Finance Minute on Report 203— Medical Fraud and Overservicing

Report

212

Joint Committee of Public Accounts

Parliament of the Commonwealth of Australia 1983

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

JOINT COMMITTEE OF PUBLIC ACCOUNTS

212TH REPORT

FINANCE MINUTE ON THE COMMITTEE'S 203RD REPORT - MEDICAL FRAUD AND OVERSERVICING - PROGRESS REPORT

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DUTIES OF THE COMMITTEE

Section 8.(1) of the Public Accounts Committee Act 1951 reads as follows:

> Subject to sub-section (2), the duties of the Committee are:
>
> (a) to examine the accounts of the receipts and expenditure of the Commonwealth including the financial statements transmitted to the Auditor-General under sub-section (4) of section 50 of the Audit Act 1901;
>
> (aa) to examine the financial affairs of authorities of the Commonwealth to which this Act applies and of intergovernmental bodies to which this Act applies;
>
> (ab) to examine all reports of the Auditor-General (including reports of the results of efficiency audits) copies of which have been laid before the Houses of the Parliament;
>
> (b) to report to both Houses of the Parliament, with such comment as it thinks fit, any items or matters in those accounts, statements and reports, or any circumstances connected with them, to which the Committee is of the opinion that the attention of the Parliament should be directed;
>
> (c) to report to both Houses of the Parliament any alteration which the Committee thinks desirable in the form of the public accounts or in the method of keeping them, or in the mode of receipt, control, issue or payment of public moneys; and
>
> (d) to inquire into any question in connexion with the public accounts which is referred to it by either House of the Parliament, and to report to that House upon that question,
>
> and include such other duties as are assigned to the Committee by Joint Standing Orders approved by both Houses of the Parliament.

TABLE OF CONTENTS

LIST OF APPENDICES

PREFACE

Arrangements to ensure that appropriate action is taken in response to comments contained in the Committee's Reports have been in operation since 1952 although they have been reviewed periodically. These were known as Treasury Minute arrangements.

Following the creation of the Department of Finance on 7 December 1976 it was agreed that the arrangements should continue as before but should be known as the Department of Finance Minute.

As they now stand the procedures are:

1. The Report of the Committee is tabled in both Houses of the Parliament and motions are moved in both places that the Report be printed as a Parliamentary Paper.

2. The Chairman of the Committee thereafter forwards a copy of the Report to the responsible Minister and to the Minister for Finance with a request that he give the Report his consideration and inform the Chairman of the action taken to deal with the Committee's conclusions.

3. The reply received, in the form of a Department of Finance Minute, is then examined by the Committee and, together with the conclusions of the Report to which it relates, is submitted as soon as possible as a Report to the Parliament.

4. Should the Committee find during its examination of a Department of Finance Minute that certain recommendations are not fully dealt with or are subject to a further Minute, it holds an exploratory discussion with officers of the Department of Finance prior to the submission of the Minute to the Parliament.

5. In reporting a Minute to the Parliament, the Committee, except in special cases does not usually make any comment other than to note recommendations not fully dealt with or subject to a further Minute.

6. When the Committee next examines the Department concerned the Department of Finance Minute is considered by the Committee if applicable.

7. The Department of Finance furnishes the Committee with a half-yearly report on outstanding Minutes, indicating the progress made in dealing with the Committee's comments.

In accordance with the procedures outlined above, this report documents the Department of Finance Minute which was submitted in response to the Committee's 203rd Report.

For and on behalf of the Committee.

Senator G. Georges
Chairman

M.J. Talberg
Secretary
Joint Parliamentary Committee of Public Accounts
Parliament House
Canberra
1 November 1983

CHAPTER 1

INTRODUCTION

1.1 The Committee's 203rd Report, a Progress Report on its Inquiry into Medical Fraud and Overservicing, was tabled in Parliament on 9 December 1982. A brief summary of that report appears in Chapter 2.

1.2 The forty-five 'Recommendations for Immediate Action' of Report 203, together with the Department of Finance Minute and additional information requested from Departments by the Committee, appear in Chapter 3. The inclusion of such additional information represents a minor departure from previous Finance Minute Reports of the Committee. In this case however, it was thought necessary because of the changes which have taken place in the Commonwealth's administration and the Australian Health system since the Committee received the Finance Minute on 10 June 1983.

1.3 On 14 October 1983 the Committee wrote to the Department of Health, the Attorney-General's Department, the Public Service Board and the Australian Federal Police seeking their clarification and update of several matters reported in the June 1983 Finance Minute. Prompt replies from all these organisations were received by the Committee on 21 October 1983. Where appropriate, extracts of this information have been inserted after the individual Finance Minute responses in Chapter 3.

People and Positions

1.4 One of the Committee's main recommendations in its Progress Report was that additional resources be allocated to the Commonwealth's administration in order that efforts to combat medical fraud and overservicing be strengthened. From the responses contained in Chapter 3 it appears that substantial progress has been made in this area.

1.5 In the Department of Health the number of positions involved in combating fraud and overservicing has increased from 94, as at June 1982, to 205 as at October 1983 (Tables 1A, 1B, 2A, 2B of Appendix 1 refer). Appendix 8 details the status of the Department of Health State Surveillance and Investigation Sections staffing as at 26 October 1983. Appendix 7 details the status of PODS development staff in the Department of Health as at 31 October 1983.

1.6 A submission has been made by the Australian Federal Police (AFP) to the Public Service Board for 50 positions to be dedicated to medifraud investigations in addition to a ceiling increase of 149 positions accorded to the AFP generally in 1982-83 and a forecast increase of 230 AFP police and public service positions during 1983/84 (see responses to Recommendations 1 and 2).

1.7 The Attorney-General's Department has gained approval for the employment of ten additional legal staff and two supporting staff to further its efforts in the medical fraud area (see response to Recommendation 2).

1.8 The Committee welcomes the creation of these positions but it notes that their effectiveness depends not only on them being promptly filled with the appropriate persons, but also on the organisational framework in which they are located. To reclassify existing staff in departments may not be sufficient to overcome the problems highlighted by the Committee in its Progress Report. The value of experienced officers is acknowledged, but new personnel with fresh outlooks and skills are also needed to complement those already existing in the departments concerned. As well, new procedures and integrated communication structures within and between departments are required to address medical fraud and overservicing.

1.9 To this extent the Committee is pleased that the Department of Health is undergoing a major reorganisation and that a new Surveillance and Investigation Division has been created. Similarly it welcomes the establishment of a Central Co-ordinating Committee and State Co-ordinating Groups containing representatives of the Department of Health, the Attorney-General's Department and the AFP. Most importantly however, the Committee feels that most senior departmental officers now acknowledge the complexity and magnitude of the effort required to deal with medical fraud and overservicing in the Australian community.

1.10 The Committee notes that although the Department of Health has to date filled all of its State Medical Counsellor positions, it still has a considerable shortfall in staffing the other available positions in its Central and State offices (refer to Appendix 1, Table 1B). Most of these positions were advertised in February 1983. The Committee urges that these positions be filled with appropriate personnel as soon as possible.

1.11 Similarly it is noted that of the eleven additional positions in the Attorney-General's Department only three have been filled by permanent promotions, the majority are currently filled by personnel on an acting basis or on temporary transfer.

1.12 The Committee will be monitoring the status of all these positions during the next stage of its Inquiry.

Training and Skill Development

1.13 In response to the recommendations of the Progress Report specialised training for investigatory staff of the Department of Health and the Australian Federal Police is being undertaken (see response to Recommendation 21).

1.14 The Committee is pleased to see the Department of Health developing training courses specifically tailored to its needs, incorporating guest lecturers from the AFP and Attorney-General's Department. The Committee has inspected the Department of Health's Investigation Training Manual and the documentation supporting the multi-stage AFP Detective Training Course and is satisfied with their content.

1.15 The Committee has also inspected the papers presented at the Attorney-General's National Prosecutors Seminar in April 1983. The Committee believes that it is necessary for such a seminar to be held regularly in order to update and share knowledge of prosecution information among relevant Commonwealth officers. The Committee will be giving further consideration to this matter.

1.16 The Committee acknowledges the effort being placed on 'on the job' training of AFP and Department of Health investigators. In its 202nd Report on the Selection and Development of Senior Managers in the Commonwealth Public Service the Committee emphasized the need for, and importance of, such 'on the job' development of senior staff (refer to Chapter 3 of Report 202).

Development of the Fraud and Overservicing Detection System

1.17 The Committee recognises that the Department of Health has planned, in detail, a Work Program of activities for the development of its Fraud and Overservicing Detection System (FODS). The Committee has inspected this Work Program and a recent Review of the Work Program. Whilst it is generally satisfied with the planning and proposals the Department has in train for FODS development, the Committee is concerned about the time envisaged for completion of such development tasks and the need for consultation with specialist sectors of the medical profession when undertaking FODS enhancement.

1.18 The Committee notes the Department of Health estimates, in its FODS Work Program, that major tasks currently planned for the fourteen main FODS development activities may take up to 230 man months to complete. Whilst many of these tasks can be undertaken concurrently, a significant number are dependent on the completion of a consecutive task.

1.19 Appendix 7 details an increase in positions dedicated to the development of the FOD system. However the Committee is concerned that, in respect of the FODS detection system implementation positions, there has been no increase in the number of people permanently filling positions to date.

1.20 The Committee believes that the development of the FOD system is of paramount importance to the success of the Department's efforts to combat medical fraud and overservicing. It is not convinced that adequate resources are currently being devoted to this task and will be following this matter up with the Department during the next stage of its Inquiry.

1.21 The Committee notes the Department of Health's recognition of the need to consult with specialist medical colleges and associations in the development of Peer Group Norms. The Committee believes that such consultation could also be of benefit in developing the FODS Pathology Profile System and FODS Specialist Profiles.

1.22 The Committee is surprised at the relatively small number of specialist medical colleges and associations which have indicated their willingness to advise the Department of Health on FODS development (see response to Recommendation 7). Since the Committee's announcement, on 1 September 1983, of the widening of its Inquiry (see Media Release at Appendix 6) the Committee has received many submissions from specialist medical colleges and associations indicating their ability and willingness to assist the Department of Health. The Committee will be following this matter up with the Department and the colleges/associations concerned.

1.23 The Committee will be closely monitoring progress made in the development of the Department of Health's *FOD System* during the next phase of its Inquiry.

Department of Health Victorian Office

1.24 The response to Recommendation 4 in Chapter 3 describes inquiries into the conduct of staff of the Victorian Office of the Department of Health in respect of possible breaches of the Crimes Act and the Public Service Act.

1.25 The Committee has discussed this matter with the Director-General of Health and the Australian Federal Police Commissioner during May and July this year. The Committee notes that the findings of a departmental inquiry conducted under s.61(2) of the Public Service Act into the Victorian Office indicated no basis for charges under that Act.

1.26 However, the departmental *inquiry report did indicate* that the (then) administration in the Victorian Office needed urgent improvement. The report found little evidence of a cohesive team work approach being used for the attainment of divisional/departmental goals and objectives. It highlighted a lack of communication between and within sections/branches and the absence of formal machinery to establish integration of procedures or to ensure effective communication.

1.27 The Committee is aware that the Director-General of Health has initiated action to overcome problems in the administration of the Department's Victorian Office. The Committee understands that priority setting mechanisms and management information systems have been established, and that there will be no future promotions at a senior level to tenured positions. Mandatory service in both State and Central Offices will be a prerequisite for senior promotion.

1.28 The Committee notes that several senior staff in the Victorian Office have retired/resigned since the release of Report 203 and that new staff have been appointed to fill these vacancies.

1.29 During July 1983 the Committee received and considered a copy of the Report by the Deputy Director-General of Health into the Operation of the Victorian Office.

1.30 The Committee understands that the Australian Federal Police have examined some forty-one files of the Victorian Office of the Health Department and have found no evidence that would suggest any departmental officer has committed any criminal offence. The report of the AFP's investigation did, however, recommend that *some matters be referred back* to the AFP for further investigation of certain Victorian doctors. The Committee is satisfied with this action.

1.31 The Committee has examined the AFP's report on the files of the Health Department's Victorian Office and the subsequent AFP report on an investigation of certain Victorian doctors. The Committee understands that the AFP are continuing their investigations into allegations of fraud by these doctors.

1.32 The Committee notes the AFP Commissioner's observation, stated during a private meeting with the Committee, that there is now adequate and effective co-operation in the investigation of medical fraud between the AFP and the Department of Health at State Office level.

Medifraud Guidelines

1.33 The Committee is pleased to observe the development of comprehensive guidelines on medical fraud and their joint approval by the Minister for Health, the Special Minister of State and the Attorney-General in response to Recommendations 5 and 6 of the Progress Report.

1.34 The Committee has examined these guidelines and notes that the Central Co-ordinating Committee and State Co-ordinating Groups referred to therein have been established and operating for some months. The Committee has examined recent reports of the Central Committee and State Groups. Although the Central Committee and State Groups have no executive powers they act to co-ordinate and integrate the Commonwealth's resources devoted to medical benefits fraud investigation and prosecution.

1.35 It is noted that the medifraud guidelines cover only the *basic approach* and responsibilities for the five phases of the development of enforcement cases - detection, investigation, assessment, conduct of prosecution and appeal. The Committee agrees with the Department of Health's comment that supplementary guidelines on various specific matters should be issued as soon as possible, replacing existing ad hoc instructions and memoranda'.

