

## Senate Finance and Public Administration Legislation Committee

### INQUIRY INTO HEALTH INSURANCE (DENTAL SERVICES) BILL 2012 [No. 2]

**Question Number:** 1  
**Hansard Reference:** pages 26-27  
**Date Asked:** 1 May 2012  
**Number of pages:** 2

#### Question:

Senator BUSHBY: At what point does that occur? We have seen copies of audit recommendations, particularly in the context of Dr Wilma Johnson, where the auditor recommended either recovery or an educative approach. It would appear to me that the auditor at that point of time was under the impression that there is no compulsion to actually seek recovery until a decision is made on that either/or. So at what point does a debt become recoverable?

Mr Rimmer: With your forbearance, I might answer that question in a slightly roundabout manner. The first thing that I must say in this context is that the policy commitment, as you know, of the government is to close this scheme. That is a matter that is really within the policy responsibility of colleagues from the Department of Health and Ageing, but it is important to have that context. There is no doubt from the submissions that are in front of this committee that the compliance arrangements regarding the scheme have caused concerns for dental practitioners. There have been a large number of representations from individual practitioners that have come to light as a result of the committee's inquiry. More generally, obviously this is a matter that has been of interest to the Senate and its committees in the past. It is also quite clear that some practitioners have not complied with the requirements of the scheme as set out in the law. We might come back to that matter at a later point.

The minister has asked us to advise the committee that, notwithstanding the government's intention to close the scheme completely, he accepts that some but not all of the concerns that have been raised do require further consideration and that is a matter that is now underway within normal departmental processes, which brings us to the specific question you asked.

Senator FIERRAVANTI-WELLS: Do I read that to be potential resolution of the matters through an internal process rather than one where we start going into legal avenues or does it still encompass legal avenues?

Mr Rimmer: The best I can say at this point is that the minister has asked for further advice on this matter. We will, in due course, provide that advice and the minister will make whatever decision he wishes to make and the government will make whatever decisions they wish to make.

Senator FIERRAVANTI-WELLS: Do I also read from that comment that we are talking about all persons who have been audited? Given the number of audits that have been undertaken—and we are not talking about a substantial number; we are talking about quite a confined number—do I take it that this action is going to cover all of those audits?

Mr Rimmer: As a matter of administrative practice, if there is a changed approach, as a hypothetical, then obviously we would need to apply that changed approach fairly across particular cohorts. But as I stress, no decision has been made about that.

Senator FIERRAVANTI-WELLS: Mr Rimmer, I appreciate the parameters that you have been given on this. I think it would be helpful to this committee to have an assurance, given the parameters of your undertaking, that we are talking about all the matters in question here rather than picking and choosing some and not others. From Senator Bushby's perspective and mine, we would certainly ask that that question be taken on notice.

Mr Rimmer: With respect, Senator, I cannot provide that undertaking given where this is at. What I can say is that—

Senator FIERRAVANTI-WELLS: It would obviously have to be written and referred to the minister. I am not asking you to give the answer. I appreciate the parameters within which you are operating, but if that could be referred to the minister that would be helpful.

M Rimmer: Okay. We can refer that to the Minister

**Answer:**

This matter has been referred to the Minister for Human Services.

**Senate Finance and Public Administration Legislation Committee**  
**INQUIRY INTO HEALTH INSURANCE (DENTAL SERVICES) BILL 2012**  
**[No. 2]**

**Question Number:** 2  
**Hansard Reference:** pages 31-32  
**Date Asked:** 1 May 2012  
**Number of pages:** 1

**Question:**

CHAIR: Have you got a breakdown of the audit? Was the audit carried out only on the CDDS or were there other components of that audit?

Mr Rimmer: Nearly 12,000 dental practitioners have claimed under the CDDS, of which only 94 audit cases have currently been completed, and another 535 are underway.

CHAIR: Have you got a breakdown by states and territories of those audits?

Mr Rimmer: From memory we provided some part of that material on notice after estimates—we can perhaps find that material—but from memory that was in response to a question from Senator Di Natale about the closed audits and which states they were in.

CHAIR: Could you take that on notice and provide that to this committee.

Mr Rimmer: Certainly.

**Answer:**

(1) The State breakdown table as at 29 February 2012:

State	Underway	Closed Cases Compliant	Closed Cases Non-Compliant	Total Audits
NSW/ACT	381	4	24	409
QLD	20	9	9	38
WA/SA/NT	18	3	14	35
VIC/TAS	116	13	18	147
Total	535	29	65	629



**Senate Finance and Public Administration Legislation Committee**  
**INQUIRY INTO HEALTH INSURANCE (DENTAL SERVICES) BILL 2012**  
[No. 2]

**Question Number:** 3  
**Hansard Reference:** page 33  
**Date Asked:** 1 May 2012  
**Number of pages:** 2

**Question:**

Senator DI NATALE: Thank you; I would appreciate that. My only other question relates to when a dentist claims. At that point, I imagine there is potential for engagement with dentists to ensure that they are informed of what they need to do. What proactive steps are undertaken at that time, when a claim is received? Do you then say, 'Okay, clearly we've a huge problem with this scheme; we need to be proactive and ensure that dentists know exactly how to claim and what the requirements are'?

