

## Senate Community Affairs Legislation Committee

### BUDGET ESTIMATES – 3 JUNE 2015 ANSWER TO QUESTION ON NOTICE

#### Department of Human Services

**Topic:** Fraud and Non-compliance

**Question reference number:** HS 61

**Senator:** Cameron

**Type of question:** Written

**Date set by the committee for the return of answer:** 24 July 2015

**Number of pages:** 6

#### **Question:**

- a) What was the total number of customers who were received an overpayment in 2013-14 and 2014-15?
  - i) Please provide this in percentage terms and a payment type breakdown.
- b) What was the total number of customers who were received an underpayment?
  - i) Please provide this in percentage terms and a payment type breakdown in 2013-14 and 2014-15?
- c) By program and payment type how many transactions did the department administer in 2013-14 and 2014-15?
- d) In percentage terms what was the level of payment correctness for 2013-14 and 2014-15? What is the Departments current target for payment correctness?
- e) How many audits and investigations (by program) did the Department conduct into suspect fraudulent activity in 2013-14 and 2014-15?
  - i) How many of these investigations lead to prosecution by the CDPP?
  - ii) In how many cases was the department's determination challenge?
  - iii) How many of the prosecutions were settled?
  - iv) What was the nature of the settlement and what were the amounts?
- f) Which payment types are most likely to be investigated for fraud?
- g) How many health professionals were audited by the department in 2013-14 and 2014-15?
  - i) How many health professional were required to present documentation to the Department in both years.
  - ii) How many of these audits lead to prosecution of the health professional?
  - iii) In how many cases did the health professional seek a review of the Department's decision?
  - iv) How many of the prosecutions were settled and what were the amounts?
  - v) How many audits settled between 2013 -2015 were from audits commenced in previous years?
  - vi) How many audits are still ongoing?

- h) How many cases of the incorrect Medicare claiming or fraud did the Department identify in 2013-14 and 2014-15 in the following areas:
- i) incorrect billing;
  - ii) incorrect prescribing;
  - iii) inappropriate ordering and/or incorrect use of pathology and imaging services; and
  - iv) consultations billed without referrals.
- i) How does the Department determine if a health professional has practised inappropriately?
- j) How many audits and investigations (in number and percentage) were commenced as a result as a tip-off?
- k) How many staff have been moved out of the compliance division into call centres to assist in reducing the call wait time?

**Answer:**

- a) The following table provides the number and percentage of income support recipients with Centrelink overpayments for 2013-14, broken down by payment type.

<b>Payment Type</b>	<b>Total number of customers with an overpayment</b>	<b>Percent of Total Customers with an Overpayment (%)</b>
ABSTUDY	5,812	11.49
Age Pension	71,571	2.87
Austudy	18,678	22.61
Carers	32,399	12.18
Disability Support	61,066	7.1
Family Tax Benefit	513,847	27.92
Newstart Allowance	249,732	21.82
Other	26,971	14.92
Parenting Payment Partnered	48,645	30.93
Parenting Payment Single	95,749	29.98
Youth Allowance	87,376	15.81
<b>Total</b>	<b>1,211,846</b>	<b>15.25</b>

The following table provides the number and percentage of income support recipients with Centrelink overpayments for 2014-15, as at 31 May 2015, broken down by payment type.

<b>Payment Type</b>	<b>Total number of customers with an overpayment</b>	<b>Percent of Total Customers with an Overpayment (%)</b>
ABSTUDY	5,386	11
Age Pension	79,325	3.09
Austudy	17,460	21.28
Carers	32,984	11.72
Disability Support	53,722	6.29
Family Tax Benefit	485,042	26.98
Newstart Allowance	227,436	20.06
Other	24,098	14.71
Parenting Payment Partnered	46,689	30.83
Parenting Payment Single	90,391	28.45
Youth Allowance	80,100	15.21
<b>Total</b>	<b>1,142,633</b>	<b>14.42</b>

Notes: 1) While each customer is only counted once within each payment type, some customers receive more than one payment, so could occur in more than one payment type.

2) The percentages have been rounded to two decimal points. Using these rounded figures may result in discrepancies in individual calculations of the number of customers with an overpayment.

b) The department does not collect this data.

c) The table below shows how many transactions the department administered in by program and payment type, for the past four financial years.

