



Hospitals accused of rorting Medicare system

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TWO Melbourne hospitals have been accused of exploiting Medicare by shifting millions of dollars worth of patient scans and diagnostic tests on to the Commonwealth.

Some patients are left with out-of-pocket expenses, despite having come to the hospital as public outpatients who should receive free treatment.

Documents seen by *The Age* suggest the practice is widespread among Victorian hospitals, whose state funding has to cover the rising cost of outpatient clinics.

However, the hospitals say patients are only billed this way if they choose to be.

Sources within Northern Hospital and Ballarat Health Service say public outpatients are being sent to private clinics for scans or pathology tests.

Those clinics bulk-bill the service to the Commonwealth, or require the patient to pay hundreds of dollars up front, most of which they claim back on Medicare.

"I see patients getting stung," one source said. Another described it as "institutionally sanctioned Medicare fraud".

A spokeswoman for the Commonwealth Department of Health and Ageing said either would be contrary to health

funding agreements between Federal and state governments.

"Under the National Health-care Agreement, a public hospital is able to send public outpatients who need PET or heart scans to an external provider. However, it is the public hospital, not Medicare nor the patient, [that] is responsible for the cost of the procedure," the spokeswoman said.

The Age has seen memos sent by Ballarat's executive director of medical services, Dr John Gallichio, to senior medical staff earlier this year, about a new policy of "using a [Medicare] provider number for outpatient diagnostic referrals".

"These cost savings can then be reallocated to development of other clinical services . . . the cost savings to BHS are conservatively estimated to be over \$1 million per annum," one memo said.

He blamed a lack of state funding, saying the hospital had "current advice" that the majority of diagnostic tests were not covered by state outpatient funding.

Dr Gallichio said if patients were sent to private pathology company Dorevitch "they should be bulk-billed". However, "we cannot guarantee that there will not be some out-

of-pocket costs for patients referred to other providers outside Ballarat."

A spokeswoman for Ballarat Hospital said patients who had diagnostic testing outside the hospital could choose to receive these services as a public patient, in which case the hospital would bear the full cost.

The director said in a memo that it was a "legitimate, legal and ethical approach".

"I have confirmed personally with the medical directors at the following health services that this approach is currently being applied: Alfred, Austin Health, Royal Melbourne, Goulburn Valley, Northern Health, Warrnambool, Western Health, Eastern Health is about to introduce it."

A source within Northern Hospital said public outpatients were referred for diagnostic tests and scans to the private Symbion clinic within the hospital. Those with a concession card were bulk-billed, but others had to pay about \$400 upfront and would be left with a bill of \$60 per scan not covered by Medicare.

A spokesman for Health Minister Daniel Andrews said the Government expected health services to abide by the federal health care agreements.

Senate Community Affairs Legislation Committee
Budget Estimates 2011-2012

Department:

Tabled document no: **J1**

By: **Sen Ferravanti, Oalks**

Date: **2 June 2011.**