1.36 The Committee will be monitoring the development of such supplementary guidelines.

1.37 The Committee has received a detailed breakdown of the Central Co-ordinating Committee's caseload as at September 1983 (refer to Appendix 9). Examination of this breakdown reveals

- a substantial overall increase in medifraud cases being addressed by the Department of Health, the AFP and the Attorney-General's Department
- higher medifraud caseloads in NSW and Victoria relative to other States
- only one medifraud matter under investigation in the Northern Territory
- a considerable backlog of cases, listed more than six months ago, await action in the Department of Health.

1.38 The Committee has also received statistics on potential medical practitioner disqualifications in the States, as at 30 September 1983, pursuant to section 129 of the Health Insurance Act 1973 as amended (refer to Appendix 10). Although the amending legislation enabling disqualification was assented to in March 1982 the disqualification provisions did not come into effect until 1 November 1982. Consequently the Committee is unable to make a firm judgement as to the adequacy of disqualification actions. It is noted that there is a predominance of current cases in NSW and Queensland.

1.39 The Committee will be monitoring the performance of the Department of Health, the Australian Federal Police and the Attorney-General's Department *in respect of their overall* management of medifraud caseloads.

Commonwealth and State Government Co-operation

1.40 The Committee is pleased to note the response to Recommendation 29 of the Progress Report which calls for consultation between State and Commonwealth Governments on the introduction of uniform medical registration legislation. The Committee believes that continual Commonwealth-State Government co-operation is a required precondition for effective administration of the medical benefits system.

1.41 The Committee will be monitoring the development of uniform medical registration legislation.

Medicare

1.42 In respect of the Medicare national health scheme it should be emphasized that the Committee can and does not question the adequacy of policies laid down by the Government but is concerned with their administrative implementation. The following comments should be read in this light.

1.43 The Committee welcomes the recent announcement by the Minister for Health that the Medical Benefits Schedule (MBS) will be reviewed as soon as possible after the implementation of Medicare on 1 February 1984. In the Committee's view, such a *review of the MBS is long overdue. A revised MBS should act as an* adjunct to efforts being planned and taken to reduce overservicing.

1.44 To date the Committee has received many suggestions for reform of the MBS from individuals and organisations responding to the Committee's announcement of the second stage of its Inquiry (see media release, Appendix 6). The Committee will be discussing these suggestions with the Department of Health during the coming months.

1.45 The Committee is most pleased to note the effect of section 57 of the Health Legislation Amendment Act 1983 which inserts, inter alia, a new section 127 in the Health Insurance Act. The general effect of the new section 127 is that, if a practitioner obtains a patient's signature on an incomplete direct-billing assignment form; or fails to give a patient the patient's copy of such a form, the practitioner may be liable to a fine of up to $1,000 or imprisonment for up to three months, or both.

1.46 In respect of Recommendation 44 of the Progress Report, the Committee observes that clause 13 of the Health Legislation Amendment Bill (No. 2) 1983 will implement this recommendation.

1.47 It is noted that in respect of Recommendation 9 the Department of Health plans to circularise some 30,000 doctors in Australia to ensure full and accurate information for the Department's computer database, the Central Register of Medical Practitioners (CROMP).

1.48 The Committee welcomes the Australian Medical Association's Federal Council decision to encourage AMA members to use their provider code numbers on their accounts and receipts. The AMA Federal Council 'recognises that the codes are useful in more effective and speedier processing of claims, in avoiding mistakes, and in moves against medical overservicing' (p. 71 Medical Practice, November 1983).

1.49 The Committee notes that the Government's Health Legislation Amendment Bill 1983 provides that Medicare benefits are not payable in respect of prescribed professional services rendered to patients of, or at, recognised State and Territory

hospitals unless the doctors have made an agreement (in a form approved by the Commonwealth Minister for Health) with the recognised hospital and unless the doctors were acting in accordance with the approved agreement. In addition, any benefits incorrectly paid will be recoverable.

1.50 The Committee understands this to mean that the Minister for Health has the power to require that a form of contract approved by him is in force between medical practitioners and recognised hospitals for such medical services as he may prescribe from time to time. Medicare benefits would not be payable in the absence of a contract. Initially the Committee believes the contract will be required for radiological, pathological, nuclear medicine and other diagnostic services.

1.51 This type of contractual arrangement was one of the possible legislative reforms discussed by the Committee in Chapter 8 of the Progress Report (refer paragraphs 8.51 to 8.54). The Committee believes this type of contractual arrangement, and its extension to other areas of medical practice, may greatly assist prosecutions for medical fraud.

1.52 The Committee remains concerned that efforts to combat medical fraud and overservicing be maintained and improved in the period leading up to the introduction of the Medicare scheme on 1 February 1984 and beyond. In particular, the Committee notes that many of the responses in the Finance Minute refer to actions associated with the introduction of Medicare e.g. responses to Recommendations 1, 8, 10, 11, 13, 16 and 28.

1.53 During discussions with the Minister for Health and the Director-General of Health the Committee was informed that current departmental estimates of the cost of fraud and overservicing by doctors amounts to at least $120m per annum. In addition the Committee has noted that one professional medical society believes the estimate of fraud and overservicing to be nearer to $200m per annum.

1.54 Given the magnitude of these estimates and the trend for all recent estimates to point to an increase in the cost of medical fraud and overservicing, the Committee believes that resources in the Department of Health currently devoted to investigation and prevention of medical fraud and overservicing should not be diverted to aid the introduction of Medicare.

1.55 The continuation and enhancement of departmental efforts to control and reduce medical fraud and overservicing is a necessary complement to the introduction and successful operation of the Medicare scheme.

A New Overservicing Committee System

1.56 The Committee is concerned with the significance of the additional information provided by the Department of Health to the Committee on 21 October 1983 in respect of its response to

Recommendations 37, 38, 39, 40, 41 and 43 of the Progress Report. Those Recommendations proposed major changes to the current medical committee system dealing with cases of overservicing. Essentially the Committee recommended the abolition of the current Medical Services Committees of Inquiry and the introduction of Medical Benefits Tribunals in these Recommendations.

1.57 It appears that the Department has not made significant progress in implementing the 'new committee system' it refers to in its response to these Recommendations. The additional information provided by the Department canvasses many of the characteristics and procedures recommended/discussed by the Committee during its Inquiry but gives no firm indication of any progress made to formalise such characteristics or procedures.

1.58 It may be that as the mechanisms to control and reduce medical fraud become more effective there will be an increase in the level of overservicing by medical practitioners. Recently revised Department of Health estimates suggest a markedly higher supply of doctors than that projected in the 1981 Report of the Working Group on Medical Manpower Supply. If there is a trend away from fraud towards overservicing an increased supply of doctors may exacerbate the overservicing problem.

1.59 While the Committee acknowledges that extensive new legislation may be required to implement a new overservicing committee system, the introduction and operation of such a new system will be vital to the containment of medical benefits costs under the Medicare scheme.

1.60 The Committee will be monitoring the actions taken by the Department of Health and the Attorney-General's Department in progressing the development of the proposed new medical overservicing committee system.

CHAPTER 2

SUMMARY OF THE COMMITTEE'S 203RD REPORT

2.1 Following widespread reports in the media in February 1982 of abuse by doctors of the Medical Benefits Schedule, the Committee sought a detailed briefing from the Commonwealth Department of Health. The Department of Health confirmed that it estimated an annual loss of at least $100m per annum in fraud and overservicing by some members of the medical profession.

2.2 On the basis of preliminary investigations of the operations of the Department of Health, the Committee formally announced the commencement of the Inquiry on 25 May 1982 with the following Terms of Reference:

> To inquire into and report upon payments made under the Medical Benefits Schedule with particular reference to:
>
> - Estimates of the extent of fraud and overservicing by practitioners in relation to payments made by or on behalf of the Department of Health under the Commonwealth Medical Benefits Schedule.
>
> - Present overpayments in relation to such fraud and overservicing and the possibilities for improvements in these procedures.

2.3 In announcing these terms of reference, the Committee stressed that the Inquiry should not be interpreted as an attack on the reputation of the medical profession or as an attempt to identify individual fraudulent doctors, but rather as an examination of issues associated with abuse by some members of the medical profession.

2.4 A Progress Report was tabled in Parliament on 9 December 1982 which contained 45 recommendations directed at streamlining and strengthening both administrative procedures and existing legislation. The Report examined the effectiveness of existing legislation, procedures for dealing with abuse of the Medical Benefits system and other associated problems.

2.5 The Medical Fraud and Overservicing Inquiry has been a major undertaking by the Committee. Formal hearings began on 8 June 1982 and to the date of tabling the Report 48 public and private hearings and meetings were completed. The Committee has taken over 5,000 pages of transcript, in addition to a significant number of written submissions.

2.6 The purpose of Report 203 was twofold:

- to provide the Government with an indication of the Committee's views on areas where urgent action should be taken; and

- to offer a number of options for administrative and legal changes to improve arrangements for pursuing fraud and overservicing by doctors.

2.7 The Report raised a number of fundamental issues of public administration and policy which extended well beyond the specific area or medical fraud and overservicing. These included the overall performance of the Department of Health, the general relationship between Central and State Offices of Departments, and the adequacy of the current legal system in coping with white collar crime.

2.8 The recommendations in the Progress Report focussed on changes to administrative procedures for the handling of cases of suspected fraud or overservicing. As a short term measure, the Committee recommended the establishment of a special national task force of experienced Health, Police and legal personnel to investigate the backlog in medical fraud cases requiring investigation and prosecution.

2.9 The Committee's recommendations included:

- establishment of integrated investigation sections in all State Offices of the Department of Health, comprising Department of Health and Australian Federal Police investigators to cover both fraud and serious overservicing cases;

- the creation of a new role of medical investigator to handle apparent cases of serious overservicing and to assist in fraud cases as required;

- changes to bulk-billing arrangements to reduce the scope for fraud;

- further development of the Department of Health's computerised fraud and overservicing detection system (FODS) and extra staff for that area;

- abolition of the present medical services committees of inquiry, and establishment of medical benefits tribunals, to examine suspected cases of overservicing. Membership of the tribunal would include medical specialists and exclude State Directors of Health;

- Commonwealth-State agreement on uniform medical registration legislation and automatic deregistration of doctors convicted of fraud;
- automatic disqualification for medical benefits purposes, where doctors are found to have provided excessive services on a large scale;
- priority be given to allocating additional resources to pursuing doctors suspected of fraud or overservicing;
- promulgation of regulators requiring doctors to indicate their provider numbers on all accounts and receipts that attract Commonwealth medical benefits;
- replacement of Medical Services Review Tribunal with appeals to the Administrative Appeals Tribunal; and
- final year of medical training to include compulsory courses on ethics, health economics, the law associated with medical practices and health insurance arrangements, especially the Medical Benefits Schedule.

2.10 The Committee also suggested a number of options for more fundamental changes in the Medical Benefits Scheme and the legislation concerning medical fraud and overservicing.

2.11 The Committee has not yet completed its Inquiry into Medical Fraud and Overservicing (refer to Appendix 6). Given the magnitude of the problem and the significant opportunity costs of delaying action, the Committee decided to issue a Progress Report. Report 203 does not offer final recommendations in all areas nor does it address a number of major areas where the Committee is of the view that significant abuse may be occurring.

2.12 The range and complexity of issues which the Committee identified as requiring further examination for its final report on this Inquiry include:

- patient fraud;
- fraud associated with hospitals;
- fraud and overservicing associated with prescription of pharmaceuticals;

- fraud and overservicing associated with pathology;
- unnecessary surgery;
- possible strengthening of the legislation with respect to medical fraud;
- possible measures to reduce growth in the number of doctors;
- peer review mechanisms and the development of guidelines for the use of specific medical procedures;
- modification of the Medical Benefits system to reduce incentives for overservicing;
- revision of the Medical Benefits Schedule; and
- medical education.

2.13 Significant will be the consideration of possible legislative changes with respect to fraud and more fundamental modification of the medical benefits system to reduce incentives to provide excessive services. These and other matters are being reviewed in the context of the preparation of the final report on the Inquiry. In accordance with the decision to widen its investigation into Medical Fraud and Overservicing the Committee has welcomed submissions from individuals and organisations interested in the provision of health care to the Australian people.

CHAPTER 3

DEPARTMENT OF FINANCE MINUTE AND ADDITIONAL INFORMATION REQUESTED BY THE COMMITTEE

Note

3.1 This Chapter details departmental responses to the recommendations made by the Committee in its 203rd Report. As explained in Chapter 1 the responses below are as per the Department of Finance Minute of 9 June 1983, supplemented (where necessary) by additional information requested by the Committee from Departments.

General Comment

3.2 This Finance Minute has been prepared by the Department of Finance on the basis of responses received from the Minister for Health and Special Minister of State and the Attorney-General's Department which advised that the substance of its replies had been cleared with the Attorney-General.

Department of Health

3.3 The Department of Health responses have been prepared as at 13 May 1983. Some matters will need review at a later date. In addition to the attached responses, the Department of Health wishes to comment on other matters which are considered of importance in an overall study of the Report.

3.4 First, it appears that an underlying aspect of the Report is inadequate co-operation and communication between the three Commonwealth agencies concerned with combating medical benefits fraud, ie Health/Attorney-General's (Crown Solicitor's Office)/Department of the Special Minister of State (Australian Federal Police). In recognition of the need for improved co-operation and communication between these Departments, a Central Co-ordinating Committee in Canberra and State Co-ordinating Groups in each State have been established to ensure maximum co-ordination of activities concerned with detection, investigation, assessment, prosecution and appeal.