Program	Payment Type	2011-12	2012-13	2013-14	2014-15
<b>Jobseekers</b>	Assurance of Support	117,773	75,508	82,703	105,817
	Community Development Employment Project	2,073	1,697	-	-
	JET Child Care Fee Assistance	55,572	103,953	77,446	70,343
	Newstart Allowance	50,685,863	54,289,974	60,265,002	64,796,260
	Parenting Payment - Single	19,830,726	19,871,377	22,116,854	24,782,280
	Parenting Payment - Partnered	5,799,682	5,837,359	6,470,246	7,287,037
	Partner Allowance	111,494	79,735	68,335	56,375
	Remote Jobs and Communities Program	-	-	4,104	78
	Widow Allowance	493,778	451,187	446,067	407,442
	Youth - Jobseeker	11,207,511	12,437,794	13,819,946	14,239,064
<b>Retirees</b>	Age Pension - Max Rate Payment	13,040,946	15,124,166	14,690,204	16,298,448
	Age Pension - Part Rate Payment	14,083,764	13,562,228	13,539,003	15,319,925
	Bereavement Allowance	17,138	19,114	16,453	18,047
	DVA Pension	21,548	23,230	23,875	33,660
	Residential Care Assistance	169,916	149,799	151,020	426,575
	Senior Health Card	653,352	691,334	675,200	787,480
	Widow B Pension	2,049	1,785	3,857	1,747
	Wife Pension Age	97,502	93,127	89,121	83,453
<b>People with Disabilities</b>	Disability Support Pension	16,979,805	17,603,424	18,733,172	19,112,656
	Mobility Allowance	187,160	155,079	156,430	162,241
	Sickness Allowance	590,845	588,897	549,414	613,436
	Wife Pension Disability	165,334	141,395	140,421	122,018
<b>Students</b>	Abstudy	845,885	795,271	780,770	811,625
	Abstudy PES	11,770	11,549	9,955	8,802
	Assistance for Isolated Children	61,430	36,131	49,446	54,190
	Austudy Payment	1,648,937	1,966,568	2,385,816	2,675,252
	Pensioner Education Supplement	274,021	277,910	259,103	238,290
	Youth - Student	9,055,882	8,828,617	9,479,193	11,231,791
<b>Families</b>	Baby Bonus	137,124	174,188	127,787	29,941
	Child Care Benefit	2,910,932	4,177,780	6,227,461	7,017,173
	Dad and Partner Pay	-	95,963	191,257	252,024
	Double Orphan Pension	2,854	2,862	1,736	3,577

Program	Payment Type	2011-12	2012-13	2013-14	2014-15
	Family Tax Benefit	17,879,464	24,439,778	24,069,706	25,312,845
	Maternity Immunisation Allowance	333,107	143,568	22,379	15,154
	Paid Parental Leave	834,333	927,950	1,124,711	1,499,923
	School kids Bonus	-	210	1,994	1,619
	Stillborn Baby Payment	-	-	134	1,941
<b>Carers</b>	Carer Allowance	1,222,884	1,168,488	1,211,675	1,333,317
	Carer Payment	5,100,940	5,974,358	7,713,149	8,762,941
<b>Other</b>	Access Business Equity organisation	23,703	19,355	17,095	16,389
	Centrepay Services	2,622,638	3,120,788	3,461,386	3,487,146
	Crisis Payment	113,555	111,004	93,663	98,657
	Digital Television	119,760	530,078	119,590	33
	Emergency and General Assistance	43,411	15,876	22,957	20,502
	Emergency and General Assistance (AGDRP)	368,951	474,247	78,493	276,999
	Essential Medical Equipment Payment	38	40,370	19,809	15,133
	Income Management	-	-	2,467,108	2,913,083
	Low Income Card	1,765,625	1,689,741	1,965,939	2,254,276
	Low Income Supplement	2	71,825	89,099	88,398
	LPG Rebate	36,025	20,210	14,696	7,661
	Nominee Organisation	49,986	30,718	27,311	50,920
	Other organisations not separately identified	71,415	106,187	86,746	75,116
	Recorded Employer Details for Organisations	41,290	26,606	20,419	26,118
	Services provided on behalf of the Australian Electoral Commission		13	375,258	
	Special Benefits	356,488	292,669	275,628	315,669
	Status Resolution Support Services payment whilst immigration status is being resolved	-	-	1,710	46,436
	Transition to Independent Living Allowance	-	-	85	908
<b>Rural</b>	Exceptional Circumstances Payment	42,045	14,428	19,218	36,605
	Farm Help	4,228	3,252	6,750	10,072
	Farm Household Allowance	-	-	711	84,472
<b>Total</b>		<b>180,292,556</b>	<b>196,890,719</b>	<b>214,938,815</b>	<b>233,799,379</b>

