**Total amounts identified for recovery in the last four financial years**

| Financial Year | Recoveries Identified |
|---|---|
| 2011-12 FYTD (as at 30 April 2012) | $9.03m |
| 2010-11 | $28.24m* |
| 2009-10 | $10.29m** |
| 2008-09 | $6.18m |

**Average debt raised from a compliance case**

| Financial Year | Average debt per case |
|---|---|
| 2011-12 FYTD (as at 30 April 2012) | $24,078*** |
| 2010-11 | $47 915* |
| 2009-10 | $16 628** |
| 2008-09 | $6 752 |

*2010-11 increase is due to significant non-compliance identified within the Chronic Disease Dental Scheme.

** 2009-10 increase is due to change in methodology to a risk-based approach. The department adopted a risk-based approach to selecting health professionals for audit, with a view to prioritising the most serious and high value cases of non-compliance and/or fraud.

***Average debt per case includes one recovery from s 47G s 47G . This was a larger than anticipated single debt raised which affects the average debt per case amount FYTD to 30 April 2012. Excluding this single large recovery amount, the recalculated average debt per case would be reduced to s 47G

**Amounts identified for recovery by program**

| Program | 2011-12 April FYTD | | 2010-11 April FY | |
|---|---|---|---|---|
| | Number | Amount $ | Number | Amount $ |
| MBS - CDDS | 19 | $2,173,123 | 18 | $9,885,510 |
| MBS - Other | 233 | $5,100,016 | 193 | $4,034,698 |
| PBS | 114 | $1,023,489 | 153 | $1,224,750 |
| HSP | 9 | $ 732,786 | 35 | $ 497,831 |
| Aged Care | - | - | - | - |
| **Total** | 375 | $9,029,414 | 399 | $15,642,790 |

* Accurate as at 30 April 2012.

**Note:**

Of the total amount identified for recovery FYTD to 30 April 2012 for the MBS program, $2,173,123 related to CDDS and $2,269,000 related to a single cost-shifting case.

Of the total amount identified for recovery for the MBS program in 2010-11, $19,974,414 was specific to CDDS. There was nil identified for recovery in 2009-10 FY for CDDS as the first case completed and found to be non-compliant was in August 2010.

## *Audits and investigations*

- In addition to the recovery of incorrectly claimed benefits, the impact of the Medicare Compliance Program is realised through a combination of:
  - changes in claiming behaviour by those subject to a compliance activity; and
  - a deterrent effect through promoting awareness of compliance activities undertaken by the department.
- The department prepares a compliance program each year, which outlines the areas of focus for the coming financial year.
- This approach recognises that targeting areas of concern yields stronger compliance outcomes and allows the most appropriate form of activity to be selected (i.e. education, counseling, audit, review, investigation) to address risk.
- The following figures provide an indication of the volume of audits and investigations conducted over the past three financial years on various Medicare programs administered by the department.

| Year | PRP | Audits/Investigations | Total |
|---|---|---|---|
| 2011-12 FYTD* | 279 | 2 002 | 2 281 |
| 2010-11 | 298 | 2 682 | 2 980 |
| 2009-10 | 151 | 3 443 | 3 594 |

* Accurate as at 30 April 2012.

**Current data: Programs audited**

| Cases Completed by Program | 2011-12* | 2010-11 |
|---|---|---|
| MBS - CDDS | 45 | 41 |
| MBS - Other | 1660 | 2138 |
| PBS | 216 | 348 |
| Health Support Programs (e.g. PIP) | 177 | 70 |
| Aged Care | 50 | 69 |
| MBS - Public | 120 | 314** |
| PBS - Public | 13 | |

| | | |
|---|---|---|
| Total | **2 281** | **2 980** |

* Accurate as at 30 April 2012.
** FY 2010-11 data is unavailable for public cases against programs.

**Note:** Data includes all completed cases including; audits, reviews, detailed analysis and investigations.

Health Support Programs (HSP) includes;

- Mental Health Nurse Incentive Program (MHNIP),
- Practice Incentive Program (PIP) Payment recipients
- In the 2010-11 data, HSP includes **20** PIP and **10** MHNIP.
- In the 2011-12 data, HSP includes **90** PIP, **72** MHNIP, **3** GPII and **1** Medical Indemnity.

**Referrals to CDPP**

| | 2011-12 FYTD* | 2010-11 |
|---|---|---|
| Public | 16 | 21 |
| Medical | 1 | 1 |
| Pharmacy | - | - |
| Total | 17 | 22 |

* Accurate as at 30 June 2012.