3.5 The main relevant Public Accounts Committee recommendation (No 22) proposed 'integrated investigation sections' in all State Offices of this Department, drawing together Health, AFP and DCS staff in each office. Except for the physical location of DCS staff in Health Offices, the general thrust of this recommendation has been implemented by the establishment of the Central Co-ordinating Committee and State Groups.

3.6 The main functions of the Co-ordinating Committee/Groups are to ensure that continued consultation and co-ordination takes place and that appropriate priorities are allocated and resource deployments made to progress cases through the courts. The State Groups' main task is to regularly review investigation and prosecution activities at the local level, including close co-ordination of action on individual cases of medical benefits fraud.

3.7 The Public Accounts Committee (see Recommendation No 19) recommended the creation of a temporary 'national task force' to overcome the current backlog of fraud cases by tapping existing resources. There is general agreement between Health/Crown Solicitors/AFP that that is not the solution to overcoming the backlog because it would disrupt present operations by diverting staff who, in any case, are already mainly working on overcoming the backlog. Furthermore, new cases cannot always be postponed.

3.8 The three organisations have advanced beyond an interim 'emergency' stage as implied by the recommendatioins because:

(a) Health has already acquired substantial additional resources which will be co-ordinated to give high priority to the backlog;

(b) the AFP have already acquired an extra eight Canberra-based detectives to assist the Regions in reducing the backlog; and

(c) Crown Solicitor's Office is well advanced in seeking an increase in its legal staff to specialise in the prosecution of medical fraud cases.

3.9 Thus, the collective action of the three organisations is seen as moving torwards a fairly rapid formation of a co-ordinated national task force with an ongoing existence, handling the backlog as a high priority.

3.10 It will be noted that in response to a number of recommendations reference has been made to the introduction of Medicare, scheduled for 1 January 1984. The introduction of Medicare will render some of the recommendations irrelevant or less important, while others will need to be considered in the developmental stages of Medicare.

3.11 Recommendations 8, 10, 11, 13, 16 and 28 have been referred to the Medicare Task Force, established to plan the implementation of Medicare, for its consideration.

Additional General Comment Provided on 21 October 1983

Department of Health

3.12 The Department of Veterans Affairs is now represented on the Central Co-ordinating Committee on Medical Fraud and on each of the State Groups referred to above.

Australian Federal Police (AFP)

3.13 The deployment of AFP resources within the levels approved by Government is a matter for the Commissioner. The Government's decision on the allocation of additional funding for increased manning resources during the current financial year will enable the strengthening of investigative units of the AFP where workload demands dictate. A review is presently being conducted of the guidelines and priorities of the AFP given by the then Minister for Administrative Services in June 1981. The Special Minister of State has also announced in the Parliament the establishment of an external review of the current deployment of, and future requirements for, manpower resources. Due recognition of the priority of Medifraud investigations will be highlighted by the AFP in these reviews.

3.14 Detective deployment at present to dedicated Medifraud investigations have been introduced to limit the number of charges preferred to the courts to a manageable level with priority given to offences committed against the Health Insurance Act after 1 November 1982. It needs to be noted however that this later aspect is of course dependent on the cases referred by the Department of Health.

RECOMMENDATION 1

Priority should be given to allocating additional resources to streamline and strengthen procedures for pursuing doctors suspected of fraud or overservicing. (page 27)

Response

Department of Health

3.15 The Department of Health is giving priority to the provision of additional resources to combat fraud and overservicing.

3.16 As a first step, six additional Central Office 'Task Force' investigation positions were filled in February 1983. Two of the positions are located in Canberra (1 Class 9, 1 Class 8), two in Sydney and two in Melbourne. This will enable a much closer co-ordination of investigation activities.

3.17 In addition, five extra positions of Medical Counsellor have been created - three in NSW, one in Victoria and 0.5 of a position in each of Tasmania and Queensland. While all counsellor positions have been advertised, the present situation is that suitable applicants were not available for all positions. The positions in Queensland and Tasmania have been filled as has one position in New South Wales. The other two positions in New SouthWales were re-advertised in the Commonwealth Gazette of 17 March 1983. The position in Victoria was not filled but was re-advertised in the Commonwealth Gazette of 24 February 1983.

3.18 Sixty-nine new positions covering all States and ranging from Clerical Assistants to Clerks Class 9, were advertised in the Commonwealth Gazette of 17 February 1983 and the Press on 19 February. Selections are now being made.

3.19 A further organisation proposal for the establishment of a new Surveillance and Investigation Division, in Central Office, was referred to the Public Service Board (PSB) on 3 March 1983. At that time, the PSB was requested to create the Second Division structure and the senior Third Division structure in respect of the new Division. This was part of a reorganisation "package" covering the Central Office and State Divisions.

3.20 The overall result is that, since June 1982, the total number of positions involved in combating fraud and overservicing has increased by 88, from 81 to 169. This total will further rise, by an anticipated 29 new positions, if the new Surveillance and Investigation Division, referred to in 4 above, is approved.

3.21 The tables at Appendix 1 show details of staff associated with fraud and overservicing duties in the States (Table 1A) and Central Office (Table 2A) as outlined above.

Australian Federal Police

3.22 The priorities accorded by the AFP, following guidelines set by the former Minister, to the various areas of enforcement of Commonwealth law, including organised crime and drug trafficking, are under review in the light of the Government's policies and the increased resources being made available to the AFP.

3.23 Investigations into medical fraud continue to receive high priority in the allocation of the available resources. Measures have been adopted as set out in the response to Recommendation 6, to ensure the appropriate deployment of those resources.

3.24 A submission has been made to the Public Service Board for an additional fifty AFP positions, to be dedicated to medifraud investigations.

3.25 This submission is in addition to the ceiling increase of 149 accorded to the AFP generally in 1982-83 and the further increase of 300 sought for 1983-84.

3.26 The AFP is confident that these resources, once in place, will alleviate many of the problems of resource allocation pointed to by the Committee.

Attorney-General's Department

3.27 Within the Attorney-General's Department nine additional legal positions are being created and there will also be two supporting clerical/secretarial positions.

Additional Information Requested by the Committee

Department of Health

3.28 The five extra positions of Medical Counsellors referred to above are currently filled. See Tables 1B and 2B at Appendix 1 for staffing details of fraud and overservicing positions as at 14 October 1983.

3.29 In relation to the reorganisation 'package' covering the Department's Central Office and State Divisions the following is advised:

(a) On 17 May 1983 the Public Service Board approved the Second Division structure (one Level 3 and two Level 1's) of the new Central Office Surveillance and Investigation Division, subject to Government endorsement of the new Program. These three positions were advertised in the Commonwealth Gazette on 6 June 1983. The Level 3 has been filled by a permanent transfer of an officer to the position. Officers have been provisionally promoted (6 October 1983) to the two Level 1 positions and are subject to normal Public Service appeal procedures.

(b) A proposal covering the Third and Fourth Division structure was forwarded to the Public Service Board on 6 June 1983.

(c) Government endorsement of the Surveillance and Investigation Program was received on 26 July 1983.

(d) Approval was given by the Public Service Board for the Third and Fourth Division structure on 18 August 1983 for 34 new positions which were advertised in the Commonwealth Gazette on 15 September 1983. Interviews for the more senior positions have just commenced. The anticipated 29 new positions mentioned in the Finance Minute for

the new Surveillance and Investigation Division in Central Office have been increased to 35 positions, including one position transferred from another Division of the Department to the Investigation Branch.

3.30 In summary, 35 positions are involved in the new Central Office Surveillance and Investigation Division (a total of 59 positions). The overall result is that since June 1982 the total number of positions involved in combating fraud and overservicing in the States and Central Office has increased by 111 from 94 to 205:

	Current Total
States	146
C.O.	59
	205

Australian Federal Police

3.31 In response to proposals put by the AFP to the Government in the 1983/84 budgetary context the AFP was allocated an additional $4M for the employment of additional manpower resources during the financial year. The increased allocation will enable the AFP to employ a further 230 police and public service officers during the financial year.

3.32 In the light of the additional funds for increased manpower being forthcoming proposals for the deployment of the additional manning resources are being finalised. These proposals, including the additional rank numbers that will be needed, are to be put to the Special Minister of State and the Public Service Board as a matter of urgency.

3.33 The current deployment exercised takes account of the need for dedicated medifraud investigators. Staffing increases approved for the AFP in subsequent financial years will provide for the strengthening of these squads in accordance with workload factors and other demands placed on the AFP at that time.

Attorney-General's Department

3.34 As at 21 October 1983 ten additional legal positions, and two supporting clerical/secretarial positions have been approved by the Public Service Board. The classification and location of the positions are as follows:

- three Principal Legal Officers (PLO) (Central Office, NSW and Vic)
- seven Senior Legal Officers (SLO) (NSW, Vic, SA, Qld, Tas, ACT and WA)
- two Clerical Assistants (CA4) Class 4 (NSW and Vic)

3.35 Action to fill these positions is as follows:

CO: PLO - Vacant position advertised in Government Gazette 13 October 1983. (Another officer is handling the work.)

NSW: PLO - Officer transferred on acting basis from 4 July 1983

SLO - officer transferred on acting basis from 4 July 1983

CA4 - vacant but work is being performed by another officer

VIC: PLO - officer promoted 22 September 1983

SLO - officer promoted 22 September 1983

CA4 - a temporary officer employed 1 September - 30 November 1983.

QLD: SLO - Officer transferred on acting basis 16 May 1983

SA: SLO - Vacant - position advertised in Government Gazette 28 July 1983 - work being perfoprmed by another officer.

WA: SLO - Officer promoted 15 August 1983 but is on transfer in Central Office (17 October 1983 until late December 1983) and an officer has been transferred to act in the position during that period.

TAS: SLO - Officer transferred on acting basis 12 August 1983.

ACT: SLO - Officer transferred on acting basis 5 August 1983.

Public Service Board

3.36 In respect of the Department of Health the Board, on 17 May 1983, approved in principle 13 positions in a new Surveillance and investigations Division and reorganisation of Divisions in the States in support. Positions were not created at that time pending specific endorsement by the then new Government. A proposal for 31 Third and Fourth Division support positions in the new Division was received on 6 June 1983 and also approved in principle. Two formal Recommendations for creation of all 44 positions were issued on 2 and 9 September following endorsement of the expanded function by Government.

3.37 In respect of the Australian Federal Police the submission referred to was made earlier in 1983 as a bid for an increase in the staff ceiling set by the previous Government and effectively lapsed at the time of the change in government. The bid has now been resolved in effect by provision in the 1983/84 Budget for increased AFP manning levels. In accord with Section 24 of the Australian Federal Police Act it remains for the Minister on the advice of the Commissioner and the Public Service Board to determine the precise numbers of additional officers to be appointed for this and the other purposes provided for in the Budget.

3.38 The Budget also provides for increased public service staff to be employed in the Office of the Australian Federal Police in support of medifraud investigations and other activities. It is understood that a proposal will be put to the Board shortly to establish the additional positions required.

RECOMMENDATION 2

The Health Insurance Act should be amended to require doctors' accounts and assignment forms to be as comprehensible as possible to patients. In particular, it is recommended that both Medical Benefit Schedule item numbers and simplified descriptions of services be required on all accounts and assignment forms. The legislation should be amended to allow the description of common services (eg consultations) to be specified in regulations. (page 34)

Response

Department of Health

3.39 Section 19(6) of the Health Insurance Act provides that a Commonwealth medical benefit is not payable unless there is recorded on a doctor's accounts/receipts/assignment forms etc such particulars as are prescribed. Regulations are currently being drafted which will (among other matters) require that the doctor's provider number, item number of the service and as far as practicable a brief description of the service be included on accounts etc.

3.40 It had been intended that the regulations become effective from 1 April 1983, and this was notified to the profession, but only as a target date. The drafting of the regulations has been delayed because of complexities relating to certain actual practice situations, but is being progressed as rapidly as possible. Allowing for completion of drafting and the necessity to give doctors adequate notice, 1 July 1983 may be a realistic new target date.

Additional Information Requested by the Committee

Department of Health

3.41 The regulations referred to above were not effected on 1 July 1983. It is now planned for these regulations to come into effect on 1 February 1984. The drafting of these regulations has produced unforeseen complexities particularly in relation to their operation in respect of pathology, radiology and nuclear medicine services. The regulations were therefore redrafted to exclude these services, for the time being, and this delay together with the Department's wish to provide at least three months notice to the profession, made 1 February 1984 the earliest possible data from which the regulations could operate.

RECOMMENDATION 3

A number of changes should be made to bulk-billing arrangements to reduce the scope for fraud:

(a) strict enforcement of requirements that patients sign the assignment form in the presence of the doctor after the service has been provided, and that patients be given a copy of the completed assignment form;

(b) amendment of the legislation to provide that failure to fulfil the requirements in (a) is an offence on the part of the doctor and/or the patient, and that assignment forms carry a warning that this is an offence; and

(c) sending a random sample of assignment forms to patients for verification, in line with the practice of some Canadian health plans, sample size to be calculated on the basis of current estimates of the extent to which assignment forms are altered, but to be reviewed in the light of experience with the verification process. (page 36)

Response

Department of Health

3.42 (a) & (b) It is already a requirement (no specific penalty) that the doctor certifies on the claim form that the patient has been given a copy of the assignment form. It is proposed to seek amendment to the legislation to make it a specific offence if -

(i) the patient is not given a copy of the assignment form; and

(ii) a doctor solicits/obtains a signature on an assignment form prior to the medical service(s) being recorded on the form.

