

# Media Release

## THE HON TANYA PLIBERSEK MP

Minister for Human Services

Minister for Social Inclusion

Friday, December 3, 2010

### **Health professionals overcharge Medicare by \$10 million**

Minister for Human Services Tanya Plibersek today released a report outlining Medicare Australia's ongoing compliance program after high levels of overcharging by doctors was detected.

Ms Plibersek said the National Compliance Program report outlines where compliance efforts will be focused and encourages doctors and pharmacists to use Medicare and the Pharmaceutical Benefits Scheme (PBS) correctly.

She said the report warns doctors who bill patients for more expensive services than are required, routinely order unnecessary blood tests, and incorrectly prescribe PBS medicines to patients who do not meet requirements.

"The Gillard Labor Government continues to work vigilantly to ensure the \$40 billion in taxpayer money Medicare Australia pays out each year goes to rightful recipients," said Ms Plibersek.

"That's why we completed more than 3,000 audits and reviews of health professionals last financial year and conducted more than 150 investigations into suspected fraudulent behaviour."

Ms Plibersek said more than \$10 million was incorrectly claimed through Medicare and the PBS in the 2009-2010 financial year – up from \$6 million last year.

"When honest mistakes are made, health professionals are given the opportunity to explain the error and change their claiming behaviour. They may also be required to repay any money that was claimed incorrectly."

"But criminal prosecution can result in cases when doctors have intentionally defrauded the system or where members of the public have, for example, altered documents in order to receive Medicare rebates."

Ms Plibersek said Medicare had a robust education program to assist doctors claim correctly, and funding for audits had been increased to improve compliance.

“Health professionals are strongly encouraged to attend workshops, seek face-to-face presentations or visit the Medicare website to ensure they are fully acquainted with the itemisation requirements.”

Ms Plibersek said the report highlighted 2009-2010 statistics and cases including:

- Medicare completed 3,594 audits and review cases to identify incorrectly claimed benefits in the last financial year.
- More than \$10.29 million in incorrect claims were identified, including \$7.88 million from 477 practitioners.
- Some 159 investigations were completed into suspected fraudulent behaviour, which involved 21 medical practitioners, seven pharmacists and 131 members of the public.
- In one case, a medical practitioner was ordered to repay \$180,000 after bulk-billing for procedures not discussed during patient visits.
- In another case, a member of the public was convicted and ordered to repay almost \$4,000 after making false claims to obtain rebates.
- Medicare assisted the Commonwealth Director of Public Prosecutions to successfully prosecute 12 individuals, all members of the public.
- Medicare provided face-to-face education to almost 3,000 medical practitioners and received roughly 34,000 visits to education pages on its website.

Ms Plibersek said that the National Compliance Program report would encourage health professionals to use Medicare and the PBS correctly through a combination of education and support activities, audit and enforcement.

“In the current reporting period Medicare will be looking at GPs, dentists, pharmacists and optometrists, while specialities including obstetrics, gastroenterology and orthopaedics will also be monitored.”

People who suspect non-compliance or possible fraud against Medicare should report it by phoning 131 524.

