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Medicare Australia

**Encouraging a culture of
voluntary compliance –**
*Medicare Australia's compliance
management approach and
philosophy*

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Outline of presentation

- About Medicare Australia
- Our compliance philosophy and model
- National Compliance Program 08-09
- Our compliance achievements



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About Medicare Australia

- Our aim is to improve the health and wellbeing of Australians by delivering **information** and **payment** services
- Each year we process about **500m transactions** and pay out over **\$30b** in benefits
- We have a connection with almost all Australian residents (21.4m), doctors, pharmacists and other health care professionals
- Programs include Medicare, Pharmaceutical Benefits Scheme



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The environment

- Complex and technical systems
- Dynamic – growth and changing context
- Sensitive relationships (such as doctor/patient)
- Multiple sets of stakeholders





Typical forms of non-compliance and fraud

Fraudulent and illegal behaviour

Fraudulent claiming—making claims for services not rendered or received or medication not supplied

Identity and concession abuse—misquoting identity or eligibility in order to receive benefit

Illegal use of PBS medicine—obtaining excessive amounts of PBS items for personal or profit driven purposes

Inappropriate and opportunistic behaviour

Inappropriate practice—providing or initiating services or prescribing PBS medicine not clinically necessary

Incorrect prescribing—failing to meet requirements when writing PBS prescriptions

Accidental noncompliance

Upcoding—claiming for a more expensive Item than the actual service provided

Misitemisation—attributing an incorrect MBS Item for a given service

Mistaken claim—submitting a claim with an incorrect detail or when technical claim requirements have not been met



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Our compliance philosophy:

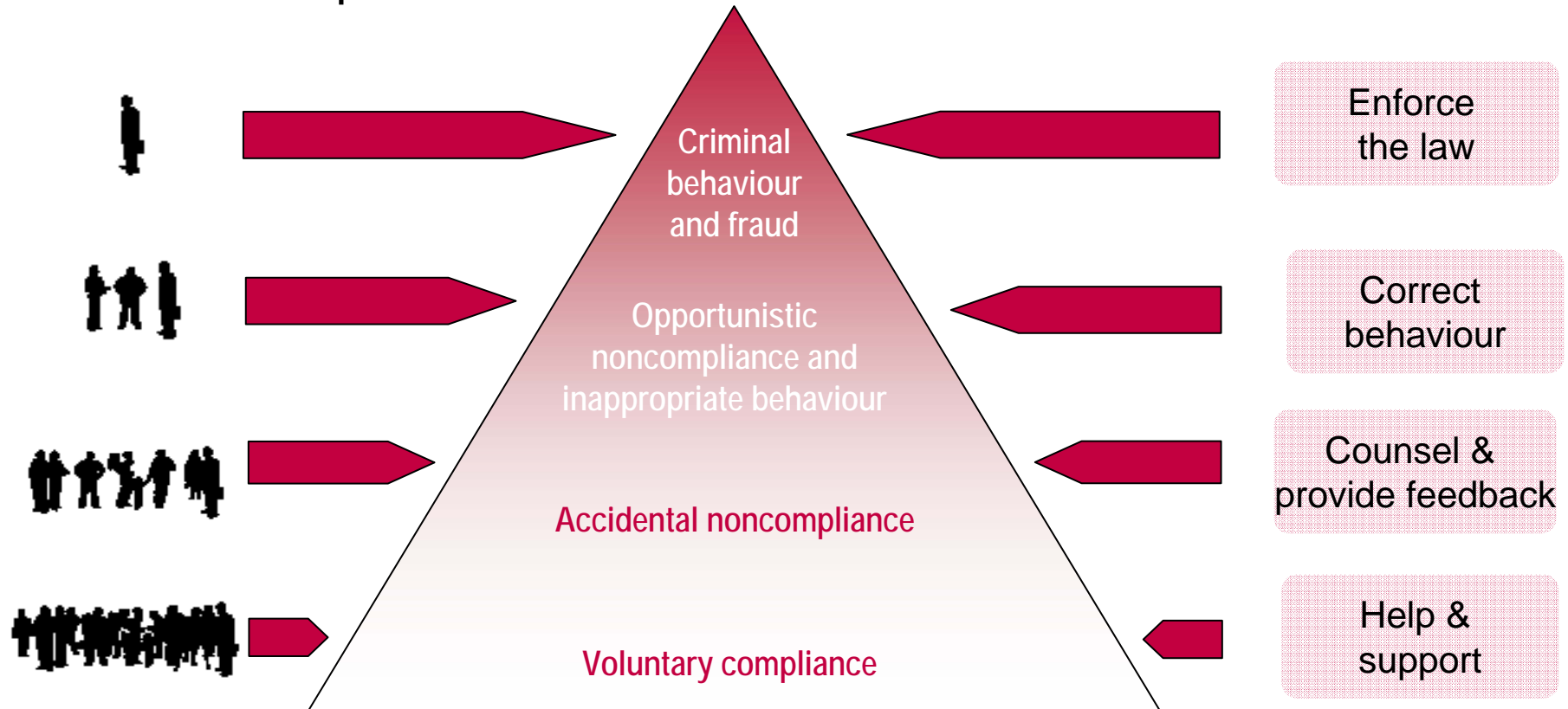
- Our aim - *the right person gets the right benefit at the right time – no more, no less*
- Most people want to do the right thing and we encourage voluntary compliance by:
 - Helping the public and providers understand their rights and obligations
 - Making it as easy as possible for people to get their benefits
 - Supporting people who want and try to do the right thing
 - Actively pursuing those who do not comply, in a measured and proportionate way, using a risk management approach