3.43 (c) A pilot study will be conducted in one State (probably SA) by the Department. However, the commencement of this pilot study depends on the appointment of staff to the extra positions as outlined in response to recommendation 1. (see paragraph 3.15, page 16)

Additional Information Requested by the Committee

Department of Health

3.44 The pilot study referred to in paragraph (c) above has not commenced. It is still intended that the pilot study be conducted as soon as staffing resources permit. In essence it means that it will be impracticable to commence such a study until the relevant new policy development positions in Central Office are filled, which is likely to take some months.

RECOMMENDATION 4

The conduct of the Victorian office of the Department of Health in handling fraud and overservicing cases should be investigated by the appropriate authorities, particularly in respect of possible breaches of the Crimes Act and the Public Service Act. (page 51)

Response

Department of Health

3.45 Crimes Act: Arising from an approach by the JCPA Chairman, a request for an investigation of the files of the Department's Victorian Office, was referred to the Australian Federal Police in July 1982. This was followed up by letter of 12 January 1983 from the Director-General to the Acting Commissioner. On 25 January 1983, the Acting Commissioner advised the Director-General that he had requested the JCPA Chairman to discuss the matter with an AFP officer. There is no further action the Department of Health can take in response to this part of the recommendation; the matter rests with the AFP.

3.46 Public Service Act: An inquiry has been conducted within the Department, under s.61 of the Public Service Act. The finding was that there was no evidence of misconduct as defined. The inquiry report is under consideration by the Director-General.

Australian Federal Police

3.47 Crimes Act: Arising from an approach by the former JCPA Chairman, a request for an investigation was made by the Director-General of Health to the Commissioner of the AFP on 30 July 1982. The Director-General asked that the AFP examine all files concerning overservicing and fraud in the Victorian and Central Offices of the Department of Health. This would have necessitated the examination of approximately 1600 files. On 5 August 1982 and again on 19 January 1983 the Acting Commissioner wrote to the then JCPA Chairman requesting a discussion to clarify the extent of the inquiries envisaged. A reply was received on 9 February 1983 advising that discussions would be delayed until the resumption of Parliament.

RECOMMENDATIONS 5 AND 6

5. **The Senior management structure and personnel of the Department of Health should be comprehensively reviewed to ensure, amongst other things, that lines of responsibility are clearly defined so that all senior officers can be in no doubt that they are responsible for the efficient and effective administration of the areas of policy assigned to them. (page 59)**

6. **The lines of responsibility within the Department of Health should be redefined and its management philosophy altered to ensure that Directors of its state offices are fully accountable to the Director-General, who has overall responsibility for the performance of the Department. In particular, it is recommended that:**

(a) **comprehensive written guidelines be issued to state offices on all aspects of the detection and investigation of suspected fraud and overservicing;**

(b) **the Australian Federal Police, the Attorney-General's Department and experienced investigators and counsellors within the Department of Health be consulted in the development of these guidelines;**

(c) **adequate management information systems be introduced and utilised;**

(d) **independent management expertise be provided to the Department to assist with (a) and (c) above; and**

(e) **day-to-day contact be maintained between claims review and investigation staff in the central and state offices, especially during implementation of changes arising from this inquiry. (page 63)**

Response

Department of Health

3.48 The Policy and Planning Division of the Department of Health is currently examining the situation to see what is required.

3.49 The paper outlining a plan of action is attached at Appendix 2.

3.50 With regard to the provision of comprehensive guidelines on fraud, Health, the Crown Solicitor's Office and the Australian Federal Police have examined the previous guidelines (Appendix H of the JCPA Report) and new draft guidelines reflecting new procedures (eg the disqualification provisions effective from 1 November 1982) have been settled by officers of those Departments. The guidelines have been approved by the respective Ministers, and have been forwarded to the Committee.

3.51 It should be noted that these guidelines are in the nature of basic or primary guidelines on fraud. Supplementary guidelines on various specific matters will be issued as soon as practicable, replacing existing ad hoc instructions and memoranda.

Australian Federal Police (in relation to Recommendation 6(a), (b) and (c))

3.52 A Central Co-ordinating Committee has been established in Canberra, with senior representatives of the Department of Health, the Attorney-General's Department and the AFP, to co-ordinate medifraud matters nationally and to ensure that appropriate priorities and resource deployments are beingallocated. The Committee has been meeting regularly since January 1983 and has developed new Medifraud Guidelines to be observed by all operational staff in the three areas concerned. The Guidelines have been submitted to Ministers for consideration.

3.53 State Co-ordinating Groups are also being established in each State to co-ordinate operational matters between the three areas and to report regularly to the Central Co-ordinating Committee. Operational officers in the States have had the opportunity to comment on the new Medifraud Guidelines.

3.54 Information systems are being established for the regular flow of policy guidelines from the Commonwealth Co-ordinating Committee to the State Co-ordinating Groups and for the regular reporting of operational matters, in particular statistics on case number and handling, from State Co-ordinating Groups to the Central Co-ordinating Committee.

3.55 The AFP has introduced its 3-tier crime reporting system for medifraud matters. This records criminal offences coming to notice, briefs forwarded to DCS and prosecutions finalised.

Additional Information Requested by the Committee

Department of Health

3.56 Appendix 2 of the Finance Minute outlines the objectives of the review of the Departmental Programs by the Policy and Planning Division and mentions that a priority order for the review of each program has been approved by the Director-General. The list of Programs and their priorities are at Appendix 4. At Appendix 5 are the programs on which reviews have been completed to date and reports forwarded to the appropriate Central Office Division for comment. The comments received are also included. Copies of the reports were also forwarded to all State Divisional Offices in August 1983, for their comments.

3.57 The following programs are currently under review:

Tuberculosis Allowances;
National Trachoma Program;
Nursing Home Benefits and Assistance Scheme (Preliminary Investigation).

3.58 In addition to the above, the Public Accounts Committee should also be aware that on 15 September 1983, the Director-General of Health circulated the following to all Department Divisional Heads and State Directors:

> Uniformity of Decisions and Procedures in Central Office and State Offices
>
> An important issue discussed at the last Management Committee meeting held in July this year concerned the need for uniformity throughout the Department in the administration of Departmental programs. Lack of uniformity can result in discrepancies between the application of policies and the administration of programs at both Central Office and Regional Office levels.
>
> It is important that there be uniformity in the application of policy for programs and in program administration, so that individual Australians are

> treated fairly irrespective of their geographical location and so that national policies are applied consistently.
>
> In relation to particular programs, I believe it is essential that the relevant individual Central Office Divisions not only have the responsibility for policy development of particular programs, but also for ensuring their proper administration and regular monitoring throughout the country. I ask that Division Heads initiate any necessary action in regard to programs under their control.

Australian Federal Police

3.59 In respect of the Coordinating Groups mentioned in the AFP response above, it should be noted that Coordinating Groups have been established in each State. The established State Coordinating Groups have met on the following number of occasions:

Victoria - five meetings
South Australia - three meetings
Western Australia - five meetings
New South Wales - four meetings
Tasmania - three meetings
Queensland - three meetings

Following each meeting minutes of their proceedings were forwarded to the Central Coordinating Committee. The Central Committee has met on fourteen occasions.

3.60 AFP operational officers have commented favourably on the new Medifraud Guidelines referred to above. 'On the job' and formal training courses have increased the knowledge and efficiency of the AFP and health investigators. They are made fully conversant with the guidelines and policy directions and believe they are workable. To ensure efficient and effective workings the Guidelines and Police documentation clearly set out the role and responsibility of the departments involved and remove doubts on functional responsibility.

3.61 The three tier reporting system previously referred to has been established and is operating satisfactorily. AFP data processing staff are well advanced in computerising the reported data (in addition to other reported crime). This will ensure speedy access and retrieval of data required by investigators and other authorities.

RECOMMENDATION 7

Medical organisations, especially the medical colleges, should co-operate fully with the Department of Health's efforts in developing appropriate peer group norms for use in the FODS system, and on other aspects of the system. (page 76)

Response

Department of Health

3.62 The recommendation was discussed at a meeting between the Department of Health and the Federal Executive of the Australian Medical Association (AMA) on 16 April 1983 to ascertain how the AMA might assist in the discussions with the various medical colleges. The AMA indicated that it would be prepared to co-operate with the Department in approaching the Colleges. The matter is being pursued by the Department.

3.63 Several Colleges (eg the Royal Australian and New Zealand College of Psychiatrists) have already offered their co-operation in assisting the Department to refine the FODS system in respect of particular specialties.

Additional Information Requested by the Committee

Department of Health

3.64 On 12 August 1983 the Department provided the Public Accounts Committee with various items of information concerning the Fraud and Overservicing Detection System (FODS) in response to a request from the Committee. Included in that information was a Work Program of activities to be undertaken in FODS development as staffing permits. As advised to the Committee at that time, in the immediate future resources are to be concentrated on the training of development staff and tasks will then be undertaken in priority order.

3.65 One of the tasks listed in the Work Program is to 'Develop Peer Group Norms' and, as pointed out in the Work Program paper, close consultation with various specialist colleges will be necessary, to classify correctly specialties and sub-specialties and then establish the norms for each. It is not possible to give an accurate estimate of how long this will take. However, the Work Program follows a logical sequence and the establishment of peer group norms is part of that sequence. Close consultation will be held with the medical colleges at the appropriate time.

3.66 The following medical organisations have given some indication of their willingness to co-operate in improving methods of application of statistical data to medical practice:

(a) The Royal Australasian College of Surgeons;

(b) The Otolaryngological Society of Australia.

RECOMMENDATION 8

The Department of Health and health insurance funds should jointly develop methods for detecting fraud and overservicing that arises where patients receive services from more than one doctor or where doctors treat all the members of a family. (page 77)

Response

Department of Health

3.67 In the context of the current health insurance arrangements - this recommendation (in conjunction with recommendations 16 and 28) was discussed at the meeting of the Health Insurance Advisory Council (HIAC) on 22 February 1983. HIAC decided that co-ordinating committees should be established in each State to represent the registered health funds, which would liaise with the State-based Co-ordinating Groups on medical benefits fraud (see response to recommendation 22).

3.68 In the context of the new Health Plan (Medicare) - recommendations 8, 16 and 28 require further consideration as implementation of the plan develops.

Additional Information Requested by the Committee

Department of Health

3.69 The HIAC State Coordinating Committees have not been established. The subject was listed for discussion at a recent meeting of HIAC held on 18 October 1983. However, the matter was not pursued at that meeting, presumably because the health insurance funds will have no role in medical fraud under Medicare. However, HIAC reaffirmed the continued functioning of an existing standing sub-committee which, inter alia, acts as a 'clearing house' for the receipt and promulgation of information throughout the health insurance industry in fraqudulent practices. The sub-committee comprises health fund and Departmental representation. Because of the changed circumstances under Medicare, the Departmental representation is to be reviewed to reflect the greater emphasis on fraud involving hospital benefits.

RECOMMENDATION 9

Regulations should be promulgated to require doctors who are actually providing services to indicate their provider numbers on all accounts and receipts that attract Commonwealth Medical Benefits. (page 78)

Response

Department of Health

3.70 See response to recommendation 2 (paragraph 3.39, Page 21).

RECOMMENDATION 10

Legislation should be amended to require doctors to submit bulk-billing claims within 2 months of services being provided, with appropriate provision for extensions where this limit would cause hardship. Consideration should also be given to improving a limit on the time patients have to submit claims to health funds. (page 79)

Response

Department of Health

3.71 A new provision that doctors submit their bulk-billing claims within six months was introduced in December 1982. There has been insufficient experience in administering the 6-months requirement to justify a change to two months at this stage. However, this part of the proposal could be considered in the development of the new Health Plan (Medicare).

3.72 In the context of the present health insurance arrangements, the matter of imposing a limit on lodgement of claims by patients was discussed at the meeting of the Health Insurance Advisory Council on 22 February 1983 and the Council agreed that a twelve months limit should be placed on patients for lodgement of claims. The Council agreed that the health funds should have discretion in extending the limit where appropriate.

3.73 However, introduction of the new Health Plan will make this part of the recommendation less relevant.

RECOMMENDATION 11

The Department should undertake a study into the accuracy of Commonwealth Medical Benefits data as a matter of urgency. In the interim, the Department should ensure that appropriate standards are adhered to by health funds in providing data. (page 79)

Response

Department of Health

3.74 The main concern of the Department of Health in obtaining accurate data from the health insurance funds has been identification problems, particularly identification of the actual service provider. However, as mentioned in the response to recommendation 2 (paragraph 3.39, page 21), regulations are being drafted to require doctors to include their provider numbers of service providers on accounts, receipts etc.

3.75 Prior to the recent election, the requirements for a survey of registered medical benefits organisations to test the accuracy of the data were receiving attention. However, with the change of Government and its proposals to implement the Medicare Program, collection arrangements for statistics will change and, accordingly, a survey of registered medical benefits systems does not appear justified, on the basis that the current Scheme does not have long to run.

Additional Information Requested by the Committee

Department of Health

3.76 The Public Accounts Committee has been provided with a copy of a departmental paper entitled 'Improvements/Changes Made to the FODS System Since its Introduction' appended to which is a Work Program of activities to be undertaken in FODS development. This program was prepared some time ago and a number of items on that program have been or are in various stages of implementation.

3.77 A review has recently been undertaken of the progress made in relation to the items detailed in that work program and estimates made of the time which would be involved in completing the various components.