**Media contact: Minister Plibersek’s office, Simon Crittle 0437 370 438**



## **Compliance case studies 2009-10**

### **Queensland:**

1. A Queensland member of the public pleaded guilty to Medicare fraud and was sentenced to six months in prison and ordered to repay almost \$6 000. They were convicted of knowingly making a false statement after Medicare Australia data analysis uncovered fraudulent Medicare claiming.
2. A Queensland pharmacist had to repay almost \$12, 000 after an anonymous tip-off led Medicare Australia to identify their incorrect use of the PBS. The tip-off alleged the pharmacist was dispensing more medication than patients required. A subsequent Medicare Australia investigation confirmed the tip-off. As well as having to repay the money incorrectly claimed, the pharmacist was also counselled by Medicare Australia.
3. A Queensland medical practitioner was disqualified from prescribing PBS medicine for three years and had to repay more than \$45 000 to Medicare Australia, after being found to have inappropriately prescribed powerful painkillers. The practitioner came to Medicare Australia's attention when routine analysis of prescribing data found the practitioner was prescribing unusually high levels of morphine and pethidine prescriptions. After further investigation, Medicare Australia referred the practitioner to the Professional Services Review which undertook a full peer review and determined that inappropriate prescribing had occurred.
4. A Queensland medical practitioner was required to repay almost \$60 000 and was partially disqualified from Medicare for a year for inappropriate practice following a referral to the Professional Services Review. The practitioner came to Medicare Australia's attention when data analysis showed possible over servicing of certain MBS item numbers and a high number of pathology requests.
5. A Queensland medical practitioner was required to repay over \$180 000 and was disqualified from Medicare for six weeks for over-servicing and misitemisation. The practitioner came to Medicare Australia's attention when a tip-off from a member of the public alleged the practitioner had bulk-billed items that were not discussed during their visit. After Medicare Australia identified further concerns relating to over-servicing and care plans, the practitioner was referred to the Professional Services Review (PSR) for peer review. The PSR found that the practitioner had practised inappropriately. The practitioner was reprimanded and disqualified from accessing a number of Medicare items for six weeks.
6. An investigation into a Queensland medical practitioner for allegedly fraudulently obtaining benefits worth over \$400 000 was referred to the Commonwealth Department of Public Prosecutions. The case came to Medicare Australia's attention after a tip-off alleged claiming for after-hours consultations and incentives against another practitioner's number without their knowledge.



## **Compliance case studies 2009-10**

7. A Queensland medical practitioner was required to repay about \$45 000 to Medicare Australia and was disqualified from prescribing PBS medicine for three years for inappropriate prescribing of painkillers. The practitioner came to Medicare Australia's attention when routine analysis of prescribing data showed concerning levels of prescriptions for pain relief medication like pethidine and morphine. Medicare Australia referred the practitioner to the Professional Services Review (PSR) for peer review. The PSR found the practitioner had prescribed subsidised medicine for pain relief to patients where it was not clinically necessary.
8. A group of Queensland pharmacists had to pay back approximately \$2000 to Medicare Australia after they claimed PBS benefits incorrectly. A Medicare Australia audit revealed they submitted PBS claims without valid prescription details, after being detected doing the same thing three years earlier. The pharmacists have now received counselling on how to claim PBS benefits correctly.

### **New South Wales:**

9. A New South Wales medical practitioner had to repay more than \$145 000 to Medicare Australia and was partially disqualified from Medicare for nine months after being found to have practised inappropriately. The practitioner was identified through Medicare Australia's data analysis which showed they were providing services to patients in excess of the regulated daily number\*. Concerns remained following Medicare Australia's Practitioner Review Program and the practitioner was referred to the Professional Services Review (PSR). The PSR found that the practitioner had practised inappropriately, resulting in a partial disqualification.

*\*This is known as the 80/20 rule, whereby a practitioner is considered to have rendered inappropriately if they provide 80 or more services on 20 or more days in a 12-month period.*

10. A New South Wales dentist had to repay about \$4 200 for incorrectly claiming Medicare benefits under the Chronic Disease Dental Scheme. Medicare Australia received information from a member of the public that a dentist had bulk billed for services that were not provided. On investigation we found that another person on the same Medicare card as the complainant had been provided with similar services by the dentist. Through interviews with the dentist Medicare Australia found the dentist had accidentally claimed Medicare benefits for both people, but only provided services to one.
11. A New South Wales medical practitioner was fully disqualified from Medicare for six months for processing CT scan services over a sustained period. Further investigations revealed additional concerns with the number of services provided each day and the number of referrals initiated for care plans, mental health treatment plans and after-hours items. The practitioner was referred to the Professional Services Review, resulting in disqualification from the provision of a number of MBS items for six months.



