Senate Finance and Public Administration Standing Committee
ANSWERS TO QUESTIONS ON NOTICE
BUDGET ESTIMATES – 29 MAY 2008

Human Services Portfolio

Department/Agency: Medicare Australia
Outcome/Output Group: Outcome 1/Output 1.1
Topic: Medclaims closure

Senator: Brown
Question reference number: HS34, HS35 and HS36

Type of question: Written
Date set by the committee for the return of answer: 11 July 2008

Questions:

HS34a: The Minister's press release, dated the 29 May 2008, details closure of the Medclaims channel; could you inform the committee how this is going? And what progress has been made?

HS34b: How many sites were using the channel? What is the volume of claims for all those sites?

HS34c: How many are likely to transition successfully? How many claims does that represent? (in number and proportion)

HS35a: What and why was the decision made to close the channel?

HS35b: What prompted this decision?

HS35c: What date was the intended closure date at that point?

HS35d: When was the decision made to change the closure date? By whom?

HS35e: How long has the closing the medclaims channel been in the pipeline or on the agenda for Medicare Australia?

HS35f: Has it been proposed or considered previously? On how many occasions how long ago?

HS36a: What work has been done to ensure a smooth transition?

HS36b: What sort of direct contact has Medicare had with its providers?

HS36c: When did Medicare first make a comprehensive attempt to contact all providers?

Answers:

HS34a: Medclaims/x400 was closed on 30 June 2008.

HS34b: Around 2,800 sites were using the channel in July 2007 when Medicare Australia commenced this activity. These sites represented approximately 103 million service claims at that time.

HS34c: The current total volumes of claims for sites that previously used x400/Medclaims is approximately 120 million services. A small number sites have been offered a contingency arrangement due to delays in installing software. The vast majority of sites have migrated to, or are finalising their migration to, an alternative electronic claiming channel – Medicare Online or Medicare Easyclaim.

HS35a: A decision was made to close the channel due to a combination of factors which meant that Medicare Australia could not guarantee that the channel could be maintained.

HS35b: Medclaims was first introduced in 1992. It uses outdated technology, has a lower level of security, and still requires the practice to submit paper. Medicare Australia was also aware that the infrastructure supporting the transmission of Medclaims was nearing the end of its useful life and at some point in time Telstra would decide not to maintain it.

HS35c: The Medicare Australia closure date through the course of this project has always been 30 June 2008.

HS35d: The closure date for Medclaims has always been 30 June 2008. This date has not been changed at any time.

HS35e: The closure of Medclaims has been a long term strategic direction for Medicare Australia since the introduction of Medicare Online (formerly HIC Online) in 2003. The progressive development of functionality offered through the Medicare Online system to support users has been increased over the period to now where it is a mature, reliable system. Medicare Australia continues to enhance the system to support users and changing business processes.

HS35f: Whilst it has been a long term strategic direction, Medicare Australia has never previously announced a closure of Medclaims.

HS36a: Medicare Australia has worked closely with providers, software vendors and peak bodies to ensure awareness of the Medclaims closure and the alternative claiming options and to assist with migration. In addition Medicare Australia has continued to support development of alternate solutions with associated health industry software vendors.

HS36b: Medicare Australia has:

- publicly announced the closure at a medical forum in August 2007;

- written to all software vendors in August 2007;

- written to all Medclaims practices, firstly in November 2007 and then on a number of occasions in 2008;

- continuously provided articles for newsletters, websites and mail outs to the medical industry peak bodies;

- regularly consulted with and updated the peak bodies;

- provided information on our website and in our practice newsletter; and

- contacted by phone and visited every Medclaims practice at least once and often many times.

HS36c: See HS36b

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