3.78 Unfortunately no precise indication can be given of the tasks which are estimated as being able to be implemented within the next two years. The Departmental organisation to undertake this task is currently being established and the extent to which tasks can be undertaken is largely dependent on the creation of positions and the recruitment of skilled human resources. Every effort is being made to expedite the establishment of an appropriate organisational structure and to undertake recruitment and training of personnel to address the various tasks. In the immediate future resources will be concentrated on the training of developmental staff and tasks will then be undertaken in priority order.

RECOMMENDATION 12

The output of the FODS system should be simplified to facilitate its use by counsellors and investigators. Also the computer system should be developed to carry out initial screening for particular service patterns known to be frequently associated with fraud or overservicing. (page 80)

Response

Department of Health

3.79 While the Department of Health will endeavour to give effect to this recommendation, it is difficult to see how any substantial simplification can be achieved in this inherently complex system.

3.80 The key to understanding the FODS system lies in the adequate training of relevant personnel in the use of FODS. The new staff organisation proposals (see response under recommendation 2 paragraph 3.39, page 21) provide positions for such training.

3.81 As far as screening for particular patterns of service is concerned, the FODS development program is currently being directed towards improving this aspect of the system.

RECOMMENDATION 13

The health insurance legislation should be amended to require identification of doctors who refer patients for specialist treatment or tests, and to require health funds to include this information in data supplied to the Department. (page 80)

Response

Department of Health

3.82 The proposal that the legislation be amended to provide that a referring doctor be identified will be covered by Regulations under Section 19(6) of the Health Insurance Act which are currently being drafted (see response to recommendation 2). These Regulations will specifically require that, for referred services, the referral form number and the name and provider number of the referring practitioner are to be included on accounts, receipts, etc.

3.83 Under Medicare, medical benefits data will come direct into the system and not through the health insurance funds.

RECOMMENDATION 14

The Department should examine doctors' practice patterns over the previous 12 months, as well as the previous quarter. (page 81)

Response

Department of Health

3.84 The Fraud and Overservicing Detection System (FODS) is a two level system. It is designed to provide a screening level - the scan profile and monitoring reports - and a detailed level - the Analysis Profiles and Specialist Profiles.

3.85 The only FODS reports which are limited to a quarterly basis at present are the screening level reports. Personnel using the FODS system are able to examine the practice pattern of doctors over variable periods, one day to several years, at their own discretion using detailed level profiles.

3.86 The essence of the Committee's recommendation is therefore that the screening level profiles should be available on a yearly basis as well as on a quarterly basis. It is currently planned that screening level profiles will be available on a yearly as well as quarterly basis from about September 1983.

Additional Information Requested by the Committee

Department of Health

3.87 The screening level profiles referred to above were not available from September 1983. The reason for this is that the advent of Medicare from 1 February 1984 has necessitated a complete recasting of the scan profiles. The variable period concept will be incorporated in this recasting. It is not expected that the recast profiles will be available before mid 1984.

RECOMMENDATION 15

Additional staff should be allocated to the development of the Fraud and Overservicing Detection System. Further development of FODS should aim at reducing the number of doctors falsely suspected, as well as identifying major fraud and overservicing that currently goes undetected. (Page 82)

Response

Department of Health

3.88 The new organisation as set out under Recommendation 1 (paragraph 3.15, page 16) provides for additional staff to develop FODS along these lines.

3.89 The development of FODS is directed towards improving the detection ability and accuracy of the FODS system. Specific projects which address these problems are:

- Major speciality reclassification;
- Incorporation of age/sex standardisation;
- Development of new profiles; and
- Extension and refinement of selection criteria.

RECOMMENDATION 16

Steps should be taken to improve the level of communication and co-ordination between health funds and the Department of Health in relation to the provision of data and the transfer of information on possible cases of fraud and overservicing. In particular, the legislative impediments to providing claims information to private health funds should be relaxed further to enable a free flow of information between funds and the Department, but on the basis that the other secrecy provisions of the legislation are imposed on the officers and employees of the funds. (page 83)

Response

Department of Health

3.90 See Recommendation 8 (paragraph 3.67, page 29).

RECOMMENDATION 17

All cases of overservicing should be referred for investigation. Where minor overservicing is suspected and detailed investigation does not seem warranted, cases can then be referred to a medical counsellor. (page 86)

Response

Department of Health

3.91 The present Departmental procedures provide for review of doctors covering both fraud and overservicing. The recommendation accords with existing guidelines.

3.92 Management objectives associated with the proposed staffing reorganisations (see response to recommendation 1 paragraph 3.15, page 16) are:

(a) monitoring the practice pattern of all active providers every six months; and

(b) examining in detail the practice patterns of 40% of providers in each twelve months, giving first priority to those whose deviations are extreme and producing detailed reports for counselling or investigation action.

RECOMMENDATION 18

The Australian Federal Police (AFP) should be responsible for maintaining case load statistics on medical fraud cases referred by the Department of Health, to ensure that the performance of their divisional offices is adequately monitored. (page 88)

Response

Australian Federal Police

3.93 See response to Recommendation 6 (paragraph 3.48, page 24). One of the functions of the State Co-ordinating Groups is to report regularly with comprehensive case-load statistics as agreed between the three operational areas. These will show, inter alia, numbers of cases referred to the AFP by Health and numbers of cases handed on to DCS for prosecution following investigation.

3.94 Within this framework, the AFP will continue to maintain its own case-load statistics.

RECOMMENDATION 19

As a short term measure, a national task force drawn from experienced investigation staff of the Department of Health and the Australian Federal Police should be established immediately to tackle the backlog of fraud cases. This task force should be located within the Health Department and work with state investigation sections, but with the police members formally reporting to the Australian Federal Police. Additional funds should be made available for travel by the task force. (page 93)

Response

Department of Health

3.95 Health have already adopted a task force approach, but on an on-going basis rather than as a short-term "emergency" measure. The appointments of the 6 new Central Office investigation staff (2 in Canberra, 2 each in NSW and Vic - see response under Recommendation 1) envisages a flexible working

arrangement with the investigators moving from State to State as required - a 'flying squad'. The appointment of the new Central Office investigation co-ordinator will mean that all investigation resources will be better marshalled to overcome back-log problems.

3.96 The Central Co-ordinating Committee and the State Co-ordinating Groups (outlined at Recommendation 22, paragraph 3.112, page 39) will play an important part in measures adopted to combat medifraud. Priority has been given to the assessment by the Department of Health - with the assistance of the Australian Federal Police and the Deputy Crown Solicitor's Offices where appropriate - of its current back-log of cases to determine which ones should be pursued. Priority is also being given by the State Groups to expediting pending cases. In respect of future cases, they have been directed to concentrate on those to which the new disqualification provisions apply (see responses to Recommendations 5 and 6, paragraph 3.48, page 25).

Australian Federal Police

3.97 A high priority for the Central Co-ordinating Committee and the State Co-ordinating Groups (see response to Recommendation 6, paragraph 3.48, page 25) is the reduction of the current backlog of fraud cases through expeditious investigations followed by prosecutions as appropriate.

3.98 Within the co-ordinating framework referred to in the response to Recommendation 6, the AFP has identified an additional 8 Canberra-based members to form the nucleus of a team to assist the Regions in reducing the backlog of medical fraud investigations. These detectives are co-ordinating their inquiries with Health Department investigators as part of a national task force. It is intended that the team will operate initially for twelve months and the members will be required to travel to Sydney, Melbourne, Brisbane and Adelaide.

RECOMMENDATION 20

By the end of June 1983, the task force should present a report directly to the Ministers for Health and Administrative Services and to the Public Accounts Committee on its activities. (page 93)

Response

Department of Health

3.99 By the end of June 1983 the Department of Health will prepare a report on the progress made in relation to the investigation of medical fraud, particularly as a result of the recent staffing re-organisations. The report will be prepared for the Minister for Health in the first instance.

Australian Federal Police

3.100 The Central Co-ordinating Committee will report regularly to Ministers on progress being made within the new co-ordinating and operational structures being developed.

3.101 It has been suggested by the Department of Health that it may be too early to submit a comprehensive report by the end of June 1983, but an interim report will be prepared by the Central Co-ordinating Committee for Ministers to submit to the JCPA.

RECOMMENDATION 21

The Department of Health should introduce adequate training in relevant skills for its investigation staff. This training could be through existing police courses or through a special course developed in conjunction with the AFP. (page 94

Response

Department of Health

3.102 The Australian Federal Police (AFP) conduct a number of Stage 1 Detective Training Courses each of six weeks duration. At the request of the Department of Health, the AFP has offered the Department one position on each of the courses conducted throughout the year. The Department accepted this offer for the Detective Training Course which commenced on 14 March 1983 and a departmental medifraud investigator is attending the course.

3.103 However, the syllabus for this Detective course is not altogether appropriate for departmental medifraud investigators and it has been decided that the Department will conduct its own training courses. The courses will be of twelve days duration and two will be held each year using Departmental investigators who have had police training. The Department will call upon the AFP and the Crown Solicitor's Office for specialised input into these courses.

3.104 In addition, the AFP conducted a medifraud induction course (28 February to 4 March 1983) at which five of the newly appointed departmental Task Force attended (see response to recommendation 1, paragraph 3.15, page 16).

3.105 The Commonwealth Crown Solicitor's Office, Canberra, held a national prosecutors' seminar (11-15 April 1983), at which Department of Health officers provided advice on medical fraud as a specific type of offence. The issues covered by Health were:

(i) the JCPA report

(ii) a demonstration of the FODS system; and

(iii) practical aspects of medical fraud investigation and prosecution.

Australian Federal Police

3.106 Formal application has been made by the Department of Health to the AFP for assistance in training. Positions are being made available for selected Health Department investigators on the AFP Stage 1 (six-weeks) Detective Training Course.

3.107 In addition, a five-day course has been devised for AFP and Health Department investigators to be held at the AFP College at Barton, in the A.C.T. The first of these courses was run during March 1983.

3.108 AFP officers are available to make specialised inputs into training courses run by the Department of Health.

Additional Information Requested by the Committee

Department of Health

3.109 The first Department of Health medifraud investigation training course was held in Canberra between 12-23 September 1983 and was attended by twenty-five State-based investigators, including representative of Pharmaceutical Benefits and Nursing Home Care and Benefits Branches. The course was designed by the Department of Health and modified to reflect the investigative and legal background requirements associated with Health legislation. Guest lecturers were provided from Australian Federal Police, Deputy Crown Solicitor's Office and Departmental sources, to supplement instruction.

Australian Federal Police

3.110 To date two specialist Medifraud investigations courses have been conducted by the AFP. A total of thirty-five members from all Regions of the AFP have attended the courses.

3.111 In respect of the nature of the specialist inputs made by AFP officers to the Department of Health training courses AFP Detective Training staff lecture in the following areas - judges rates, concepts and elements of law, introduction to criminal law, preparation of records of interview, execution of search warrants, forgery of documents, laws of evidence.

RECOMMENDATION 22

In addition to the proposed national task force, integrated investigation sections should be established in all state offices of the Department of Health, comprising officers from the Department and the Australian Federal Police, with investigation teams for particular fraud cases being drawn from these sections. (See also recommendation 32). The Committee also recommends that these teams be expanded to include legal staff from the relevant Deputy Crown Solicitor's office and investigation staff from health insurance funds where appropriate. As far as practicable, the AFP and Health personnel involved should be posted on a permanent basis. (page 97)

Response

Department of Health

3.112 The new organisation as outlined under Recommendation 1 is based on the concept of integration with the other organisations (AFP and DCS). However, this integration will not take exactly the same form as envisaged by the JCPA in that the AFP and DCS officers will not be physically outposted to State Offices of the Department of Health.

3.113 The three Commonwealth agencies - Health, Crown Solicitor's Office, Australian Federal Police - have established in Canberra Central Co-ordinating Committee on Medical Benefits Fraud to nationally monitor the investigation and prosecution of medical benefits fraud.

3.114 In addition, State Co-ordinating Groups have been established in each State which will be responsible for co-ordinating the day-to-day joint activities at the individual case level.

3.115 The aim of improved co-ordination will be achieved by these new co-ordinating organisations, without actual co-location in State Offices of Health.

Australian Federal Police

3.116 The State Co-ordination Groups (referred to in the responses to Recommendations 6, 18 and 19, paragraphs 3.48, 3.93 and 3.95 respectively) will carry out the functions implied in this Recommendation and will comprise senior case officers from the 3 operational areas (Health, DCS and AFP) in each State.

3.117 The future capacity of the AFP to assign officers permanently and solely to medifraud investigations depends in a large part on the response of the Public Service Board to the request for an additional fifty positions (referred to in the *response to Recommendation 1, paragraph 3.15, page 16).*

RECOMMENDATION 23

Once FODS data or other information suggests that a doctor is engaging in fraud, investigators should also seek the most recent claims on which to base prosecutions. This will involve up-to-date claims information from health funds or from the Department's bulk-billing system. (page 98)

Response

Department of Health

3.118 The Department's bulk-billing system currently provides up-to-date claims information (ie generally three to four weeks after date of service).

3.119 Under the existing health insurance arrangements, health fund claims information is not so readily accessible from the Department's data storage system. However, health funds are anxious to assist investigators and, therefore, provide up-to-date claims information from their own systems. Consequently, it is necessary to maintain close liaison with health funds.

3.120 The implementation of the new Health Plan (Medicare) will make this aspect of the recommendation irrelevant.

RECOMMENDATION 24

AFP and Health Department written procedures should be amended immediately in the light of the new section 19B of the Health Insurance Act which allows automatic disqualification of a doctor for medical benefits purposes, to emphasise that in many cases only a handful of offences need be brought before the courts to take advantage of this provision. (page 98)

Response

Department of Health

3.121 *The issues raised in this proposal are dealt with under* the responses to Recommendations 5 and 6 (paragraph 3.48, page 25).