Mr Rimmer: It is a good question. I will have to take that on notice to find out exactly what we do when a new practitioner registers for the scheme.

**Answer:**

One of the issues consistently raised by the Australian Dental Association (ADA) in their representations to the Minister and the Department of Human Services (DHS) has been the view that its members were not aware of the requirements of the Chronic Dental Disease Scheme (CDDS) when it was introduced, and that recovery of funds for incorrect claiming would be sought by the department.

Numerous education activities in relation to the requirements of the CDDS have been provided from the creation of the scheme through to the present day including:

- o in September 2007, the then Minister for Health and Ageing (the Hon Tony Abbott MP) wrote to dental practitioners, dental specialists and dental prosthetists introducing the Scheme. The correspondence also advised that a requirement of the program is that patients must be informed of the cost of dental services prior to commencing treatment;
- o in October 2007, the Department of Health and Ageing wrote to dentists, dental specialists and dental prosthetists providing a fact sheet and the Medicare Benefits Schedule Dental Services book that included comprehensive information in relation to the scheme including a checklist of requirements for claiming. This book remains available online;
- o in December 2009, DHS provided the ADA with an information sheet that was published in their January 2010 publication;

- o DHS wrote to all dental practitioners on 10 June 2010 to describe the compliance activities being undertaken and explain the current concerns with the use of the Scheme;
- o on 29 April 2011, the then Chief Executive Officer of Medicare sent a letter to all dental practitioners who had claimed under the Scheme. The letter highlighted the main concerns of non-compliance; reminded dentists of their obligations under the Scheme; and informed them of the increased audit activity.
- o in 2011, a briefing was provided by the department to the ADA on the implications of the IMCA legislation on CDDS audit activity. The ADA subsequently placed relevant information provided by the department on its website; and
- o in January 2012, a podcast was recorded by a senior departmental officer for the Australian Dental Association's website, clarifying a number of issues that had been raised by the Association's members, in relation to the operation of the Scheme.

Both the department and the Department of Health and Ageing provide information on their websites, including links to fact sheets detailing the requirements of the Scheme.

DHS continues to work with the ADA and the Australian Dental Prosthetists Association at a federal and state level to assist it in providing material to its members and posting information on their websites.

Due to the large volume of claims received each day, for DHS to use the lodgement of a claim to trigger a check with practitioners to confirm that they understand and have met all requirements prior to processing of the claim could significantly delay the payment process and may affect payment times.



**Senate Finance and Public Administration Legislation Committee**  
**INQUIRY INTO HEALTH INSURANCE (DENTAL SERVICES) BILL 2012**  
[No. 2]

**Question Number:** 4  
**Hansard Reference:** page 34  
**Date Asked:** 1 May 2012  
**Number of pages:** 1

**Question**

SENATOR DI NATALE: Can you explain why there was a delay in communication with the prosthetists—originally working through the ADA and, not until almost a year later, working through the peak body. Was that just an oversight?

**Answer**

- (1) The department understands that Dental Prosthetists were included in the 2007 correspondence sent by the Department of Health and Ageing (DoHA) and that Dental Prosthetist fact sheets were made available by DoHA.

Dental prosthetists were also included in departmental correspondence, as follows:

- a. Medicare Australia wrote to all dental practitioners on 10 June 2010, to describe the compliance activities being undertaken and explain the current concerns with the use of the Scheme. This mail out was sent to 11,218 dental practitioners, including dental prosthetists, who had rendered at least one Medicare service since 1 November 2007.
  - b. On 29 April 2011, the then Chief Executive Officer of Medicare Australia sent a letter to all dental practitioners who had claimed under the Scheme. The letter highlighted the main concerns of non-compliance; reminded dentists of their obligations under the Scheme; and informed them of the increased audit activity. This mail out was sent to 11,781 dental practitioners, including dental prosthetists, who had claimed a Chronic Disease Dental Scheme Medicare schedule fee of \$1 or more since the inception of the Scheme.
- (2) The department first found a compliance issue with a dental prosthetist in June 2011, following the completion of an audit. The Australian Dental Prosthetists Association (ADPA) approached the department in August 2011, requesting a meeting to discuss the compliance activities and to understand the compliance concerns in relation to their members. The department met with ADPA on 7 September 2011, briefing this peak body on compliance issues and audit activities.