## **Compliance case studies 2009-10**

12. A New South Wales psychologist was required to repay approximately \$246 000 to Medicare Australia for incorrectly claiming Medicare benefits to which they were not entitled. The provider came to Medicare Australia's attention during an audit of allied health professionals who performed the highest numbers of services. Medicare Australia's investigations revealed that intern psychologists were using their provider number to bill for Medicare services they performed. Intern psychologists are not eligible to claim Medicare benefits.
13. A New South Wales dentist had to repay approximately \$1 400 after incorrectly claiming for services performed under the Chronic Disease Dental Scheme. A patient's dental treatment was performed by an unqualified dental technician but billed to Medicare using the provider number of a qualified dentist at the practice. The claim for the full amount was also made for the dental treatment that was complete, affecting the patient's eligibility for a Medicare rebate when they went to have the treatment completed by a different dentist. The dentist repaid Medicare Australia the incorrectly claimed amount.
14. A New South Wales dentist will have to pay back about \$21 000 after incorrectly claiming for services performed under the Chronic Disease Dental Scheme. Following a complaint from a member of the public, Medicare Australia conducted a review and found that the dentist had been regularly billing items from subsequent visits for the same date of service.
15. A New South Wales optometrist is required to pay back almost \$100 000 to Medicare Australia for incorrectly claiming Medicare optometry benefits. This case came to Medicare Australia's attention through routine data analysis which showed this optometrist had much higher levels of claiming than their peers for a number of MBS items.
16. A New South Wales member of the public pleaded guilty to Medicare fraud and was sentenced to 10 months in prison and ordered to pay back almost \$4 000. The case came to Medicare Australia's attention after an employee working in a Medicare office became suspicious of the claimant. Further investigation revealed that although some claims were genuine, they had falsely claimed rebates for multiple items.
17. A New South Wales medical practitioner was required to repay more than \$167 000 after being found to have been providing endoscopies when not clinically necessary. They came to Medicare Australia's attention following a tip-off. After Medicare Australia investigations revealed the practitioner had provided a high number of endoscopies, they were referred to the Professional Services Review (PSR) for peer review. After the PSR found that the practitioner had practised inappropriately, the practitioner was also reprimanded and counselled.



## **Compliance case studies 2009-10**

### **Victoria:**

18. A Victorian member of the public attempted to claim an account using a stolen Medicare card. The person returned to the Medicare office with another person and both submitted a claim for the same account. Following an investigation, Medicare Australia referred the case to the Commonwealth Director of Public Prosecutions and the member of the public was convicted in court.
19. A Victorian psychologist agreed to repay more than \$7 000 to Medicare Australia after they admitted to incorrectly claiming allied health Medicare items. The practitioner was identified through Medicare Australia audits of the highest claiming allied health professionals. The incorrect claiming related to claiming item numbers when there was no identified referral.
20. A Victorian medical practitioner was required to repay about \$150 000 to Medicare Australia and was partially disqualified from Medicare for a year after inappropriately billing patients. The case came to Medicare Australia's attention following complaints from patients who were asked to sign bulk bill vouchers before seeing the practitioner. After a Medicare Australia investigation confirmed concerns, the practitioner was referred to the Professional Services Review (PSR) for peer review. The PSR found that the practitioner had practised inappropriately. The practitioner was reprimanded and disqualified from accessing the Medicare items relating to care plans and consultation items for up to 12 months.
21. A Victorian psychologist had to repay almost \$9 000 to Medicare Australia for incorrectly claiming without a valid referral from a GP. The provider came to Medicare Australia's attention during an audit of allied health professionals who performed the highest numbers of services. The health professional acknowledged the error after admitting they were unaware of the criteria for claiming services under Medicare.

### **South Australia:**

22. A South Australian medical practitioner was ordered to repay more than \$100 000 to Medicare Australia and was disqualified from Medicare for a year after inappropriately billing patients. The case came to Medicare Australia's attention following a complaint from a patient who was inappropriately charged for a long consultation. Further investigation also uncovered additional concerns with the number of services they provided each day. Medicare Australia reviewed the practitioner's behaviour and referred them to the Professional Services Review (PSR) for peer review. The PSR found that the practitioner had practised inappropriately, resulting in their full disqualification from accessing the Medicare program.



### **Compliance case studies 2009-10**

23. A South Australian pharmacy was required to repay more than \$2000 to Medicare Australia after it was found to have incorrectly supplied PBS medicine. The pharmacy had claimed for the same prescription on more than one occasion and had filled prescriptions after the patient's date of death. The incorrect supply was detected after Medicare Australia analysed the claims over an 18 month period.

#### **Western Australia:**

24. A West Australian optometrist had to repay more than \$13 000 to Medicare Australia after incorrectly claiming a more expensive consultation item which was not correct for the services they were providing. The case came to Medicare Australia's attention through routine data analysis which showed the provider had a very high number of claims for this item number.

