

## Senate Community Affairs Legislation Committee

### ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates 2004-05, 17 February 2005

#### **Question: HS 58**

#### **Outcome 1, Output 1.1: Effective delivery of Australian Government services to eligible customers**

#### **Topic: CRACKDOWN ON BULK BILLING**

#### **Hansard Page/Written Question on Notice: Written**

#### **Senator McLucas asked :**

1. Why did the HIC last year write to doctors saying that from November 15 all claims would be checked prior to payment and ineligible services rejected?
2. Who authorised this letter?
3. Has the HIC recorded the impact of this letter and is it aware of the impact on GPs and their bulk billing practices?
4. Is it correct that between 15 November and 4 December 2005 110,000 claims were knocked back?
5. What proportion of all bulk billing claims from GPs does this represent?
6. How many of these claims were found to be ineligible for the bulk billing incentive?
7. What happened to those claims where payment was refused? Were doctors eventually paid?

#### **Answers:**

1. The introduction of bulk billing incentives on 1 February 2004 had post payment auditing processes in place until prepayment checking was available. Prior to 15 November 2004, the Health Insurance Commission (HIC) wrote to general practitioners to advise that prepayment checking would be introduced to replace post payment auditing for bulk billing incentive claims.
2. The former Managing Director of the HIC, Mr Jeff Whalan, authorised this letter.
3. The letter was to advise that the HIC was moving from post payment to prepayment checking. The HIC intended that these measures would have a negligible impact upon general practitioners. Subsequently the HIC determined that the data was not as robust as originally thought.
4. In the period between 15 and 28 November 2004 it is true that 110,000 claims were rejected. Later figures revealed that as at 4 December 2004, 170,000 claims had been rejected.
5. In the period 15 November to 3 December 2004, approximately 13,000,000 bulk bill items were paid. The 170,000 items that were rejected represents approximately 1.3% of all bulk bill items claimed.
6. The HIC and Centrelink are continuing to investigate and analyse the 170,000 rejected claims. Based on a small sample, early indications are that approximately two-thirds of claims were correctly assessed by the HIC and therefore not entitled to receive bulk billing incentive payments.
7. The HIC has advised general practitioners affected to resubmit claims that they believe to have been incorrectly rejected due to citing what they believed to be a valid concession card. Claims which have been resubmitted on this basis have been paid.