At that meeting, ADPA was given contact details of senior departmental officers and advised it could contact them if it had any further questions about the operation of the Scheme.

**Senate Finance and Public Administration Legislation Committee**  
**INQUIRY INTO HEALTH INSURANCE (DENTAL SERVICES) BILL 2012**  
**[No. 2]**

**Question Number:** 5  
**Hansard Reference:** page 34  
**Date Asked:** 1 May 2012  
**Number of pages:** 1

**Question:**

**SENATOR DI NATALE:** The other issue is about education. To my knowledge, the online training materials do not include information about section 10. Are you aware of that? Can you clarify that, because I think that again would be a significant oversight if the online training package ignores one of the things that seem to have got us into this mess in the first place

**Mr Rimmer:** I am not aware of that. We might see if we can find out some further information about that.

**Answer:**

- (1) The online eLearning program, available on the department's website, was developed as an introductory program to support dental practitioners, who were new to Medicare, to understand the billing and claiming requirements. No specific Chronic Disease Dental Scheme content was developed, as this information was provided by the Department of Health and Ageing (DoHA) through fact sheets and the Medicare Benefits Schedule Dental Services Book. This material is available on the DoHA website.



**Senate Finance and Public Administration Legislation Committee**  
**INQUIRY INTO HEALTH INSURANCE (DENTAL SERVICES) BILL 2012**  
**[No. 2]**

**Question Number:** 6  
**Hansard Reference:** page 35  
**Date Asked:** 1 May 2012  
**Number of pages:** 1

**Question:**

Senator BUSHBY: But, Mr Rimmer, you have given evidence today that you believe that the education process that was put in place for dentists was sufficient. Yet in your response to that question taken on notice you rely on these two documents as part of that. We have just established that these documents do not go to the heart of what the question was about, and that question is central to the issue of these dentists being able to comply with these requirements, and for which they are now being asked to pay back.

Mr Rimmer: With respect, we rely not only on these two documents but on 45 documents and a range of other materials.

**Answer:**

We refer the Inquiry to our response to Senate Order for Production of documents, Reference SJ no 53, of 18 October 2011, where we tabled all documentation provided to dentists about the Scheme since it commenced. The Senate Order requested copies of "all documentation provided to dentists about the Scheme since it commenced". The tabled documents include a number of documents whose primary purpose was to provide dental practitioners with information to support their compliance with the requirements of the Scheme, including with section 10 of the *Health Insurance (Dental Services) Determination 2007*, as well as a number of documents where requirements of the CDDS were referred to in the context of other information about the Scheme.

**Senate Finance and Public Administration Legislation Committee**  
**INQUIRY INTO HEALTH INSURANCE (DENTAL SERVICES) BILL 2012**  
**[No. 2]**

**Question Number:** 7  
**Hansard Reference:** page 36  
**Date Asked:** 1 May 2012  
**Number of pages:** 2

**Question:**

SENATOR FIERRANTI-WELLS: Can I ask you to go back to your answers to any questions that you have given in estimates where there is a reference to these six documents and, if you need to, correct the record, because, as Senator Bushby has said, the submission actually quotes or refers to an answer to a question during supplementary budget estimates in October 2011. We have canvassed the issues. I cannot remember the specifics of it, but it is obviously an answer to a question.

Mr Rimmer: We will take that on notice.

**Answer:**

The evidence given at the October Estimates hearing referred to dentists being written to on six occasions. Taken in the context of all the evidence given at that hearing, which included reference to documentation provided in response to the Senate Order for Production of documents, Reference SJ no 53, of 18 October 2011, it is clear that the Department was not suggesting these six letters were the totality of the education provided to dentists about the Scheme.

**Senate Finance and Public Administration Legislation Committee**  
**INQUIRY INTO HEALTH INSURANCE (DENTAL SERVICES) BILL 2012**  
**[No. 2]**

**Question Number:** Clarification  
**Hansard Reference:** page 34  
**Date of hearing:** 1 May 2012  
**Number of pages:** 1

**Hansard Extract:**

**Mr Rimmer:** There are 629 audits underway. Our information is that many but not all of the individual submissions are from practitioners who are involved in our compliance activities at the moment. There are 950 people who are effectively in our audit case pool at the moment. They are people who we are considering doing an audit on. And there are 629 audits either currently underway or complete.

**Clarification:**

With reference to clarification in the Transcript:

As at 29 February 2012, there are 629 audits underway or completed. Our information is that many but not all of the individual submissions are from practitioners who are involved in our compliance activities at the moment. There are around 950 dental practitioners who are effectively in our audit case pool at the moment. They are practitioners who we are auditing, or are considering doing an audit on.