

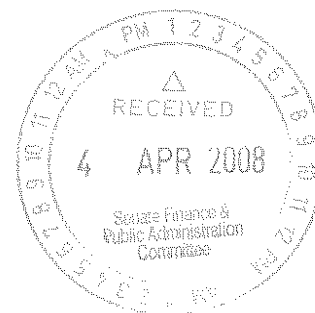
Senate Standing Committee on Finance and Public Administration

ANSWER TO QUESTION ON NOTICE

Human Services Portfolio

Department of Human Services

Additional Estimates 2007-08 – February 2008



Question: HS118a-b

Outcome 1, Output 1.1

Topic: Medicare Australia – Fraud and Compliance

Hansard Page/Written Question on Notice: Written

SENATOR COONAN asked on 19/02/2008:

HS118a: What steps are being taken to reduce the incidences of leakage by claiming the wrong MBS item number?

HS118b: What steps are being taken to reduce the incidences of leakage by over servicing and/or upsizing claims for benefits?

Answer

HS118a: Medicare Australia seeks to reduce the incidences of incorrect claiming of MBS items through a range of prevention activities together with activities to detect and correct non-compliance.

Medicare Australia's prevention activities include:

- distributing updated copies of the MBS to providers annually in November;
- notifying providers electronically of changes to the Schedule that may occur in the intervening period;
- providing information on MBS and PBS on the Medicare Australia website;
- providing articles on new item descriptors in Medicare Australia's publications, *Forum* and *Mediguide*. (*Forum* and *Mediguide* are Medicare Australia's electronic newsletters for the health care profession);
- supporting a Provider Enquiry Line to enable providers to access Medicare Australia medical and optometric advisers should they have any query in regards to MBS items; and
- providing a range of education services to both new and existing providers on the MBS and PBS.

Medicare Australia's compliance activities are set out in its annual National Compliance Program which is published around July. This program sets out Medicare Australia's approach to dealing with non-compliance, the strategic risks that have been identified, and the issues that will be targeted for compliance activity.

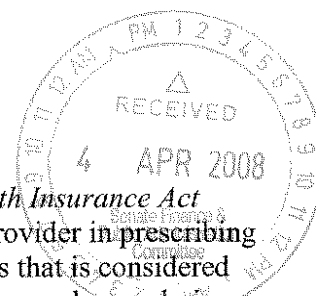
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HS118b: Over-servicing is a form of inappropriate practice. Under the *Health Insurance Act 1973*, inappropriate practice relates to the 'conduct' of a medical provider in prescribing PBS medicine or providing services eligible for Medicare payments that is considered unacceptable by the providers' peers. Typically this involves actions such as ordering excessive levels of tests beyond medical need but does not constitute criminal fraud.

Upsizing, often referred to as up-coding, is claiming a more expensive item when a lower rebate item was actually provided by a practitioner.

Medicare Australia uses Medicare claiming data to detect unusual patterns of practice by providers including potential over servicing and upsizing. Where Medicare Australia detects unusual patterns, the provider is interviewed to determine if there may have been inappropriate practice and given an opportunity to address our concerns.

If Medicare Australia's concerns can not be resolved, the provider may be referred to Professional Services Review for peer reviews or, in the case of fraud, referred to Commonwealth Director of Public Prosecutions.