

Senate Finance and Public Administration Legislation Committee

ADDITIONAL ESTIMATES – 9 FEBRUARY 2010 ANSWER TO QUESTION ON NOTICE

Human Services Portfolio

Topic: Practitioners subject to search warrants

Question reference number: HS36

Senator: FIFIELD

Type of question: Hansard F&PA pages 116-117, 9 February 2010

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Questions:

(a)

Senator FIFIELD – I wonder if you could advise, and you will probably need to take this on notice, the number of practices which were subject to a search warrant and its supported raids.

Mr Bridge – I do not have the current figures, but we do report that every year in our annual report. That is one of our statutory obligations. However, the numbers are not huge.

Senator FIFIELD – Could you provide those for 2005–06, 2006–07, 2007–08, 2008–09 and year to date 2009–10?

Mr Bridge – I can do that. Just to give you some indication, I have the 2008–09 report. The number of warrants we executed was 11 in that financial year, and that is fairly standard kind of flow. It ebbs and flows a little bit around that, but it gives you're the scale.

(b)

Senator FIFIELD – Thank you. In addition to the number of raids, could you also advise the number of practitioners involved. There may have been multiple raids.

Mr Bridge – Yes, often there are.

(c)

Senator FIFIELD – That would be helpful. And also, for the years that I have mentioned, the number of practitioners arrested by police in or as a consequence of a raid. There might be none.

Mr Bridge – Off the top of my head, I am pretty sure there were no arrests, but I will confirm that. Certainly, there have been none in my time.

(d)

Senator FIFIELD – That would be interested. Also, the number of practitioners subject to further penalty actions as a consequence of those raids.

Mr Bridge – The only option is formal criminal prosecution. There are no other penalty propositions. I can give you all the prosecution data.

(e)

Senator FIFIELD – Yes—the number of criminal prosecutions. Also, for the same years, the number of practitioners who have successfully appealed against any conviction, and also the total cost to taxpayers of the activities for those years. Obviously, that is just the costs that relate to Medicare Australia, including legal and other costs. I appreciate there is a whole range of other costs—police or whatever—which would not be from your budget.

Answers:

(a - b)

The number of search warrants issued to Medicare Australia in the last five financial years, broken down by individual search warrant issued, and individual numbers of medical practitioners subject to warrant, was:

Financial Year	Number of individual search warrants issued to Medicare Australia	Number of warrants issued relating to practitioners	Number of individual practitioners involved
2005-06	6	3	2
2006-07	22	7	4
2007-08	13	11	4
2008-09	11	4	2
2009-10 ^{FYTD*}	4	1	1
Total	56	26	13

*As at 28 February 2010

Note: This table shows the total number of warrants issued (56) to Medicare Australia between the 2005-06 and the 2009-10 financial year to date. Of the 56 warrants issued, 26 related to medical practitioners. Of the 26 warrants relating to medical practitioners issued, a total of 13 individual medical practitioners were subject to those warrants.

(c)

No practitioners were arrested during, or as a consequence of, raids in the 2005-06, 2006-07, 2007-08, 2008-09 financial years. In the 2009-10 financial year to date, there has been one arrest carried out by the Australian Federal Police during the execution of a search warrant relating to a Medicare Australia investigation.

(d)

Following execution of a search warrant, a practitioner may be referred to the Commonwealth Director of Public Prosecutions for criminal investigation. Outcomes imposed by the courts can include jail sentences and reparation orders. Reparation orders made by the courts for the 2005-06, 2006-07, 2007-08, 2008-09 financial years are as follows:

Financial Year	Reparation orders
2006-07	\$312 927
2007-08	\$938 822
2008-09	\$418 942

If a practitioner is convicted by the courts of a relevant offence, they are referred to the Medicare Participation Review Committee (MPRC). The MPRC makes independent determinations on whether a provider or, where relevant, a person should maintain the right to participate in the Medicare program, and may suspend a provider's access to the Medicare program for up to five years.

The number of prosecutions by the Commonwealth Director of Public Prosecutions following a Medicare Australia investigation for the last five financial years was:

Financial Year	Total
2005-06	32
2006-07	56
2007-08	51
2008-09	48
2009-10 <small>FYTD*</small>	7

*As at 31 January 2010

(e)

The number practitioners who have successfully appealed against any conviction for the last five financial years are:

Financial Year	Successful appeals
2005-06	0
2006-07	0
2007-08	0
2008-09	1
2009-10 <small>FYTD*</small>	0

*As at 31 December 2009

The total cost to taxpayers of Medicare Australia's criminal investigations for the past five financial years was:

Financial Year	Direct Criminal Investigation Costs
2005-06	\$3.837m
2006-07	\$4.367m
2007-08	\$4.409m
2008-09	\$2.537m
2009-10 <small>FYTD*</small>	\$1.708m

* As at February 2010.

NOTE: This table only provides Medicare Australia's costs that are directly attributable to the criminal investigations it undertakes – it is not the total cost of all compliance activities undertaken by Medicare Australia in its Compliance Program.

During the 2008-09 financial year, Medicare Australia moved to a strengthened risk based approach to compliance by focussing on those areas of highest risk. The change in approach means that most low value compliance cases are now resolved by audit processes.