

Tuesday, 4 March 2023

Medicare compliance review stands by doctor integrity and calls for future-proofing of Medicare

An independent review into Medicare compliance has found no evidence of the \$8 billion fraud quoted in media reports last year, instead finding that Medicare Benefits Schedule (MBS) compliance issues are overwhelmingly caused by the complexity of the system — confirming the claims about Medicare fraud were not only vastly inflated, but also unsubstantiated.

The review found high levels of practitioner integrity, with reviewer Dr Pradeep Philip saying:

“On the basis of my consultations and my experience with Australia’s health system, the overwhelming majority of practitioners are well meaning and protective of the Australian health system, particularly of the care they provide to their patients.”

“A large part of the success and efficacy of Australia’s health system, to date, is due to this level of altruistic behaviour by health professionals.”

He goes on to say:

“It is my view that a significant part of the leakage in the Medicare payment system stems from non-compliance errors rather than premeditated fraud. Indeed, one could argue that there is a significant amount of ‘fear’ of the compliance regime, notwithstanding it is not as far reaching or effective as it could or should be in practice.”

In estimating the potential leakage in the Medicare payment system, Dr Philip’s much lower estimates are largely consistent with those provided by reputable sources like the Australian National Audit Office.

The AMA agrees with Dr Philip that there is no room for complacency, and strongly supports recommendations calling for the Department of Health and Aged Care to develop better education and better systems to help practitioners navigate the system.

AMA President Professor Steve Robson said the report clearly identified that a very significant factor in non-compliance was the complexity of the system and that improvements to that system were necessary.

“Last year we said the claims made in some media outlets were not only vastly inflated, but they were also unsubstantiated,” Professor Robson said.

“This report reinforces what the AMA consistently said — the vast majority of doctors are doing the right thing. Indeed, as University of Sydney research released this week found, many doctors actually under bill Medicare to ensure that they stick within the often vague and conflicting Medicare rules. This, combined with an under-funded primary care system means patients risk going without much needed care and medical funding.

“Today’s report also confirms what we already knew, that Medicare is too complex and not keeping up with modern medical practice. This leads to mistakes in billing by doctors trying to map best-practice patient care to an out-of-date system, exacerbated by a lack of education and definitive advice about how to correctly bill some Medicare funded services.

“The report also highlights how Medicare’s labyrinth-like structure has not kept up with the community’s needs, the burden of disease or evolving medical care.

“The AMA has said all along it doesn’t tolerate fraud. We are ready to work with government, as we have consistently done in the past, to improve the governance of Medicare payment systems and associated compliance arrangements.”

Professor Robson said that despite some journalists’ preoccupation with the performance of the Professional Service Review (PSR) and the AMA’s role in the appointment of the PSR director, the report made no findings about the AMA’s role other than suggesting it was anachronistic.

“While the Dr Philip may view the AMA’s role as anachronistic, the reality is that the AMA played a significant role in establishing the PSR and the peer review process as part of our commitment to ensuring Medicare funding is used appropriately. Our role has always been constructive, and our ongoing involvement has provided reassurance for the medical profession, which makes up the vast majority of practitioners participating in the Medicare system.”

Professor Robson said the AMA would examine the report’s recommendations more closely and is willing to provide advice to the government on how to move forward, while working to ensure that patients are better supported to receive high quality, accessible, affordable care, and that their doctors are not forced to spend more time on red tape as a result of the review’s recommendations.

Contact: AMA Media: +61 427 209 753 | media@ama.com.au

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