

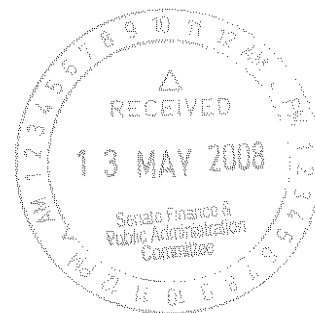
Senate Standing Committee on Finance and Public Administration

ANSWER TO QUESTION ON NOTICE

Human Services Portfolio

Department of Human Services

Additional Estimates 2007-08 – February 2008



**Question:** HS117

**Outcome 1 Output 1.1**

**Topic:** Medicare Australia – Integrity of the Medicare card

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

**SENATOR COONAN** on 19/2/2008:

What mechanisms does the Department have in place to improve the integrity of the Medicare card and reduce opportunities for fraud?

**Answer:**

The Medicare card is an administrative token to assist in the process of billing and claiming of Medicare and pharmaceutical benefits. It is used to convey the Medicare card number that verifies that a person is enrolled and is eligible to access Medicare.

Medicare Australia issues new and replacement Medicare cards to eligible people, once Medicare Australia is satisfied they have met the eligibility criteria. Since the introduction of Medicare in 1984, Medicare Australia has implemented a range of measures to improve the quality of the Medicare enrolment data and to minimise inappropriate access to government health benefits.

There is a range of data-matching activities which assist in maintaining data integrity. Enrolment procedures incorporate data-matching with Department of Immigration and Citizenship, when enrolling migrants, and with Centrelink when enrolling new born children. For other enrolments, such as a person returning to Australia from overseas, a birth certificate or Australian passport is required, together with documents that confirm residence in Australia.

For those already enrolled, an automated system is used to match and update Medicare records using national fact of death data. Weekly system checks are also undertaken to identify and invalidate possible duplicate records for all Medicare cards that were used in the previous week. In addition, prior to issuing a new Medicare card, additional checks are undertaken if the person has not made a recent claim.

The Australian National Audit Office undertook an audit of the Medicare data base in 2004-05. Their report, *Integrity of Medicare Enrolment Data*, concluded that 'the database is sufficiently complete, accurate and current to support the effective administration of Medicare.' Medicare Australia continues to explore additional opportunities for data matching to assist in maintaining the integrity of the database.

Given the universality of the Medicare program, the potential for a card to be used to defraud the program, and the resulting impact on the program, are minimal.

However, Medicare Australia is aware that the Medicare card may be used in the broader community, together with other documentation, to provide proof of identity for a number of purposes. This is a choice made by other organisations and was not contemplated in the design of the Medicare card as an administrative token.

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Law enforcement agencies have reported that fraudulently used identities are often supported by stolen or fraudulently created Medicare cards.

Medicare Australia has processes in place to deter and detect such activity. These processes include:

- strict controls on enrolment and re-enrolment processes
- checks to confirm that only those eligible for Medicare and PBS benefits receive them
- support for the whole-of-government approach to addressing identity crime
- working collaboratively with its stakeholders to support efforts in checking entitlements
- monitoring of tip-offs from the community and promotion of the Australia Government Services Fraud Tip-Off Line.