**Matters currently with CDPP 2011–12 FYTD***

| | Number of Cases |
|---|---|
| Public | 24 |
| Medical | 2 |
| Pharmacy | 2 |
| Pharmacists | - |
| Total | 28 |

* Accurate as at 30 June 2012.

**Note:** Matters currently with the CDPP include matters referred in previous financial years.

**Successful Prosecutions**

**Note:** Figures reported in the 2009-10 Annual Report were incorrect, as the 2008-09 table for CDPP successful prosecutions was inserted incorrectly. The figures were subsequently corrected in the Corrigenda for the 2010-11 Annual Report, and are reflected below.

| | 2011-12 FYTD* | 2010-11 |
|---|---|---|

| | | |
|---|---|---|
| Public | 7 | 14 |
| Medical | - | 1 |
| Pharmacy | - | - |
| Total | 7 | 15 |

* Accurate as at 30 June 2012.

**Successful Prosecutions – Repayment Orders**

**Note:** Figures reported in the 2009-10 Annual Report were incorrect as the 2008-09 table for CDPP successful prosecutions was inserted incorrectly. The figures were subsequently corrected in the Corrigenda for the 2010-11 Annual Report, and are reflected below.

| | 2011-12 FYTD* | 2010-11 |
|---|---|---|
| Public | $196,722 | $238 410 |
| Medical | - | $121 600 |
| Pharmacy | - | - |
| Total | $196,880 | $360 010 |

* Accurate as at 30 June 2012.

**Outcomes from Practitioner Review Program (PRP)**

| Further action | 2011-12 FYTD* | 2010-11 |
|---|---|---|
| PRPs conducted | 279 | 298 |
| Referred to Director of Professional Services Review **(DPSR)** | 19 | 56 |
| Referred for review by the Medicare Participation Review Committee **(MPRC)** | 5 | 7 |
| Suspended on the basis of review by **MPRC** | 2** | 0 |

* Accurate as at 30 April 2012.

** One of these cases has had suspension stayed by the Administrative Appeals Tribunal, pending appeal on 27 June 2012.

## *Search Warrants*

- The *Medicare Australia Act 1973* provides for the CEO to obtain a search warrant to search and seize evidential material, in respect of a relevant offence, where appropriate.

**Number of search warrants issued under Section 8Y**

| Year | Warrants issued |
|---|---|
| 2011-12 FYTD* | 13 |
| 2010-11 | 3 |
| 2009-10 | 3 |
| 2008-09 | 11 |

* Accurate as at 30 June 2012

## *Case Studies*

- The following case studies provide examples of successful compliance activities conducted in the previous years.

### **Case study – dental practitioner found non-compliant under the CDDS** (2010-11 FY)

- Medicare undertook an audit of a dental practitioner who was suspected to have been claiming for services which had not been rendered.
- Medicare was alerted to the dental practitioner through a tip off.
- The investigation uncovered fraudulent claims to the value of approximately $46,000.
- The case has been referred to the Commonwealth Director of Public Prosecutions.

### **Case study – health professional partial disqualification** (2009-10 FY)

- Data analysis showed a practitioner to be providing services in excess of the regulated daily number. 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.
- After concerns remained following review through Medicare's Practitioner Review Program, the practitioner was referred to the Professional Services Review (PSR).
- The PSR found that the practitioner had practised inappropriately which resulting in a partial disqualification.
- The health professional had to repay more than **$145,000** to Medicare Australia and was **partially disqualified from claiming MBS payments for nine months.**

## **Case study – practice manager sentenced to good behaviour bond** (2008-09 FY)

- A complaint was received from a doctor that alterations had been made to forms and it was established that the practice manager had been altering bulk-bill assignment forms before submitting them for processing.
- The practice manager was found guilty and sentenced to a **good behaviour bond for two years and six months and** was ordered to repay **$133 000** worth of false claims.

## **Case study – pharmacist jailed for PBS fraud** (2007-08 FY)

- A pharmacist was found to have fraudulently claimed PBS benefits for prescriptions not supplied over a four year period.
- The fraudulent activities included submitting false scripts, using his parents' names, directing his pharmacy assistants to falsify signatures on prescriptions that were not supplied and using deceased people's identities to submit false PBS claims.
- The pharmacist pleaded guilty to fraudulently obtaining over **$400 000** worth of PBS benefits to which he was not entitled and received two sentences of **four and a half years imprisonment,** to be served concurrently.