- d) The target for payment correctness is 95 per cent. The department has achieved the following levels against this target:
- 2011-12 - 97.6 per cent.
  - 2012-13 - 98 per cent.
  - 2013-14 - 97.9 per cent.
  - 2014-15 - 98.1 per cent.
- e) For each of the past four years:
- In 2011-12, the department conducted 3,352 fraud investigations, including:
- 3,143 related to welfare programmes;
  - 198 related to the child support programme; and
  - 11 related to health programmes.
- In 2012-13, the department conducted 3,294 fraud investigations, including:
- 3,060 related to welfare programmes;
  - 232 related to the child support programme; and
  - 2 related to health programmes.
- In 2013-14, the department conducted 3,107 fraud investigations, including:
- 2,498 related to welfare programmes;
  - 305 related to the child support programme; and
  - 304 related to health programmes.
- In 2014-15, the department conducted 2,215 fraud investigations, including:
- 1,984 related to welfare programmes;
  - 62 related to the child support programme; and
  - 169 related to health programmes.
- i), ii), iii) and iv) The Commonwealth Director of Public Prosecutions (CDPP) is the independent prosecution service established to prosecute alleged offences against Commonwealth law. Questions relating to prosecution action should be directed to the CDPP.
- f) Over the past four years, the three welfare payment types most often investigated were Newstart Allowance, Parenting Payment Single and Disability Support Pension.
- g) For each of the past four years the department completed:
- 3,230 audits and reviews of health professionals in 2011-12;
  - 2,567 audits and reviews of health professionals in 2012-13;
  - 3,217 audits and reviews of health professionals in 2013-14; and
  - 3,504 audits and reviews of health professionals in 2014-15.
- i) Health professionals can be required to present documentation to the Department under section 129AAD of the Health Insurance Act, called a Notice to Produce.
- No Notices to Produce were issued in 2011-12 or 2012-13.
  - Two Notices to Produce were issued in 2013-14.
  - Twelve Notices to Produce were issued in 2014-15.
- ii) CDPP referrals are as a result of investigations, not audits. The department does not hold data on prosecutions.
- iii) The following details the number of health professionals seeking a review of decision:

- 2011-12 – 27 reviews requested;
- 2012-13 – 17 reviews requested;
- 2013-14 - 41 reviews requested; and
- 2014-15 - 63 reviews requested.

iv) The department does not hold data on prosecutions.

v) In 2013-14, 1,325 audits were settled which commenced in previous years.

In 2014-15, 1,819 audits were settled after being commenced in previous years.

The department is unable to advise the number of cases settled further back than 2013-14, due to a change in case management systems during the 2012-13 financial year.

vi) At the end of the 2014-15 financial year, 2,755 audits were still ongoing. Cases are considered ongoing when an outcome has not been recorded and the record remains open.

h) i) In 2013-14 the department identified 1,146 cases of non-compliant or fraudulent claiming by health professionals.

In 2014-15 the department identified 1,501 cases of non-compliant or fraudulent claiming by health professionals.

The department is unable to advise the number of cases identified further back than 2013-14. This is due to limited data and a change in case management systems during the 2012-13 financial year.

ii) The department does not determine whether prescribing is correct or incorrect, as this is an issue of quality of clinical practice. Quality of clinical practice is a matter for the Australian Health Practitioner Regulation Agency (AHPRA), health service providers (hospitals and practices) and professional medical colleges.

iii) The department does not determine whether use of pathology and imaging services is correct, as this is an issue of quality of clinical practice. Quality of clinical practice is a matter for the Australian Health Practitioner Regulation Agency (AHPRA), health service providers (hospitals and practices) and professional medical colleges.

iv) As this is a form of incorrect billing, see (i) above.

i) The department cannot make a determination in regards to inappropriate practice.

j) In 2011-12, the department completed 1,092 welfare programme investigations that were a direct result of the department receiving a tip off. This represents 32.6 per cent of the total investigations completed during 2011-12.

In 2012-13, the department completed 409 welfare programme investigations that were a direct result of the department receiving a tip off. This represents 13.4 per cent of the total investigations completed during 2012-13.

In 2013-14, the department completed 208 welfare programme investigations that were a direct result of the department receiving a tip-off. This represents 8.3 per cent of the total investigations completed during 2013-14.

In 2014-15, the department completed 82 welfare programme investigations that were a direct result of the department receiving a tip-off. This represents 3.9 per cent of the total investigations completed during 2014-15.

In 2013-14, the department commenced 825 health programme audits and investigations that were a direct result of the department receiving a tip-off. This represents 18 per cent of the total audits and investigations commenced during 2013-14.

In 2014-15, the department commenced 398 health programme audits and investigations that were a direct result of the department receiving a tip-off. This represents 8 per cent of the total audits and investigations commenced in 2014-15.

The department is unable to advise the number of tip-offs identified further back than 2013-14, due to a change in case management systems during the 2012-13 financial year. Annual Reports prior to 2013-14 provided data on the number of calls to the tip-off line, not the number of individual tipoffs generated.

k) Nil