Australian Federal Police

3.122 Account has been taken of this Recommendation in the new Medifraud Guidelines drawn up by the Central Co-ordinating Committee and *now submitted to Ministers for approval (see* response to Recommendation 6, paragraph 3.48, page 25).

RECOMMENDATION 25

The proposed national task force should concentrate on investigation of doctors who are already suspected of undertaking large scale fraud, and focus on offences commited by these doctors after 1 November 1982, both to ensure that witnesses have fresh memories and to enable the new disqualification provision to be applied. This will also mean that priority is given to doctors who are continuing their fraudulent practices. (page 99)

Response

Department of Health

3.123 The issues raised in this proposal are addressed in the new 'Medifraud Guidelines' a copy of which has been forwarded to the Committee.

Australian Federal Police

3.124 Account has been taken of this Recommendation in the new Medifraud Guidelines drawn up by the Central Co-ordinating Committee.

3.125 Given the severe limits on investigatory resources available and the inability of the judicial system to cope with large numbers of charges preferred in a single case, there is a need to balance various conflicting demands - reducing the backlog of cases, developing through successful prosecutions an effective deterrent to the growth of medical fraud and demonstrating to the courts and the community the extensive criminal activities and conspiracies involved in particular cases.

3.126 Irrespective of the disqualification legislation, the AFP favours prosecution for a large number of offences where large-scale fraud is evident, so as to obtain suitable penalties from the courts. The AFP recognises, however, that decisions will have to be made in each particular case within the framework set out in the Medifraud Guidelines. These decisions will be made by DCS in consultation with Health and the AFP, in the context of the State Co-ordinating Groups and, as appropriate, the Central Co-ordinating Committee.

RECOMMENDATION 26

Additional legal staff should be made available for prosecution of medical fraud cases. The Committee also recommends that consideration be given to appointment of a special prosecutor (being a leading senior counsel) to provide the maximum impact and to clear the backlog of cases. The special prosecutor should be supported by competent legal officers within the Crown Solicitor's Division or lawyers in private practice. (page 102)

Response

Department of Health

3.127 This is a matter for the Crown Solicitor's Office of the Attorney-General's Department. However, it is understood that, that Department is seeking an increase in its legal staff to specialise in the prosecution of medical fraud cases.

3.128 It is also understood that the Attorney-General's Department is developing an improved system for obtaining services of private barristers for such prosecutions.

3.129 As to additional staff, see response to recommendation 1 (paragraph 3.15, page 16).

3.130 It is considered that the objectives of the Committee in making this recommendation can be achieved without involving a special prosecutor and the Government's plan of approach is as indicated in its reference to other recommendations.

Additional Information Requested by the Committee

Attorney-General's Department

3.131 The reference to 'an improved system for obtaining *services of private barristers*', referred to above by the Department of Health, stems from a view expressed at a meeting of the Central Co-ordinating Committee that there would be advantage in developing a group of counsel who have expertise in the area of medifraud. To date the proposal has not been implemented. The natural tendency to deliver briefs to counsel proficient in the relevant area of law has operated in a way conducive to the result sought.

RECOMMENDATION 27

Legal officers from the Deputy Crown Solicitor's offices or from private practice should be included in the proposed national task force, to ensure that appropriate cases are selected for investigation

and to allow the task force itself to proceed to prosecution where possible. These lawyers should work closely with the special prosecutor when appointed. (page 103)

Response

Department of Health

3.132 This is a matter for the Crown Solicitor's Office of the Attorney-General's Department - see also response to recommendation 26 (paragraph 3.127, page 42).

Attorney-General's Department

3.133 *The response to this recommendation is as indicated in* responses to other recommendations.

RECOMMENDATION 28

The legislation should be amended to allow health funds and patients, as well as the Commonwealth, to recover payments made by them in respect of any account which is fraudulent or is false, misleading or inaccurate in a material particular. Funds should be encouraged to investigate and prosecute cases of fraud to reduce the number of fraudulent claims. Either individually or collectively, all private health funds should establish investigation units. (page 104)

Response

Department of Health

3.134 See response to recommendation 8 (paragraph 3.67, page 28).

RECOMMENDATION 29

State and Commonwealth Governments in consultation should introduce uniform medical registration legislation to provide for national registration of medical practitioners. This legislation should require that, when ever a doctor is convicted of medical fraud or any other criminal offence related to the practice of medicine, the doctor is automatically deregistered nationally for a period, and should not be re-registered until the relevant board is satisfied that the doctor is fit and proper to be re-registered. A repeated offender could be deregistered for life. (page 109)

Response

Department of Health

3.135 The basic issues in this recommendation involve the strengthening of States' deregistration provisions and also ensuring that, if a doctor is deregistered in one State because of an offence, automatic deregistration should follow in all States.

3.136 This proposal was discussed at the Health Ministers' Conference held on 28-29 April 1983. In general terms, the States agreed to co-operate in this matter. The Department of Health will pursue this matter with the States.

Additional Information Requested by the Committee

Department of Health

3.137 The Department's response above is not intended to imply that there was a disagreement between the States and the Commonwealth on this subject. Following the Health Ministers' Conference in April 1983 the Director-General of Health, on 24 June, 1983, wrote to the heads of the health authorities of all States, the Northern Territory and the Australian Capital Territory seeking their views inter alia on the proposal contained in recommendation 29. The general cooperation of the States was reiterated at a subsequent Health Ministers' Conference in July 1983. On receipt of all replies from the States it is intended that a Commonwealth/State Officers meeting be held to discuss these matters. To date, replies have been received from ACT, Qld, Tas, WA, Vic and NT.

RECOMMENDATION 30

The Department of Health and the Australian Medical Association should co-operate in standardising their respective schedules of fees to ensure common descriptions and item numbers, although the Association should be free to advise its members on the level of fee for each item (not being the fee on which medicl benefits are based). (page 116)

Response

Department of Health

3.138 This matter was discussed in general terms at a meeting between the Department of Health and the Federal Executive of the Australian Medical Association (AMA) on 16 April 1983. The Department will now pursue this matter with the AMA in more specific terms, probably through a special working party.

Additional Information Requested by the Committee

Department of Health

3.139 The special working party referred to above has been formed. It met on 16 September 1983 and discussions covered the differences between the Department's definition of general practitioner 'out of hours' services and 'time-tiered attendances' (as provided for in Part 1 (Professional Attendances) of the Medical Benefits Schedule) and those of the Australian Medical Association (AMA). Both parties agreed to consider certain proposals affecting the two issues. The AMA representatives agreed to place the proposals before the Federal Counciul of the AMA. The Department's formal agreement to the proposals was conveyed to the AMA on 28 September 1983. The Department is awaiting a response from the Federal Council of the AMA which is not expected before January 1984.

RECOMMENDATION 31 and 32

A new role of medical investigator should be established within the Department of Health to interview doctors with respect to apparent cases of serious overservicing, and to assist in fraud cases as required. The medical investigators should be qualified medical practitioners, and the duty statements for the positions should emphasise the quite different qualities that are desirable in an investigator, compared to a counsellor whose major activity is to educate and advise. Where a medical investigator has not had prior investigation experience, formal training in investigation techniques should be provided. (page 127)
The new positions of medical investigator should be located in the recommended integrated investigation sections, which will examine serious cases of overservicing (as well as fraud) without prior counselling and refer relevant cases directly to the proposed Medical Benefits Tribunals. (page 127)

Response

Department of Health

3.140 The Department of Health does not see a role for medical investigators to assist in fraud cases. The Department considers that its investigation personnel are capable of undertaking the initial investigation of suspected fraud. They also have access to medical advice during their investigations through the Department's medical counsellors.

3.141 However, as far as overservicing is concerned, it is recognised that medical investigators may have a role in investigating the extent of the overservicing, at a point before

the doctor is referred to the Committee of Inquriy. The Department will therefore consider this matter in the overall review of new arrangements for dealing with overservicing. (See response under recommendations 37-41, paragraph 3.151, page 50)

RECOMMENDATION 33

The role of medical counsellors should be limited to educating and advising doctors on the Medical Benefits Scheme, and following up minor cases of overservicing that do not warrant detailed investigation. The counsellors should not be involved in recovery of money from doctors suspected of overservicing. Any suggestion of fraud or major overservicing that arises in the course of counselling should be referred to the investigation section. The Committee also recommends that where counsellors interview doctors suspected of minor overservicing, the doctors' practice patterns be reviewed after six months with a view to possible investigation if the situation has not improved. (page 127)

Response

Department of Health

3.142 The recommendation basically reflects current Departmental policy in respect of the functions of medical counsellors.

Additional Information Requested by the Committee

Department of Health

3.143 In the above response the word 'basically' was meant to imply that there were no significant differences between the existing functions of the Department's medical counsellors and the role the Public Accounts Committee proposes for counsellors in its recommendation.

3.144 Some minor differences between Departmental policy and the recommendation are:

(a) counsellors render useful advice on medical practice procedures to Departmental Monitoring and Investigation staff and health insurance funds which can avoid inappropriate activity; and

(b) the practice patterns of doctors who overservice are usually reviewed by the Department after 9-12 months, rather than after 6 months as recommended by the PAC,

because of the delays in lodging claims by patients and subsequent statistical processing and accumulation of data.

RECOMMENDATION 34

All doctors engaged in any form of private practice should be visited by medical counsellors at least once every three years to update their knowledge of the medical benefits arrangements, in particular any changes to the Schedule, and to offer any advice the doctor requires on these matters. (page 128)

Response

Department of Health

3.145 This is already provided for within work targets of the new staff organisation (see response to recommendation 1, paragraph 3.15, page 16).

RECOMMENDATION 35

The Commonwealth should strongly urge the States to introduce a requirement that all doctors either receive counselling or attend an appropriate course (see recommendation 45) before registration. (page 128)

Response

Department of Health

3.146 This matter was discussed at the Health Ministers' Conference held on 28-29 April 1983. In general terms, the States agreed to co-operate in this matter. The Department of Health will pursue this matter with the States. (see also additional information provided on 21 October 1983 in respect of the response to Recommendation 29 above)

3.147 As the Commonwealth allocates substantial funding to the Family Medicine Program (FMP) an examination is also being made to see if the relatively large number of newly graduated general practitioners coming into contact with FMP could receive such instruction as a standard component of the FMP course. This proposal will be discussed with the FMP secretariat at the next meeting between the Department of Health and the Secretariat. The timing of this meeting is unknown at this stage.

Additional Information Requested by the Committee

Department of Health

3.148 Departmental officers met with representatives of the Family Medicine Program (FMP) on 19 September 1983. It was noted that, generally speaking, most States provide the opportunity for Department of Health counsellors to be involved in on-going courses held for trainees prior to their first term in a practice attachment. However, there appears to be a wide variation in the involvement of Department counsellors because at the present time the FMP does not have an established syllabus to include training/counselling in relation to the Medical Benefits Schedule, the Health Insurance Act etc.

3.149 The FMP representatives agreed that training in avoidance of 'fraud and overservicing' would add to the competence of their trainees. As a first step it was agreed that the Department's Principal Medical Officer would meet with the FMP's Medical Educators in Melbourne on October 21, the purpose being to inform the medical educators of the extent to which the Department would want the counsellors involved in the courses, including proposed course content.

RECOMMENDATION 36

Specialist counsellors should be appointed on a part-time basis, in consultation with the appropriate colleges, to provide counselling to members of their speciality where full-time counsellors are not equipped to do so, and to provide any necessary advice to medical investigators. (page 128)

Response

Department of Health

3.150 This proposal for appointment of part-time specialist counsellors may raise policy issues for the medical colleges as it would involve them in direct participation in action to control overservicing. However, it will receive consideration in the context of the review outlined under recommendations 37-41 and 43.

RECOMMENDATIONS 37, 38, 39, 40, 41 and 43

37. The current Medical Services Committees of Inquiry should be abolished and Medical Benefits Tribunals established in each State to examine suspected cases of overservicing. Medical investigators should consider whether there is a prima facie case for recovery of money, in which case the matter would be referred to a Tribunal; if the overservicing

is considered to be minor and recovery is not appropriate, the medical investigator should refer the matter to the counsellors. (See recommendation 33). (page 130)

38. The proposed Medical Benefits Tribunals should be empowered to examine representative samples of services rendered by a doctor and to generalise from such samples in determining the amount of benefit to be repaid. The samples for a doctor could be drawn from claims for a particular type of service, claims with respect to particular patients or from the doctor's overall practice. Advice should be sought from the Australian Bureau of Statistics on the methods to be used in selection of samples. (page 130)

39. Membership of the Tribunals should:

(a) include specialist expertise where medical specialists are being examined;

(b) exclude State Directors of Health; and

(c) be appointed by the Minister for Health who should not be restricted to nominations invited from medical colleges and associations. (page 131)

40. Arising out of its consideration of a particular case, a Tribunal should also be empowered to recommend that:

(a) the evidence on a particular case be referred to the appropriate Medical Registration Board;

(b) appropriate authorities consider specific changes to the Medical Benefits Schedule or other aspects of the Medical Benefits Scheme; and

(c) specialist colleges or other elements of the medical profession consider aspects of the quality or form of medical practice. (page 132)

41. Tribunals should adopt streamlined and informal procedures in cases where the doctor acknowledges that excessive services were provided and does not contest the matter before the Tribunal, especially where the overservicing was on a small scale. (page 133)

43. Consideration should be given to replacing the Medical Services Review Tribunal with appeals to the Administrative Appeals Tribunal, with any necessary modification to the latter's powers and procedures. (page 134)

Response

Department of Health

3.151 *In collaboration with Attorney-General's Department,* the Department of Health is working on the development of a completely new committee system to deal with overservicing. It is expected that this new system will contain many of the main features of the new Tribunal concept contained in this group of recommendations.

