

## Senate Community Affairs Legislation Committee

### SUPPLEMENTARY BUDGET ESTIMATES - 20 OCTOBER 2011 ANSWER TO QUESTION ON NOTICE

#### Department of Human Services

**Topic:** Medicare Compliance

**Question reference number:** HS 28

**Senator:** Fierravanti-Wells

**Type of question:** Hansard pages 130-131

**Date set by the committee for the return of answer:** 9 December 2011

**Number of pages:** 3

#### **Question:**

- a) **Senator FIERRAVANTI-WELLS:** At the top of HS23 you provided a table where you looked at the audited group and you gave me those details. You provided information that was the sum of that overlap information in HS21. What I would like are three tables which cover the three years.

**Ms Campbell:** We do not have that with us.

**Senator FIERRAVANTI-WELLS:** I appreciate that.

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- b) Bear in mind that, using 2009-10 as the example, you had 2,365 completed audits. You obviously have a breakdown of the type of medical practitioners. Could you provide a breakdown of those medical practitioners for each of those three years?

**Ms Campbell:** We will have a look at how complex it is to do that and how much we would have to go into for that.

**Senator FIERRAVANTI-WELLS:** In view of the questions that were asked by Senator Di Natale and Senator Fifield in relation to dentists, you are obviously able to pluck out the number of the dentists that you are pursuing, so you do have those figures. This should not be very difficult. We are only talking 2,365 medical practitioners or thereabouts in any given year. You tell me that in 2008-09, the figure was 2,794 and as at 30 April 2011 you are talking about 1,357. It cannot be that hard to break down the category.

**CHAIR:** The officer has said they will take it on notice. Ms Campbell, because of the complexity, could you get back to us not a long time down the track and give us some discussion about that point?

**Ms Campbell:** I am just trying to clarify whether you want it in the same format as the answer to question 23 or whether you want more detail than was in the format—

**Senator FIERRAVANTI-WELLS:** I would like a breakdown of those medical practitioners and I would like it for those three years. I am interested to see why, all of a sudden, this year—bearing in mind what Mr Rimmer said about the dentists in the past—at the time when the government is pushing for a close-down of the chronic disease dental scheme, we are suddenly seeing this massive interest in pursuing dentists. I would like verified whether dentists have always been on the agenda or whether, suddenly this year, we have this extra number of dentists being audited.

**CHAIR:** The officers will take that on notice.

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c) **Senator FIERRAVANTI-WELLS:** I am simply confining my question to the triggers. Are the triggers for the dentists that you outlined earlier the same triggers that apply for the audits that were specified in the material that you provided to me on notice?

**Mr Popple:** They would be included amongst the triggers. We look at patterns of referral. Where there are particularly high rates of referrals, that may be one trigger. Complaints and tip-offs would be another trigger that we use. So they are similar. As Mr Hancock was outlining, through some of the environmental scans and some of the other data-matching that we do, we would find other triggers to undertake an audit.

**Senator FIERRAVANTI-WELLS:** Do the triggers change from year to year?

**Mr Popple:** Yes. The base ones will stay the same. Each year, in our environmental scanning, working out where the pressures and the risks are in a particular year, we might change some of those triggers.

**Senator FIERRAVANTI-WELLS:** For each of the three years that you are going to provide me with that information, could you take on notice whether those triggers identify the key triggers for each of those years and whether that has changed?

**Mr Popple:** That is probably set out in the compliance plans for each of those years.

**Senator FIERRAVANTI-WELLS:** Perhaps you might direct me to where I can find them.

**Mr Popple:** Yes.

**Answer:**

a) The table below shows audit data by group for three financial years from 2008-09.

Audit Data by Group									
Audited Group	Completed audit and review cases			Individuals /entities for recovery of benefits incorrectly paid			Amounts identified for recovery		
	08-09	09-10	10-11	08-09	09-10	10-11	08-09	09-10	10-11
Medical practitioners <sup>1</sup>	2,794	2,365	2,179	719	477	320	\$4,546,599	\$7,879,181	\$25,052,965
Pharmacies / pharmacists	114	273	348	79	100	222	\$593,847	\$1,842,051	\$2,550,785
Patients / members of the public	193	468	314	87	25	25	\$514,241	\$196,811	\$140,067
Practice Incentive Program recipients, medical practices and other	562	488	139	31	17	35	\$530,060	\$374,945	\$499,883
<b>Total</b>	<b>3,663</b>	<b>3,594</b>	<b>2,980</b>	<b>916</b>	<b>619</b>	<b>602</b>	<b>\$6,184,747</b>	<b>\$10,292,988</b>	<b>\$28,243,700</b>

**Note:** <sup>1</sup> This group represented in the tables above includes general practitioners, specialists and allied health professionals.

b) Medicare Compliance is unable to provide a breakdown of Medical Practitioners as it would require an unreasonable diversion of departmental resources to provide an answer to this question. The group represented in the tables provided include general practitioners, specialists and allied health professionals.

- c) The key triggers for undertaking audit activity include:
- Behaviour identified as being different to peers indicating potential inappropriate practice.
  - Anomalous billing patterns indicating non-compliance and/or incorrect billing.
  - Specific matters of interest, including but not limited to:
    - up-coding of services to a more expensive item under the Medicare Benefits Schedule;
    - inappropriate ordering of pathology;
    - skin lesions, flap repairs and associated items; and
    - Allied Health – referrals, care plans, claiming patterns.