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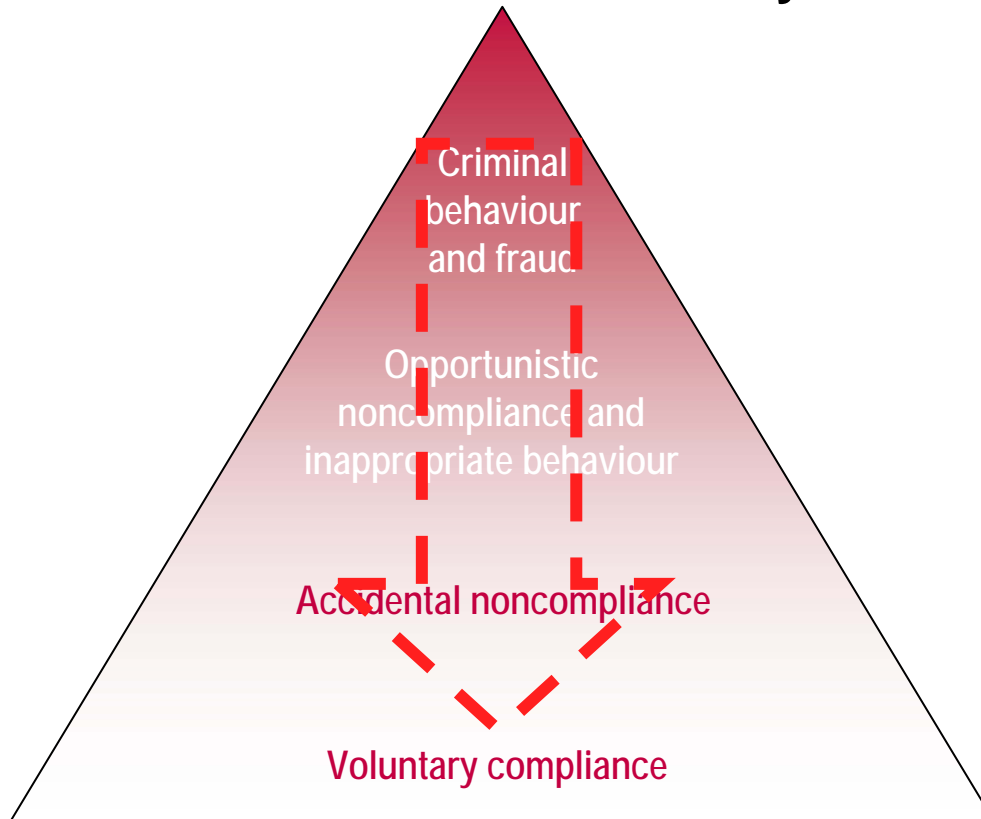
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Our compliance model:





The key is maximising voluntary compliance



We aim to provide high quality, accessible systems and services:

- an extensive range of education and information products - face to face and online
- quick payment services that require minimal 'up front' verification, red tape or complexity
- a 'post payment' approach to confirm payment accuracy and integrity
- a compliance approach which takes a measured and proportionate response

