

Senate Community Affairs Legislation Committee

SUPPLEMENTARY BUDGET ESTIMATES – 22 OCTOBER 2015 ANSWER TO QUESTION ON NOTICE

Department of Human Services

Topic: Medicare Fraud and Identity Theft

Question reference number: HS 72

Senator: Cameron

Type of question: Written

Date set by the committee for the return of answer: 11 December 2015

Number of pages: 2

Question:

- a) There is no mention of Medicare identity theft and the Department's response to it in the Annual Report. Given DHS was aware of this in February why was this issue not addressed in the Annual Report?
- b) What is the Department's response to Medicare fraud?
- c) Please provide details of the cost of responding to Medicare identity theft, the number of staff involved in dealing with this issue.

Answer:

- a) The issues identified in the first half of 2015 related to possible Medicare fraud and may have included alleged identity theft. Investigations into the matter had not concluded at the end of the financial year being reported on.
- b) The Department of Human Services manages over 370 million claims for Medicare services each year and takes maintaining the integrity of Medicare payments very seriously.

Following the recent machinery of Government changes, the Department no longer has responsibility for managing fraud and non-compliance by health providers. This now rests with the Department of Health. The Department of Human Services continues to have responsibility for managing fraud and non-compliance by members of the public. The Department undertakes an annual programme of payment accuracy reviews. This involves contacting customers and providers in a random sample, developed in conjunction with the Australian Bureau of Statistics, of claims each year to confirm the claim details. The Department has been able to confirm a very high level of payment accuracy.

The Department takes all allegations of fraud and non-compliance by members of the public seriously and allegations, regardless of the source, are reviewed and assessed. Where sufficient information is available, the matter will be investigated and appropriate action taken. This could include seeking recovery of incorrectly claimed benefits and/or referral to the Commonwealth Director of Public Prosecutions.

The Department has a range of controls and methods in place to detect fraud and non-compliance, which include: identity checking; data-matching information with other agencies; tip-offs from the community to the Australian Government Fraud Tip-off line; data mining and analysis; and optical surveillance.

Due to legislated privacy and secrecy provisions, the Department does not confirm or make public comment that any particular matter has been reported, is being investigated or on the status of any investigation.

- c) The Department's compliance teams are responsible for all non-compliance related activities. Therefore it is not possible to segregate resources allocated specifically to alleged identity fraud. The Department increases resources available to particular activities when needed.