

Senate Community Affairs Legislation Committee

ADDITIONAL BUDGET ESTIMATES - 16 FEBRUARY 2012 ANSWER TO QUESTION ON NOTICE

Human Services Portfolio

Topic: Medicare – Media Article Allegations – Inappropriate Spending

Question reference number: HSW 71

Senator: Bernardi

Type of question: Written

Date set by the committee for the return of answer: 29 March 2012

Number of pages: 2

Question:

Recently, Dr Tony Webber made a number of claims about Medicare transactions. He estimates that \$2-3 billion is spent inappropriately every year (*Medical Journal of Australia*, 16 Jan 2012). There have been reports that fraudulent Medicare claims equal about \$28 million annually ('Medicare frauds on the rise', *Sunday Mail Brisbane*, 25.9.2011).

- a) What is your current estimation for the total dollar amount of Medicare fraud annually?
- b) In the last financial year, how many people were forced to pay back money after having been caught defrauding Medicare?
- c) What were the total amounts that each of these people had to pay back?
- d) Are there any outstanding monies that are owed by people that have not yet been given back to Medicare Australia?

Answer:

- a) The total amount of activity identified as fraudulent and subsequently prosecuted in the last financial year was \$360,010.
- b) In the 2010-11 financial year, 15 people were successfully prosecuted for defrauding the Medicare Benefits Schedule and the Pharmaceutical Benefits Scheme. Of these, 14 were required to pay back money. In the remaining case, the person received a sentence of six months imprisonment, wholly suspended for 18 months. The person was required to pay \$365 in disbursement costs.

c) The total amounts per person are detailed in the table below.

2010-11 Financial Year	
Number	Identified Repayments
1	\$2,315.25
2	\$60,003.10
3	\$121,599.90
4	\$1,047.85
5	<i>Two people were jointly convicted in one case. The amount is for both.</i>
6	
	\$110,013.00
7	\$11,419.85
8	\$1,964.00
9	\$11,834.65
10	\$10,877.70
11	\$14,059.70
12	\$251.05
13	\$10,950.00
14	\$3,673.95
Total	\$360,010.00

d) The department is not able to provide the total amount of any outstanding monies owed by offenders, as debtors are not identified as repaying amounts based on non-compliance or fraud, and some debtors elect to pay by instalments.