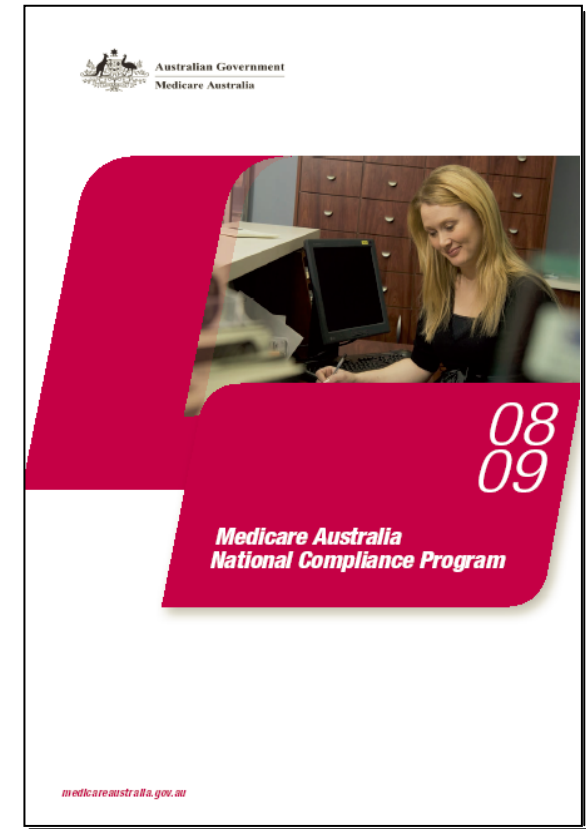


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Our National Compliance Program

- Extensive engagement with the health care community
- Identifies key areas of risk
- How we will manage risk
- Where we will focus our compliance efforts
- Outcomes from the previous year's program





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How do we encourage a culture of voluntary compliance?

We are committed to:

- Enhancing involvement, cooperation and commitment with stakeholder groups
- Strengthening our information strategies and education programs
- Reducing complexity and red tape by streamlining processes
- Refining our post payment review processes and compliance responses

