offer natural justice to persons under review. As CHF does not have direct knowledge or experience of the PSR process, it is difficult for us to comment on which perspective reflects the process more accurately. However, we note that efforts have been made in recent times to increase the natural justice of the process, for example through the provision of increased information to persons under review at various points during the review process.

3. Whether the Medicare Local model could result in increased requests from Medicare to PSR for review due to an emphasis on collaborative care planning

CHF does not believe that the collaborative care model to be promoted by Medicare Locals will result in increased referrals to the PSR for review due to unusual billing patterns. We note, however, that it is important that items on the Medicare Benefits Schedule reflect current best practice and facilitate collaborative care models. We also argue that the introduction of Medicare Locals provides an opportunity for health professionals to go beyond the traditional 'fee-for-service' model and consider alternatives such as care packages that could deliver improved health outcomes for consumers.

4. Suggestions for alternative or additional audit methods that go beyond the current statistical analyses.

CHF is not sufficiently familiar with the current auditing arrangements to provide firm recommendations about alternative or additional audit methods other than statistical analysis. However, we consider that there would be benefit in legislative amendments to enable health consumers and other health professionals to complain directly to the PSR if they believe that inappropriate practice is taking place. Measures would need to be in place to ensure that this mechanism is not misused.

CHF also argues that consumer consultation on this matter would be beneficial. In CHF's evidence to the Committee, we called for greater consumer involvement in the PSR, and this question provides an example of how consumer consultation could be used to develop and enhance current Medicare audit and PSR processes.

CHF thanks the Committee for the opportunity to provide evidence. If you would like any further clarification on any of the matters discussed in this letter, please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Carol Bennett', with a stylized flourish at the end.

Carol Bennett
CHIEF EXECUTIVE OFFICER