

**Senate Finance and Public Administration Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

Additional Estimates 2004-05, 15 February 2005

**Question:** HS13

**Outcome #, Output #**

**Topic:** ABORTIONS FUNDED BY MEDICARE – FRAUD

**Written Question on Notice:**

Senator Harradine asked:

After noting the report in the *Canberra Times* on Thursday 17 February that there are 2,000 complaints about abortion clinics billing practices a year,

- (i) What is the total number of abortion-related complaints for each of the last five years? Please provide a breakdown by State and Territory and by abortion provider.
- (ii) How have these complaints been acted on?
- (iii) What systematic action is the HIC taking to address billing fraud in the abortion industry?
- (iv) What is the total cost of this fraud to the Commonwealth?
- (v) What steps are taken to recoup this lost money?
- (vi) What are the penalties for such fraud?

Answers:

- (i) On 17 February 2005, the *Canberra Times* incorrectly reported that the HIC received 2,000 complaints about the billing practices of abortion clinics each year. The *Canberra Times* report was based upon a misinterpretation of information presented to the *Senate, Finance and Public Administration Legislation Committee – Estimates (Additional Estimates)* on 15 February 2005.

At that hearing HIC officers reported that over 2,000 allegations of fraud or abuse against Medicare or the Pharmaceutical Benefits Scheme are received each year. This is the total number of allegations received by the HIC – not the number received in relation to termination clinics.

The HIC's statistics on these allegations relate to the nature of the allegation, not the type of provider. Accordingly, it is not possible to provide information on the number of abortion-related complaints received.

- (ii) Each allegation received by the HIC is individually assessed and considered. Depending upon the nature of the allegation and results of the preliminary assessment, the state-based Case Management Committees will make a decision as to how each matter should be pursued.

Where fraudulent claiming is suspected the HIC will conduct an investigation and where sufficient evidence is obtained, refer the matter to the Commonwealth Director of Public Prosecutions for criminal prosecution.

- (iii) The HIC investigates anyone who is believed to be defrauding the Australian taxpayer, regardless of what medical services they might provide. Alleged fraud by an abortion provider is treated no differently from fraud in any other sector of the medical profession.
- (iv) One case of fraud by a provider of abortion services has been prosecuted. The amount of fraud in this case is yet to be finalised in Court proceedings.
- (v) Recoupment of fraudulently claimed benefits following a conviction is pursued as a debt to the Commonwealth under a Court Order or by civil proceedings including under the Proceeds of Crime legislation.
- (vi) Penalties for fraud are determined by the Courts in accordance with relevant offence provisions. These can include fines and/or imprisonment.

In addition, medical practitioners who are convicted of criminal offences may have their right to participate in the Medicare system suspended by the Medicare Participation Review Committee.