25. A West Australian medical practitioner who worked at an after-hours locum service was investigated for allegedly fraudulently obtaining benefits worth over \$100 000. The case came to Medicare Australia's attention after tip-offs from members of the public alleged that the practitioner had claimed for services that were not provided. Further investigations by Medicare Australia revealed that this money had been claimed while the practitioner was overseas. This case has been referred to the Commonwealth Department of Public Prosecution.



## **National Compliance Program**

### **Fast Facts and State Stats**

#### **Key Medicare statistics, 2009-10:**

- The number of health professionals participating in Medicare increased from 94 721 to 101 413.
- The total annual number of Medicare services claimed grew from about 294 million to nearly 308.4 million (4.9 per cent).
- Expenditure under the Medicare scheme grew from \$14.3 billion to \$15.4 billion (7.7 per cent increase).
- There were approximately 27 700 general practitioners who billed Medicare benefits.
  - These general practitioners billed more than 126.9 million MBS services, totalling more than \$5.5 billion in Medicare benefits.
- Around 26 900 specialists billed Medicare benefits.
  - These specialists billed more than \$8.1 billion in Medicare benefits. Of these, diagnostic imaging and pathology services amounted to \$3.8 billion.
- There were around 46 800 'other providers' who billed Medicare benefits, of these almost 30 000 were allied health professionals.
  - Other providers billed more than 35 million MBS services and more than \$1.7 billion in Medicare benefits.

#### **Key PBS<sup>1</sup> statistics, 2009-10:**

- Total PBS expenditure grew from \$7.7 billion to \$8.3 billion (7.8 per cent increase).
- The number of PBS (or prescriptions) grew from 196 million to 197.7 million (0.9 per cent increase).
- The highest prescribed PBS medicine was Atorvastatin (lipid-lowering drug) at 6.2 per cent of the total PBS items prescribed by general practitioners.

#### **General Practitioners**

- In 2009-10 about 27 700 general practitioners billed Medicare benefits.
- General practitioners billed more than 126.9 million MBS services, totalling more than \$5.5 billion in Medicare benefits.

---

<sup>1</sup> Including Repatriation Pharmaceutical Benefits Scheme (RPBS)



## **National Compliance Program**

### **Fast Facts and State Stats**

- Key areas of focus this year in relation to GPs include:
  - care plans—where the GP has not met all the requirements of the MBS items. This may include care plans written for patients who don't meet eligibility criteria
  - compliance with incentive payments/items—including the Practice Incentives Program, Mental Health Nurse Incentive Program, General Practice Immunisation Incentive Program and Bulk Bill incentive items
  - diagnostic imaging and pathology—where pathology tests are being ordered for health screening purposes
  - up-coding—monitoring correct use of items for skin lesions, excisions and flap repairs, and cryotherapy
  - prescribing—where GPs are prescribing restricted and authority required medicine to patients who don't meet PBS requirements, and prescribing concerning levels of addictive drugs.

### **Pharmacists and the PBS<sup>2</sup>**

- In 2009-10 Medicare Australia:
  - processed 197.7 million PBS services
  - paid \$8.3 billion in PBS benefits.
- Key areas of focus this year in relation to pharmacists include:
  - supplying PBS drugs after the death of the patient
  - supplying PBS medicines to patients who are not eligible
  - claiming the same prescription on more than one occasion
  - where a high proportion of their patients appear to be stockpiling medicine in the PBS safety net period.

### **Specialists**

- In 2009-10 about 26 900 specialists billed Medicare benefits.
- Specialists billed more than \$8.1 billion in Medicare benefits. Of these, diagnostic imaging and pathology services amounted to \$3.8 billion.

---

<sup>2</sup> Including Repatriation Pharmaceutical Benefits Scheme (RPBS)



## National Compliance Program

### Fast Facts and State Stats

- General concerns with specialists include billing for services such as cosmetic procedures that are not covered by Medicare, and billing a set of items when one item covers a procedure.
- Key areas of focus this year in relation to specialists include:
  - Prohibited practice—commercial arrangements that may encourage unnecessary requests for pathology and diagnostic imaging services
  - orthopaedic specialists—billing unusual combinations of MBS items
  - gastroenterology—performing and billing procedures that are not clinically relevant
  - supervision—clinical services being performed by a technician without the required input and supervision of a medical practitioner
  - Extended Medicare Safety Net—fees specified on accounts not matching the amount charged for the service specified.

