

Subject: Finance and Public Administration Committee Health Insurance (Dental Services)
Bill 2012 [No 2]

To: Finance and Public Administration Committee Health Insurance (Dental Services) Bill 2012
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2 April 2012

Dear Sir/Madam,

RE: MEDICARE CHRONIC DISEASE DENTAL SCHEME (CDDS) AUDITS

I am a general dentist practicing in the Sydney metropolitan area, since graduating from Sydney University in 1988. I am currently being audited by Medicare for treatment performed under CDDS. I wish to express my disappointment and frustration at the enormous emphasis and resources placed to police the administrative compliance of Section 10 of the Health Insurance (Dental Services) Determination – ie, ensuring paperwork was filled out correctly, rather than looking at any aspect of actual dental work done.

I am happy to be audited. I have provided many existing and new patients with chronic diseases, excellent treatment of the highest standard. I know that all of the dental work I have performed under CDDS was to help improve oral health and thereby general health of sick patients – I would welcome any scrutiny of my dentistry because I am certain that it is of excellent standard. Unfortunately, the main purpose of the audit I am subject to, seems to be the administrative requirements; and furthermore, some of my colleagues have been issued with letters of demand to repay monies for legitimate work done, but when paperwork was late.

Section 10 paperwork (treatment plan to medical practitioner and quote to patient) is a requirement of CDDS. At no stage since the scheme commenced, was I made aware of the potential repercussions of not complying with Section 10 precisely – i.e., repayment of all monies for all treatment performed for every patient. This was only recently brought to my attention after contacting the Australian Dental Association (of which I am a member) to query Medicare audit form. I have been dealing with third party payment of fees from Department of Veteran Affairs, NSW Health Department, and various Workers Compensation Insurers and their requirements differ; this was the profession's first experience with Medicare and so feel that dentists who may have been late completing Section 10 paperwork, should be educated and warned, but not required to repay monies.

If any paperwork was late, there was no harm done to the patient; the same dental work would have resulted; the same Medicare payment would have been made –i.e., no change in outcome. It seems the only reason for dentists with late Section 10 documents asked to repay monies is to improve the government's budget deficit. But this is not a fair way of achieving this. Since being

subject to an audit, I have found the following compliance model from Medicare Australia's National Compliance Program 2010-2011 (page 3 at web address – <http://www.medicareaustralia.gov.au/provider/business/audits/files/3013-national-compliance-program2010-2011.pdf>)

Diagram 1—The compliance model

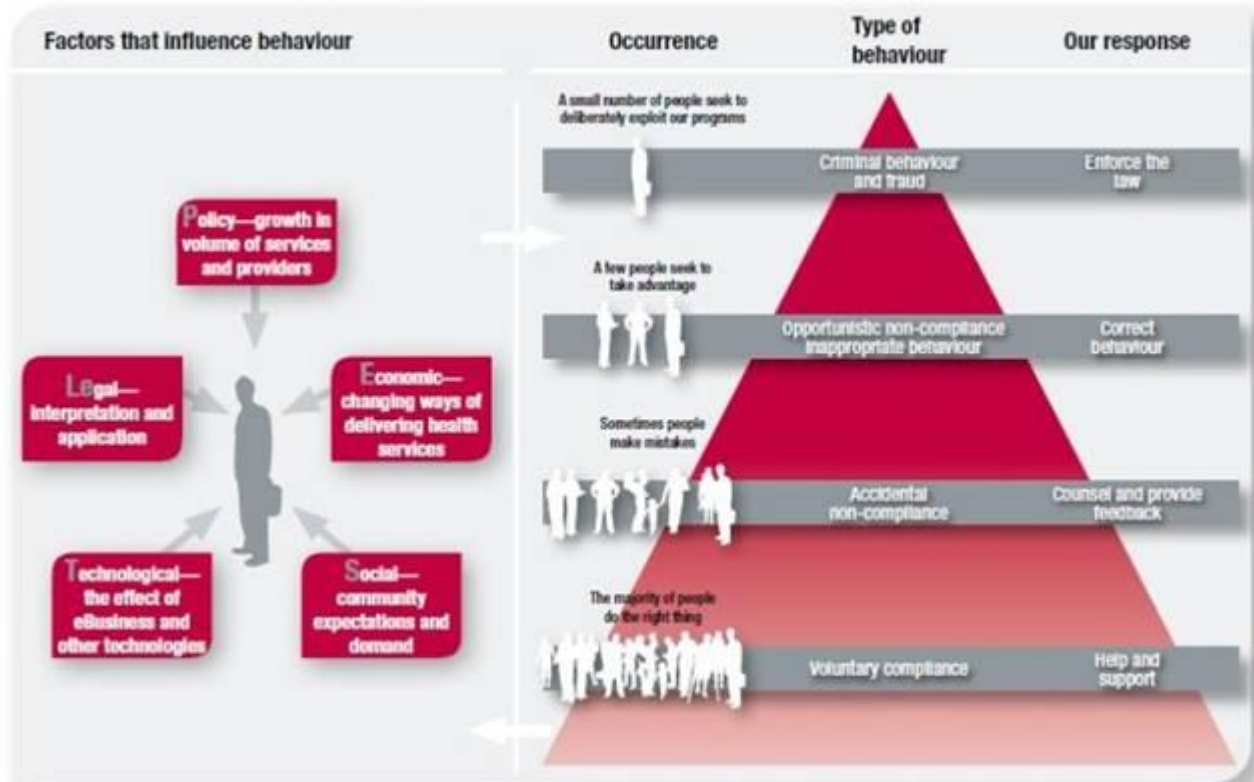


Diagram 1 illustrates the factors that influence behaviour (PESTLe framework) and the compliance triangle.

This diagram from Medicare demonstrates that administrative errors from non-compliance of Section 10 of the Determination should be viewed on the lower half of the triangle, where counseling and support should be offered to ensure compliance (not repayment of monies). Fraud and negligence should be viewed at the top of the triangle and this is when repayment of monies would be indicated.

I therefore submit that audits should be more clinically based, and any administrative errors should lead to counselling rather than repayments. In cases of outright fraud or repeat offenders of late paperwork, penalties should be considered. However, the majority of dentists in my view, have tried to do the right thing and help their patients who are our first priority, and perhaps some lodged paperwork late - this is not a serious crime, and so should be dealt with accordingly.

Yours faithfully,

Michael Kalas