

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
BUDGET ESTIMATES 2014-15

Finance Portfolio

Department/Agency: Medibank
Outcome/Program: General
Topic: Benefit leakage

Senator: Bernardi

Question reference number: F39

Type of question: Hansard, F&PA Committee, Page 5, 29 May 2014

Date set by the committee for the return of answer: Friday, 11 July 2014

Number of pages: 1

Question:

CHAIR: Thank you. Before I go to Senator Ludwig, I am pleased you raised benefit leakage. You know that I always raise it with you. Can you provide on notice the financial figures about your benefit leakage? Whatever is available, if it is not commercial in confidence. You mentioned the issue of cosmetic surgery that is not medically required. Who gets penalised in the event that you recognise there has been an inappropriate claim? Does the doctor, who has essentially made the claim on behalf of the patient, suffer a penalty or is it the patient who suffers a penalty?

Answer:

Medibank has recently implemented new statistical methods and systems to identify improper payments to Hospital, medical and allied health providers and to policy holders. As a result of these new methods and systems Medibank is hopeful of recovering a substantial amount of improperly made payments.

In cases where Medibank identifies improper cosmetic surgery benefit payments to hospitals it will attempt to recover these benefits. Presently Medibank does not attempt to recover benefits from medical providers or policy holders.