### Other health professionals

- In 2009-10 about 46 800 other health professionals billed Medicare benefits, of these almost 30 000 were allied health professionals.
- Other health professionals billed more than 35 million MBS services and more than \$1.7 billion in Medicare benefits.
- Allied health groups include psychologists, clinical psychologists, podiatrists, physiotherapists, dieticians, social workers, exercise physiologists, chiropractors, diabetes educators, osteopaths, occupational therapists and speech pathologists.
- Key areas of focus in relation to **dentists** include:
  - Chronic Disease Dental Scheme—not meeting requirements by double claiming; issuing two accounts; billing but not providing the service; billing before providing the service/s; failing to provide the referring GP with a copy of written summary of a patient's treatment plan; billing for patients who do not meet the eligibility criteria.
- Key areas of focus in relation to **optometrists** include:
  - high daily servicing, particularly in aged care facilities or general practice
  - high use of computerised perimetry items
  - charging more than the MBS scheduled fee.



## National Compliance Program

### Fast Facts and State Stats

#### Other areas

- In relation to **health insurance funds** Medicare Australia will:
  - continue to audit health funds making payments under the Private Health Insurance Rebate program to ensure payments are correct and to identify any potential cases of fraud or incorrect payments.
- A key areas of focus in relation to **members of the public** include:
  - receiving more PBS medicine than they require
  - diverting PBS medicine overseas
  - receiving PBS medicine for illegal purposes, such as reselling or remanufacturing
  - claiming Medicare benefits to which they are not entitled.

#### Compliance audits, investigations and reviews, 2009-10

##### Medicare Australia:

- audited 1 943 medical practitioners, pharmacists and members of the public in relation to their claims for Medical Benefits Schedule (MBS) or Pharmaceutical Benefits Schedule (PBS) benefits. This included:
  - 1 737 medical practitioners
  - 159 pharmacists
  - 47 members of the public.
- completed 159 inquiries into possible fraud by medical practitioners, pharmacists or members of the public. This included:
  - 21 medical practitioners
  - 7 pharmacists
  - 131 members of the public.
- audited 414 Practice Incentive Payment recipients
- conducted 151 reviews of medical practitioners through the Practitioner Review Program
- received more than 1 864 tip-off calls through the Australian Government Services Fraud Tip-Off Line and 1 011 tip-offs through other avenues.



## **National Compliance Program**

### **Fast Facts and State Stats**

#### **Compliance outcomes, 2009-10**

Medicare Australia:

- identified more than \$10.29 million in incorrect payments to medical practitioners, medical practices, pharmacists and members of the public. This included approximate incorrect payments of:
  - \$7 879 200 from medical practitioners
  - \$375 000 from medical practices
  - \$1 842 000 from pharmacists
  - \$196 800 from members of the public.
- referred eight individuals to the Commonwealth Director of Public Prosecutions (CDPP) for criminal prosecution, including a medical practitioner
- assisted the CDPP to successfully prosecute 12 individuals, all members of the public
- requested the Director of the Professional Services Review (DPSR) to review 36 medical practitioners for inappropriate practice
- made eight detentions of PBS items at airports and international mail exchanges.

#### **Information, Support and Education, 2009-10**

Medicare Australia:

- delivered face-to-face education to almost 3 000 medical practitioners (including GPs, interns and specialists), around 3 300 pharmacy students and pharmacy interns, 100 medical students and almost 1 000 others in the health care industry
- distributed education material to 141 public hospitals and gave education related presentations at nine national health conferences
- commenced working with nurse practitioners and midwives to understand their work environment as a precursor to developing specific support resources in 2010-11.
- had about 34 100 visits to the education pages on the Medicare Australia website
- launched a range of new eLearning programs for new health professionals, public hospital staff, GPs, optometrists and pharmacists. These eLearning programs cover topics such as chronic disease management for GPs, treatment for skin lesions,



## **National Compliance Program**

### **Fast Facts and State Stats**

prescribing in public hospitals, prescribing in private practice, prescribing for optometrists and dispensing and claiming PBS medicines for pharmacists

- received more than 4 100 calls to the Travelling with PBS medicine enquiry line and more than 30 900 hits to the website
- received over 26 900 calls to the Prescription Shopping Information Service and have had over 10 300 website hits
- contacted 10 060 prescribers and sent 1 180 letters to patients in relation to prescription shopping
- sent over 5 000 prescription shopping patient reports to providers.