3.152 The Australian Medical Association is also being consulted.

3.153 The development of the new committee system is being advanced as rapidly as possible.

3.154 Extensive new legislation would be required to implement any new committee system.

Additional Information Requested by the Committee

Department of Health

3.155 Full details of the proposed new system have not yet been developed and, when developed, will require consideration by the Minister for Health and the Government.

3.156 However, within the Department of Health and in consultation with the Attorney-General's Department, consideration is being given to a system which may have the following main characteristics:

- there would be a new system of Tribunals - at least one in each State;
- the Tribunals could be full-time, in the sense that they would meet as required by their workloads and during normal working hours;
- each Tribunal could comprise a legaly qualified full-time Chairman plus two medically qualified members who could be drawn from standing panels of medical practitioners;

- the standing panels of practitioners could comprise groups of practitioners from each of the main branches of medicine and, according to the particular branch of medicine to which a referred doctor belonged, medical members would be drawn from these groups for hearings;
- the Tribunals would operate independently of the Department (although the Department might provide their secretariats);
- the Tribunals would be decision-making (not recommending) bodies;
- the Tribunals would have powers to order repayment *of benefits for services found to be excessive.* Procedures for giving wide publicity to such orders would need consideration;
- the Department and the referred practitioner, respectively, would be 'parties' to proceedings before the Tribunals and each would be entitled to legal representation.

3.157 Procedures surrounding the operation of the Tribunals could be along the following lines:

- the Department would develop a fully documented 'case' for repayment, including a specified amount recommended for recovery. This would be referred to the Tribunal, with a copy to the practitioner;
- *a Tribunal representative (who would not then be* permitted to participate in a formal hearing if such a hearing eventuated) would seek to convene a 'preliminary conference' to the two parties for the purpose of ascertaining whether the doctor totally rebuts the Departmental case, fully concedes the Departmental case or is prepared to concede the Departmental case to some extent;
- the doctor would not be compelled to attend a preliminary conference;
- preliminary conferences and the outcomes thereof would be private;
- Departmental representatives at preliminary conferences would need some power to negotiate for recovery of an amount *less* than that stated in the Departmental case, within specified limits and under specified conditions;

- if the practitioner declined to participate in a preliminary conference or if, having participated, he totally rejected the Departmental case or there was failure to reach agreement on repayment of an amount lower than that stated in the Departmental case, the matter would be referred to the Tribunal for a formal hearing.

3.158 At this stage, the Department does not envisage the AMA having any direct role in the new Tribunal system, akin to the role the AMA *now has in nominating members of Medical Services* Committees of Inquiry. Appointments to the new Tribunals would be made by the Minister for Health and, in making such appointments, the Minister could have regard to any nominations which the AMA or any other professional organisation may choose to put forward. However, the Minister's choice of appointees would not be in any way restricted to nominated practitioners.

RECOMMENDATION 42

Doctors who are found to have provided excessive services totalling in any one year more than an amount prescribed in legislation, or who are found on two separate occasions to have provided excessive services totalling less than the prescribed amount, should be automatically disqualified for medical benefits purposes, in the same way that current legislation provides for automatic disqualification of doctors convicted of fraud. (page 133)

Response

Department of Health

3.159 The concept of disqualification for excessive servicing will be considered in the development of proposals for a completely new committee system (see response to recommendations 37-41, paragraph 3.151, page 50). Significant legal policy issues arise in defining overservicing. Proposals will be developed for consideration with the Crown Law authorities.

Additional Information Requested by the Committee

Attorney-General's Department

3.160 The Department of Health and this Department are affording a high priority to the development of new procedures to deal with overservicing. As mentioned in the Department of Health's response to Recommendations 37-41 and 43, the system being developed follows the main features of the Committee's recommendation. Consideration is being given to the legal and practical difficulties of sampling as a basis for determining the extent of overservicing. The AMA has been involved on a regular basis in these discussions.

RECOMMENDATION 44

The Commonwealth should no longer automatically meet the costs of doctors who appeal against determinations regarding overservicing, but require such doctors to meet their own costs, unless the relevant tribunal or court decides otherwise, in line with the usual practice in courts of law. (page 134)

Response

Department of Health

3.161 It is proposed to seek approval to amend the legislation when the first opportunity arises, to require each party to meet their own costs.

Additional Information Requested by the Committee

Department of Health

3.162 It is expected that the Government will introduce amending legislation during the current sittings of Parliament to give effect to this recommendation.

Attorney-General's Department

3.163 Recommendation 44 of the Public Accounts Committee is implemented by clause 13 of the Health Legislation Amendment Bill (No. 2) 1983.

RECOMMENDATION 45

The final year of medical training should include compulsory courses on ethics, health economics, the law associated with medical practice, and the health insurance arrangements with special reference to the Medical Benefits Schedule. (page 135)

Response

Department of Health

3.164 By memorandum of 20 January 1983, to the Chairman of the Tertiary Education Commission, the JCPA has already sought the Commission's views on this.

3.165 By memorandum of 27 January, Health requested the Commission to keep the Department informed of its views.

3.166 Attached at Appendix 3 are comments on various matters raised by the Committee in Chapter 8 of its Report. The Committee should note that these matters contain legal policy issues which have been referred to the Attorney-General's Department.

APPENDIX 1

TABLE 1A

COMMONWEALTH DEPARTMENT OF HEALTH

FRAUD AND OVERSERVICING POSITIONS - STATES

	Medical Counsellors	OIC	Support	Investigation Group	Monitoring Group	Committee Support	Total
New South Wales	5	1	1	16	16	6	45
Victoria	3	1	1	11	11	5	32
Queensland	1.5	1	1	7	7	4	21.5
South Australia	1	1	1	7	5	4	19
Western Australia	1	1	1	7	5	4	19
Tasmania	0.5	1	1	2	2	2	8.5
	12	6	6	50	46	25	145

Note: 1. Investigation Group comprises 42 Investigation Officers and 8 support staff.

2. Further Investigation Officers (2 in Sydney and 2 in Melbourne) are outposted from the central Task Force and will, when not engaged on Task Force duties, supplement State Investigation Groups.

3. Committee Support consists of 25 positions involved in fraud and overservicing activities. A further 9 positions are included in the States organisation to provide support to unrelated statutory committees such as Specialist Recognition Advisory Committees and Nursing Homes Fees Review Committees: these positions are not shown above.

COMMONWEALTH DEPARTMENT OF HEALTH

POSITIONS AND CURRENT STAFFING AS AT 14 OCTOBER 1983

(Note that current staffing includes staff on temporary transfer)

	Medical Counsellors	OIC	Support	Investigation Group	Monitoring Group	Committee Support	Total
New South Wales	5 (5)*	1 (1)	1 (1)	16 (11)	16 (9)	6 (4)	45 (31)
Victoria	3 (3)	1 (1)	1 (1)	11 (6)	11 (9)	5 (4)	32 (24)
Queensland	1.5(1.5)	1 (1)	1 (1)	7 (4)	7 (7)	4 (3)	21.5(17.5)
South Australia	1 (1)	1 (1)	1 (1)	7 (4)	5 (3)	4 (2)	19 (12)
Western Australia	1 (1)	1 (1)	2 (2)	7 (6)	5 (5)	4 (4)	20 (19)
Tasmania	0.5 (.5)	1 (1)	1 (1)	2 (1)	2 (2)	2 (1)	8.5(6.5)
	12 (12)	6 (6)	7 (7)	50 (32)	46 (35)	25 (18)	146 (110)

Note: 1. Investigation Group comprises 42 Investigation Officers and 8 support staff.

2. Further Investigation Officers (2 in Sydney and 2 in Melbourne) are outposted from the Central Task Force and will, when not engaged on Task Force duties, supplement State Investigation Groups.

3. Committee Support consists of 25 positions involved in fraud and overservicing activities. A further 9 positions are included in the States organisation to provide support to unrelated statutory committees such as Specialist Recognition Advisory Committees and Nursing Homes Fees Review Committees : these positions are not shown above.

* ( ) indicates current staff at 14 October 1983

APPENDIX 1
TABLE 1B

COMMONWEALTH DEPARTMENT OF HEALTH

FRAUD AND OVERSERVICING POSITIONS - CENTRAL

	Existing at March 1983	Proposed New Organisation
Principal Medical Officer	1	1
Executive & Support	2	6
Investigation Support	4	6
Investigation Projects	1	4
Disqualification	-	2
Central Task Force & Training	6	9
Overservicing Projects	-	4
Overservicing Legislation	-	3
Committees & Tribunals	2	5
Detection System Design	3	7
Detection System Implementation	5	5
	24	53

APPENDIX 1
TABLE 2A

APPENDIX 1

TABLE 2B

COMMONWEALTH DEPARTMENT OF HEALTH

SURVEILLANCE AND INVESTIGATION DIVISION : CENTRAL OFFICE

	Existing at June 1983	New Organisation
Executive and Support	-	6
Principal Medical Officer	1	1
Investigation Support	4	6
Investigation Project Development	1	4
Disqualification	1	3
Investigation Task Force and Training	6	9
Surveillance Project Development	2	7
Overservicing Committees and Tribunals	2	7
Detection System Design	3	9
Detection System Implementation	4	7
	24	59

NOTE:

The breakup of positions against functional groups shown above varies in minor detail from the groupings shown in the March 1983 list provided for the Finance Minute. The differences result from changes to the proposed new organisation which were decided subsequently.

A recent addition in this regard was a third position transfered from another Division of the Department to the Disqualification Section, Investigation Branch on 19 September 1983.

APPENDIX 2

PLAN OF ACTION

POLICY AND PLANNING DIVISION, DEPARTMENT OF HEALTH

Policy and Planning Division is reviewing all programs and operations of the Department with the objective of:-

(i) Identifying all programs and operations of the Department with potential for:-

  (a) fraud and overservicing; or

  (b) inconsistencies in the interpretation of policies when dealing with the public or authorities;

(ii) Establishing what guidelines exist for such programs and operations;

(iii) Commenting on the adequacy or otherwise of guidelines and specify programs, operational functions or activities which require guideline provision; and

(iv) Commenting on the adequacy or otherwise of the staff which Divisions/State offices allocate to meet the provisions of the guidelines.

A priority order for the review of each program or operation has been approved by the Director-General. Programs have been divided into three levels - High, Medium and Low and again divided within these categories. The priority listings are generally, but not necessarily in order of cost; but take into consideration the possibility of fraud, possible inconsistency of interpretation which would directly affect the public and possible overpayuments due to inconsistency of interpretation.

First priority has been given to the Medical Benefits Scheme, within which fraud and overservicing will receive attention first. Two other programs, Isolated Patients' Travel and Accommodation Assistance Scheme and Domicilary Nursing Care Benefit, are also in the first priority group and are also under review.

APPENDIX 3

DEPARTMENT OF HEALTH COMMENTS

ON SOME MATTERS NOT COVERED BY SPECIFIC RECOMMENDATIONS IN THE PROGRESS REPORT

1. Use of Generalised Evidence: (paras 8.33-8.38 of Report 203).
   Proof by Averment: (paras 8.39-8.43)
   Criminal Penalties: (paras 8.44-8.46)
   Restitution Orders: (para 8.55)
   Mode of Trial: (para 8.56)

These matters contain legal policy issues. Accordingly, the Department of Health has sought advice on them from the Attorney-General's Department.

2. Power to Refuse Payment of Benefit: (paras 8.47-8.50)

The Department agrees in principle that the ideal situation would be to refuse payment of benefits in respect of suspected fraudulent claims. However, under the present health insurance arrangements, fraud by preactitioners cannot usually be detected until after claims have been lodged and payment of benefits made. Except where the Department receives information from other sources (a 'tip-off'), identification of doctors suspected of fraud is usually dependent upon aggregation of data from claims already paid.

As pointed out by the committee, a major difficulty would arise where a patient has already paid the doctor and is seeking reimbursement from a medical benefits fund.

It may be less difficult to give effect to this concept under the forthcoming Medicare arrangements, and this matter will be examined in that context.

3. Contractural Arrangements: (paras 8.51-8.54)

The Department of Health considers that this concept has some merit in that it may be easier to act upon breach of contract than to prove fraud. However, the Department considers that effect has already been given to the main thrust of this concept, without the need for contractural arrangements: under the disqualification legislation which came into effect in 1982, a doctor who has been found to have committed two or more offences of fraud is automatically disqualified from the medical benefits arrangements.

A further important factor involved is that a contractural arrangement is likely to be interpreted by some sections of the medical profession as a form of conscription which they would resist, both politically and legally.

4. Doctors' Records: (para 8.57 and 8.59)

It is a long-established principle within the profession of medicine that doctors should keep adequate records. The Department has no specific powers to impose requirements of this type. However, when the new regulations under Section 19(6) of the Health Insurance Act come into operation (please see response under recommendation 2), the need for full details on doctors' accounts, receipts, etc. should influence doctors to maintain adequate records.

5. 'Professional Attendances': (paras 8.61 - 8.63)

Regulations are being drafted to provide that, in the case of relevant services such as consultations, benefits are not payable unless there has been a direct personal attendance on the patient by the doctor. It is expected that these regulations will be ready to come into operation within about two months.

