

Senate Finance and Public Administration Standing Committee

SUPPLEMENTARY BUDGET ESTIMATES – 20 October 2009 ANSWER TO QUESTION ON NOTICE

Human Services Portfolio

Topic: Compliance

Question reference number: HS61

Senator: Bernardi

Type of question: *Written*

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Question:

During the last Estimates, Ms Godwin stated that “*It is in that area of incorrect claiming, of course, where we have what we would regard as gaps in our ability to make real inroads.*” (F&PA Estimates Hansard, 28.5.09, p.151) Have any “inroads” been made into incorrect claiming in the months since the last Estimates?

Answer:

In the 2008-09 Budget, the Government increased the resources for Medicare Australia to conduct Medicare Benefits Schedule (MBS) compliance audits. This has allowed Medicare Australia to increase audit coverage by approximately 400 per cent to approximately 2,500 audits per year.

Medicare Australia’s ability to manage incorrect claims is limited as current legislation does not require providers to substantiate their Medicare claims. Because of this, a provider can simply refuse to comply with a request made by Medicare Australia for information or documents to verify MBS claims which appear to have been made incorrectly.

On 17 September 2009, the Minister for Human Services tabled in the House of Representatives a Bill, the *Health Insurance Amendment (Compliance) Bill 2009*, which would enable Medicare Australia to require that a provider substantiate their MBS claims when there is a legitimate concern about the accuracy of the claim.

The Bill also contains provisions which would introduce a financial penalty for providers who make incorrect claims above a specified limit.