### **State-specific information, 2009-10**

#### **New South Wales**

Medicare Australia:

- audited 631 medical practitioners, 66 pharmacists and 19 members of the public in relation to their claims for MBS and/or PBS benefits
- completed fraud investigations of eight medical practitioners, three pharmacists and 104 members of the public
- conducted 55 reviews of medical practitioners through the Practitioner Review Program
- referred two members of the public to the CDPP for criminal behaviour
- assisted the CDPP to successfully prosecute six members of the public
- identified more than \$4.48 million that was incorrectly claimed by 226 individuals, including \$3.9 million by 172 medical practitioners, \$310 800 by 40 pharmacists, \$24 500 by 10 members of the public and \$242 600 by four practices.

#### **Queensland**

Medicare Australia:

- audited 408 medical practitioners, 27 pharmacists and eight members of the public in relation to their claims for MBS and/or PBS benefits
- completed fraud investigations of three medical practitioners, one pharmacists and 14 members of the public
- conducted 38 reviews of medical practitioners through the Practitioner Review Program



## **National Compliance Program**

### **Fast Facts and State Stats**

- referred three individuals to the CDPP for criminal behaviour, including a medical practitioner and two members of the public
- assisted the CDPP to successfully prosecute a member of the public
- identified more than \$1.34 million that was incorrectly claimed by 146 individuals, including \$885 500 by 125 medical practitioners, \$427 500 by 15 pharmacists, \$7 100 by two members of the public and \$27 800 by four practices.

#### **South Australia**

##### Medicare Australia:

- audited 163 medical practitioners, 13 pharmacists and two members of the public in relation to their claims for MBS and/or PBS benefits
- completed fraud investigations of five medical practitioners, two pharmacists and three members of the public
- conducted 11 reviews of medical practitioners through the Practitioner Review Program
- identified more than \$1.39 million that was incorrectly claimed by 45 individuals, including \$440 000 by 32 medical practitioners, \$939 700 by 11 pharmacists and \$16 600 by two practices.

#### **Victoria**

##### Medicare Australia:

- audited 343 medical practitioners, 29 pharmacists and 15 members of the public in relation to their claims for MBS and/or PBS benefits
- completed fraud investigations of four medical practitioners, one pharmacist and four members of the public
- conducted 32 reviews of medical practitioners through the Practitioner Review Program
- referred a member of the public to the CDPP for criminal behaviour
- assisted the CDPP to successfully prosecute three members of the public
- identified more than \$2.59 million that was incorrectly claimed by 135 individuals, including \$2.33 million by 103 medical practitioners, \$94 600 by 19 pharmacists , \$157 900 by 11 members of the public and \$9 700 by two practices.

#### **Western Australia**

##### Medicare Australia:

- audited 123 medical practitioners, 16 pharmacists and two members of the public in relation to their claims for MBS and/or PBS benefits



## **National Compliance Program**

### **Fast Facts and State Stats**

- completed fraud investigations of a medical practitioner and four members of the public
- conducted 15 reviews of medical practitioners through the Practitioner Review Program
- referred a medical practitioner and four members of the public to the CDPP for criminal behaviour
- assisted the CDPP to successfully prosecute two members of the public
- identified more than \$312 500 that was incorrectly claimed by 47 individuals, including \$194 900 by 30 medical practitioners, \$62 600 by 12 pharmacists, \$7 100 by two members of the public and \$48 100 by three practices.

#### **Tasmania**

##### Medicare Australia:

- audited 44 medical practitioners, and four member of the public in relation to their claims for MBS or PBS benefits
- identified more than \$6 200 that was incorrectly claimed by nine individuals, including \$2 300 from seven medical practitioners and \$3 900 by two pharmacists.