With regard to the situation where a doctor issues a prescription without a personal attendance on the patient, the regulations will legally clarify the long-standing intention that such services should be excluded from the medical benefits arrangements.

The option of providing a special item in the schedule as mentioned in para 8.62, would increase medical benefits expenditure and add another item to the Schedule.

6. Simplification of the Schedule: (para 8.65)

The Government's stated policy is to revise the Schedule in cooperation with the States and the medical profession. This matter is currently receiving attention in the context of the implementation of Medicare.

APPENDIX 4

PROGRAMS TO BE REVIEWED

POLICY AND PLANNING DIVISION, DEPARTMENT OF HEALTH

FUNDED PROGRAMS

	1982/83 $m
High Priority	
Medical Benefits Scheme	
Payments to Practitioners	917.0
Agency Payments (service fee to medical benefits organisations)	5.4
Nursing Homes Assistance	
Deficit financing	205.9
Nursing Home Benefits	534.0
Pharmaceutical Benefits Scheme	457.9
Daily Bed Payments to Private Hospitals	90.0
Domiciliary Nursing Care Benefit	22.8
Quarantine Services: payments to authorities and medical practitioners	15.2
Isolated Patients Travel and Accommodation Assistance Scheme	6.9
Medium Priority	
Drug Education Program	1.8
Home Nursing Subsidy Scheme	21.1
Tuberculosis Allowances	1.2
Paramedical Services	1.2
National Trachoma Program	1.1
Stoma Appliances	3.5
Family Planning Program	0.8
Low Priority	
Vaccines	2.8
Aids for Disabled	3.6
Royal Flying Doctor Service	4.5
Health Program Grants	5.3
Health Services Research and Development Grants	1.6
Blood Transfusion Service	10.9
Community Health - national projects	7.5
Australian Encephalitis Control Program	0.2
Medical Research (Medical Research Endowment Fund)	29.7
Hospital Benefits Reinsurance Trust Fund	100.0

OPERATIONAL PROGRAMS

National Acoustic Laboratories
- Services to eligible persons
- Consultancy services

Pathology Laboratories
- Patient payment mechanisms

Commonwealth Medical Officer Service
- Procedures for the implementation of medical services for the Commonwealth employment, compensation, pensions, etc.

N.B.S.L.
- Drug evaluation procedures
- Procedures for the development of standards
- Code of good manufacturing practice of pharmaceuticals by private enterprise.

Commonwealth Institute of Health
- Procedures for the provision of advice and consultancy services.

Australian Radiation Laboratory
- Procedures for the provision of surveillance and advisory services on radiation health hazards.
- Codes of practice for safe and efficient use of radio-active material.

APPENDIX 5

COMPLETED PROGRAM REVIEWS

POLICY AND PLANNING DIVISION, DEPARTMENT OF HEALTH

Program	Date Forwarded	Comments to Date from Central Office Divisions
Isolated Patients' Travel and Accommodation Assistance Scheme	May 1983	Major recommendations accepted - Draft procedures manual currently being prepared, which will be discussed with officers of State Divisional Offices. - Revised application form and explanatory pamphlet expected by December 1983.
Domiciliary Nursing Care Benefit	May 1983	Major recommendations accepted.
Private Hospital Bed Day Subsidy	June 1983	
Nursing Home Subsidy	July 1983	Major recommendations accepted - procedures manual to be prepared - explanatory notes to be updated - review of document checks to be undertaken
Paramedical Services Scheme	Oct. 1983	
National Drug Education Program	Oct. 1983	

COMMONWEALTH OF AUSTRALIA

JOINT PARLIAMENTARY COMMITTEE OF PUBLIC ACCOUNTS

PARLIAMENT HOUSE
CANBERRA, A.C.T.
TEL. 72 7455

MEDIA RELEASE

PAC WIDENS ITS INQUIRY INTO MEDICAL FRAUD AND OVERSERVICING

The Public Accounts Committee has decided to widen its Inquiry into Medical Fraud and Overservicing.

In its Progress Report on Medical Fraud and Overservicing (No. 203) the Committee foreshadowed several major areas it wished to consider for its final report. The Committee has now decided to call for and examine evidence relevant to the following areas:

- patient fraud;
- fraud associated with hospitals;
- fraud and overservicing associated with prescription of pharmaceuticals;
- fraud and overservicing associated with pathology;
- unnecessary surgery;
- possible strengthening of the legislation with respect to medical fraud;
- possible measures to reduce growth in the number of doctors;
- peer review mechanisms and the development of guidelines for the use of specific medical procedures;
- modification of the medical benefits system to reduce incentives for overservicing;
- revision of the Medical Benefits Schedule; and
- medical education.

The Committee has advertised nation-wide for submissions on the above matters and has written to Australian Medical Schools, Specialists Colleges and Associations, Health Funds, Drug Companies, consumer organisations, individual practitioners and other persons.

The Department of Health's response to the Progress Report has been received and it is expected that this response, together with a major statement by the Chairman, will be tabled later in the Budget Session.

The Committee is seeking submissions from interested persons and organisations on the above or any other matters relating to this Inquiry. Such submissions may be accepted on a confidential basis and should be sent to the following address

The Secretary
Joint Parliamentary Committee of Public Accounts
Parliament House
CANBERRA ACT 2600

Canberra
1 Sept 1983
Enquiries: (062) 727455

COMMONWEALTH DEPARTMENT OF HEALTH

SURVEILLANCE BRANCH

FRAUD AND OVERSERVICING DETECTION SYSTEM DEVELOPMENT

	Existing as at 30 June 1983		New Organisation as at 31 October 1983		
	Positions Available	Positions Filled	Positions Available	Positions Occupied	Current Situation
Detection System Design	3	3	9	7	*Recruitment action underway for positions not permanently filled.
Detection System Implementation	4	4	7	4	*Recruitment action underway for positions not permanently filled.

*As at 31 October 1983 eleven of the sixteen positions in the new organisation were filled either on a permanent or temporary basis pending selection of permanent occupants which is currently being undertaken.

APPENDIX 7

APPENDIX 8

COMMONWEALTH DEPARTMENT OF HEALTH

STATUS OF STATE SURVEILLANCE AND INVESTIGATION SECTIONS

(As at 26.10.83).

	NSW	VIC	QLD	SA	WA	TAS	TOTAL
Finalised	28	17	18.5*	14	16	5.5*	99
Awaiting promotion Gazettal	1	2	1	4	-	2	10
Awaiting PSB Appointment	3	-	-	-	3	-	6
Awaiting Appeal Hearings	10	8	-	-	-	-	18
Frozen pending decisions on redeployment of surplus officers.	-	5	-	-	-	1	6
Readvertised recently or to be readvertised following withdrawal of applicant (or similar)	3	-	2	1	1	-	7
TOTAL POSITIONS	45	32	21.5*	19	20	8.5*	146

* Note: Half-positions are part-time medical counsellors.

APPENDIX 9

CENTRAL CO-ORDINATING COMMITTEE

AGGREGATE CASELOAD AS AT 30 SEPTEMBER 1983

	Time Elapsed since Listing/ Referral	No. of Cases
Dept. of Health: matters listed for investigation	0 - 6 months	143
	6 months +	239
AFP: Medifraud matters under investigation	0 - 6 months	38
	6 months +	15
Attorney-General's: (a) proceedings not yet instituted	0 - 6 months	25
	6 months +	6
(b) proceedings instituted awaiting hearing or appeal	0 - 6 months	16
	6 months +	14
(c) for advice only	0 - 6 months	1
Other		5
	TOTAL CASELOAD	502

APPENDIX 10

POTENTIAL MEDICAL PRACTITIONER DISQUALIFICATIONS AS AT 30 SEPTEMBER 1983

State	No. of Medical Practitioners
NSW	10
VIC	5
QLD	10
SA	4
WA	3
TAS	5
TOTAL	37

Notes

1. Statistics based on information supplied by States as part of case history recording system
2. The disqualification provisions of the Health Insurance Act 1973 as amended came into effect on 1 November 1983
3. Disqualification actions are currently with the AFP and the Attorney-General's Department

THE SENATE

ROLL 15-11-25

SENATORS—

	1. [redacted]	33. [redacted]	
	2. [redacted]	34. [redacted]	
	3. [redacted]	35. [redacted]	
LEAVE	4. BOLKUS	36. [redacted]	
	5. [redacted]	37. [redacted]	
	6. [redacted]	38. [redacted]	
	7. [redacted]	39. MacGIBBON	LEAVE
	8. [redacted]	40. McINTOSH	LEAVE
	9. [redacted]	41. [redacted]	
	10. [redacted]	42. MAGUIRE	
	11. [redacted]	43. [redacted]	
	12. [redacted]	44. [redacted]	
	13. [redacted]	45. [redacted]	
	14. [redacted]	46. [redacted]	
	15. COOK	47. [redacted]	
	16. [redacted]	48. [redacted]	
	17. [redacted]	49. [redacted]	
	18. [redacted]	50. [redacted]	
	19. [redacted]	51. [redacted]	
	20. [redacted]	52. [redacted]	
	21. [redacted]	53. [redacted]	
	22. [redacted]	54. [redacted]	
	23. [redacted]	55. [redacted]	
	24. [redacted]	56. [redacted]	
	25. [redacted]	57. [redacted]	
	26. [redacted]	58. [redacted]	
	27. [redacted]	59. TOWNLEY	LEAVE.
LEAVE	28. HAINES	60. [redacted]	
	29. [redacted]	61. [redacted]	
	30. HARRADINE	62. [redacted]	
	31. [redacted]	63. [redacted]	
	32. [redacted]	64. [redacted]	

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THE SENATE

ROLL 15-11-83

SENATORS—

~~1. ARCHER~~
~~2. BROWNE~~
~~3. BJELKE-PETERSEN~~
LEAVE 4. BOLKUS
~~5. BOSWELL~~
~~6. BURTON~~
~~7. CARRICK, Sir John~~
~~8. CHANEY~~
~~9. CHILDS~~
~~10. CHIPP~~
~~11. COATES~~
~~12. COLEMAN~~
~~13. COLEMAN~~
~~14. COLSTON~~
15. COOK
~~16. CRICHTON-BROWNE~~
~~17. CROSBY~~
~~18. DURACK~~
~~19. ELLIOTT~~
~~20. EVANS, Gareth~~
~~21. EVANS, Jack~~
~~22. FORBES~~
~~23. GEORGES~~
~~24. GHEZZO~~
~~25. GIBBS~~
~~26. GRIMES~~
~~27. GULTOWEB, Dame Margaret~~
LEAVE 28. HAINES
~~29. HAMER~~
30. HARRADINE
~~31. HEANN~~
~~32. HILL~~
~~33. JESSOP~~
~~34. JONES~~
~~35. KILGARIFF~~
~~36. LAJOVIC~~
~~37. LEWIS~~
~~38. McCLELLAND~~
39. MacGIBBON LEAVE
40. McINTOSH LEAVE
~~41. MACKLIN~~
42. MAGUIRE
~~43. MARTIN~~
~~44. MASON~~
~~45. MESSNER~~
~~46. MISSEN~~
~~47. NIMMER~~
~~48. RAE, Peter~~
~~49. RAE, Robert~~
~~50. REID~~
~~51. REYNOLDS~~
~~52. RICHARDSON~~
~~53. ROBERTSON~~
~~54. SEAN~~
~~55. SCOTT~~
~~56. SIBRAA~~
~~57. TATE~~
~~58. TEROUE~~
59. TOWNLEY LEAVE
~~60. WALSH~~
~~61. WALTERS~~
~~62. WATSON~~
~~63. WITTERS~~
~~64. ZAKHAROV~~

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THE SENATE

ROLL 15-11-83

SENATORS—

~~1. ARCHER~~
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LEAVE 4. BOLKUS
~~5. BOSWELL~~
~~6. BUTTON~~
~~7. CAMPBELL, Sir John~~
~~8. CHANEY~~
~~9. CHILDS~~
~~10. CHIPP~~
~~11. COATES~~
~~12. COLEMAN~~
~~13. COLLARD~~
~~14. COLSTON~~
15. COOK
~~16. CRICHTON-BROWNE~~
~~17. CROWLEY~~
~~18. DURACK~~
~~19. ELSTOB~~
~~20. EVANS, Gareth~~
~~21. EVANS, Jack~~
~~22. FOREMAN~~
~~23. GEORGES~~
~~24. GIETZELT~~
~~25. GILES~~
~~26. GRIMES~~
~~27. GUILFOYLE, Dame Margaret~~
LEAVE 28. HAINES
~~29. HAMER~~
30. HARRADINE
~~31. HEARN~~
~~32. HILL~~
~~33. JESSOP~~
~~34. JONES~~
~~35. KILGARIFF~~
~~36. LAKOVIC~~
~~37. LEWIS~~
~~38. McCLELLAND~~
39. MacGIBBON LEAVE
40. McINTOSH LEAVE
~~41. MACKLIN~~
42. MAGUIRE
~~43. MARTIN~~
~~44. MASON~~
~~45. MESSNER~~
~~46. MIDDEN~~
~~47. PRIMMER~~
~~48. RAE, Peter~~
~~49. RAY, Robert~~
~~50. REID~~
~~51. REYNOLDS~~
~~52. RICHARDSON~~
~~53. ROBERTSON~~
~~54. RYAN~~
~~55. SCOTT~~
~~56. SIBRAA~~
~~57. TATE~~
~~58. TEAGUE~~
59. TOWNLEY Leave
~~60. WALSH~~
~~61. WALTERS~~
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~~63. WITHERS~~
~~64. ZAMMAROV~~

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