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Senator Moore
Chair
Senate Standing Committee on Community Affairs
PO Box 5100
Parliament House
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Dear Senator Moore

Thank you for providing the Medical Indemnity Industry Association of Australia (MIIAA) with the opportunity to provide evidence to the Inquiry into Compliance Audits on Medicare Benefits. During my evidence I undertook to speak with the members of the MIIAA and provide further information to the Committee. I have now undertaken the necessary consultations, and provide the following information to assist the Committee.

1. Patient notes

The question was asked if the insurers were aware of medical practitioners keeping two sets of notes for patients. The insurers are not aware of any doctors who keep two sets of notes for patient files. Generally speaking, medical practitioners, when faced with a patient who is seeking advice on a sensitive issue, would make relevant notes in a sensitive way. The insurers have not seen evidence of multiple patient files being kept, and would not endorse this practice if their advice was sought on the issue.

2. MBS item number used for the consultation

The question was asked whether there was evidence to suggest that patients ask doctors to use a different Medicare number from the MBS item which relates to their reason for visiting the medical practitioner. The insurers were not aware of this practice.

3. Reasons for increased incidence in Medicare Australia matters considered by insurers and the process undertaken by the insurers to address the issues

In January 2009, the proportion of all active health providers being subjected to Medicare Australia compliance audits increased from 0.7% to 4%. As doctors are required to notify their professional indemnity insurers of any incidents or inquiries

which may impact upon their medical practice, with the increase in the number of audits being conducted, the number of notifications received by the insurers has significantly increased.

Generally speaking, after being contacted by Medicare Australia in relation to an audit, the medical practitioner will seek advice from their insurer, to prepare an appropriate response. The issues of concern raised by Medicare Australia are discussed, and patient notes are reviewed. This is to determine whether the relevant MBS item descriptors have been met for the services that have been claimed, and which are the focus of the audit. If errors are identified, the insurer will often review the practice's administrative procedures, to minimise the risk of any similar errors being made in the future. The insurers may utilise the expert assistance of in-house medical advisers in that process.

All parties to the audit, including the insurers, wish to ensure that appropriate billing of Medicare Australia has occurred. The role of the insurers is to assist the doctors to review their processes and also to provide legal advice.

4. 20 per cent non disclosure or non response

The Committee identified that 20 per cent of doctors fail to respond to the audit request from Medicare Australia. The insurers advise their policy holders that they should respond to all correspondence received from Medicare Australia. The insurers are aware that there have been issues surrounding correct addressing of audit requests, insofar as the letter may be addressed to the practice at which the service was provided, which is being audited, rather than the address at which the doctor is now practising. The only other reason which the insurers felt may have in part explained the failure to respond would be in the event that a doctor was now retired, died or has moved/returned overseas.

5. Private Health Insurers' audits

The Hansard of the evidence indicated that many of the witnesses were asked questions regarding audits undertaken by private health insurers. The medical indemnity insurers' experience is that audits undertaken by the private health insurers are uncommon, and generally restricted to a clinical validation of the service provided by the medical practitioner. The information requested by the private health insurer does not require provision of clinical notes, but rather confirmation that a service was provided.

6. Conclusion

The MIIAA would be happy to address any other issues upon which the Committee may require advice as it considers the range of matters raised at the Inquiry.

Yours sincerely



Ellen Edmonds-Wilson
Chief Executive Officer