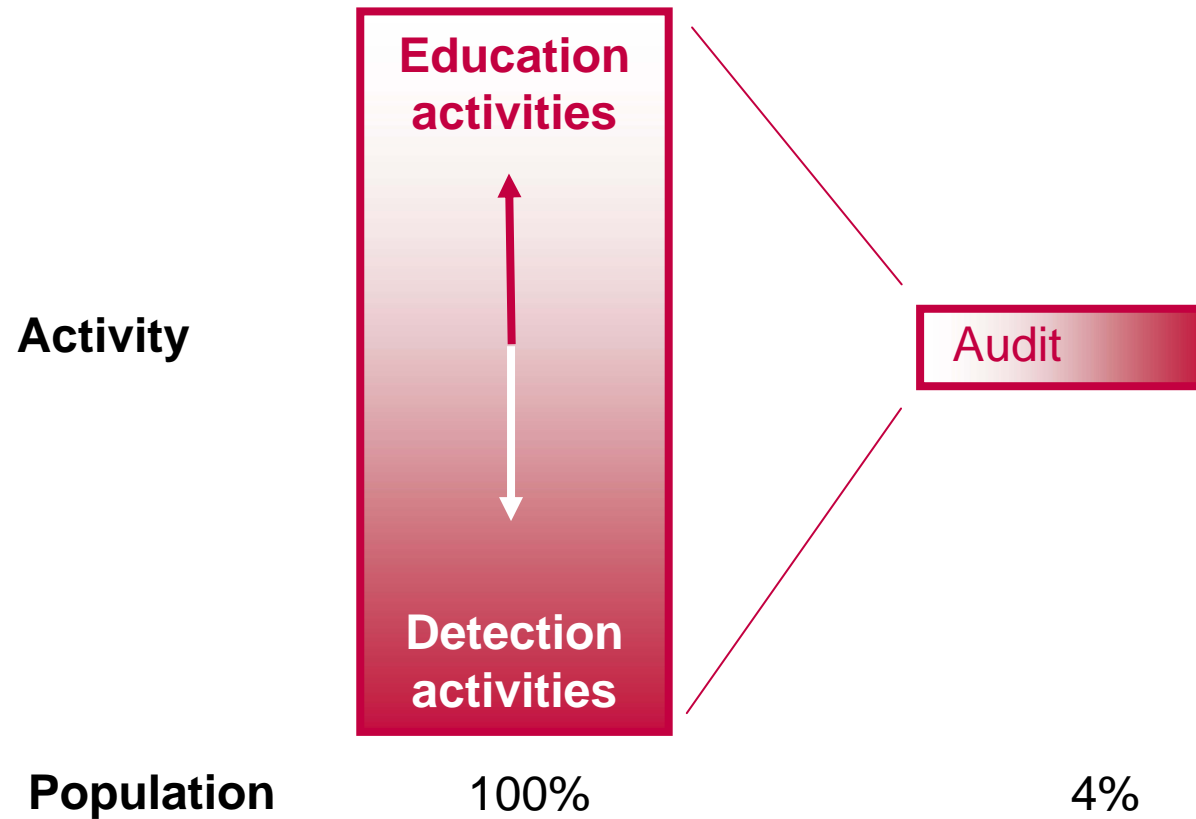




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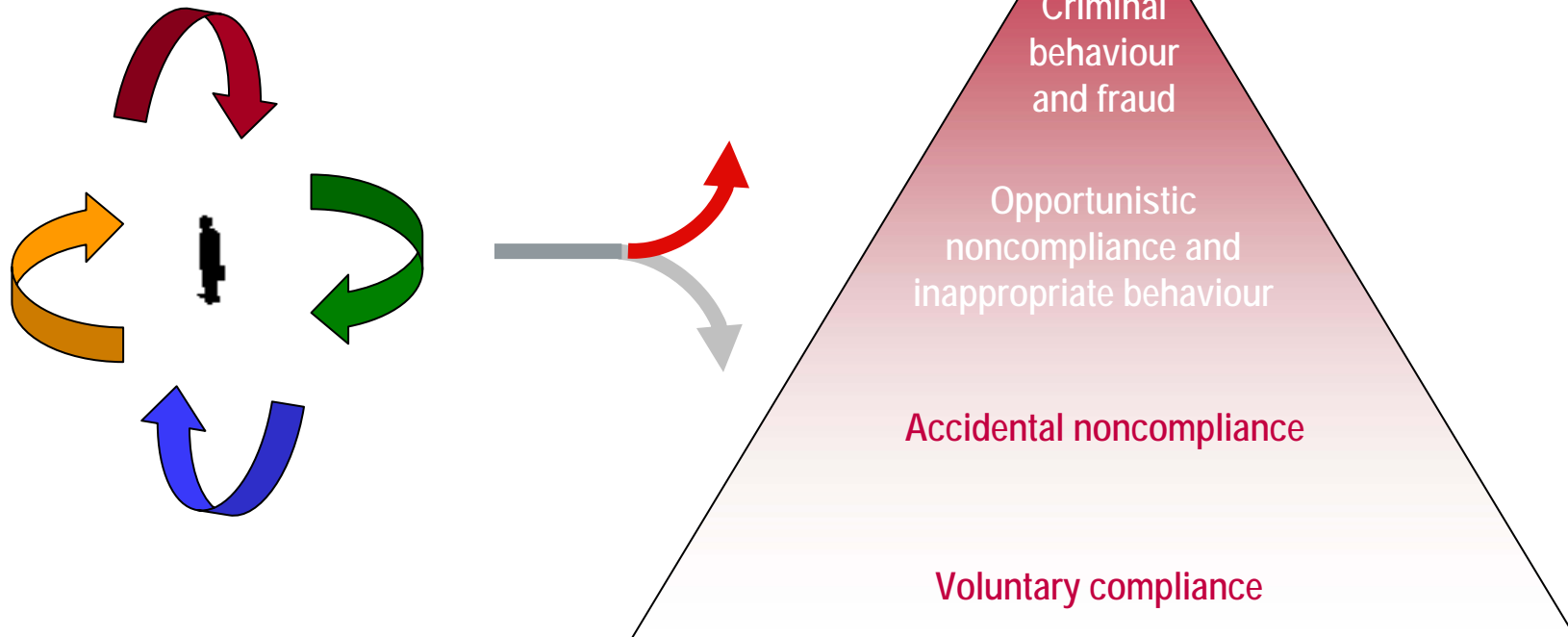
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The balance of effort





Rule 1 – understand the environment you are dealing with-
– What are the factors that influence behaviour?





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Five key strategic risks—the pressures on voluntary compliance





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Our strategies for dealing with these pressures

- **Increasing Complexity** – improve navigation tools and increase timeliness, quality and access to information
- **Growth of Services and Providers** – provide targeted information to new practitioners and other health care providers
- **Community Demand** – educate the community on their responsibilities and entitlements, use the peer review process to investigate practitioners
- **Changing Practice** – use sophisticated intelligence techniques and stakeholder networks to identify the changes and assess the risks
- **eBusiness Impacts** – work with software vendors to build in appropriate checks and balances, plus increase 'real-time' scrutiny

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Some specific areas of activity in this years compliance program

Complexity

- Specialists
- Upcoding (skin lesions/time based services/wounds etc)

Growth in services and providers

- International medical graduates
- Allied health professionals

eBusiness

- Automation of process relating to clinical decision making
- Teleradiology and telepsychiatry

Community demand

- PBS prescriptions outside the criteria
- Unnecessary tests being performed

Changing Practice

- The impact of Corporate entities
- Unusual item growth



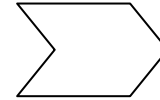
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How do we determine the risks and issues?

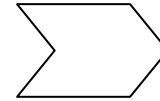


Events/entities
(who or what is
seen)



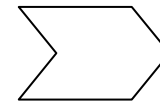
Tactical intelligence

Patterns/trends
(what manifests)



Operational intelligence

Drivers (why)



Strategic intelligence



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Tactical intelligence

Looks at individuals

Using predictive modelling target profiling to inform case management decisions

Operational intelligence

Looks at high risk MBS items, PBS drugs, groups or issues

Using data mining geospatial mapping and artificial intelligence

Strategic intelligence

Looks at issues, potential scenarios, underlying causes, implications

Using environmental scanning and assessments on emerging risks



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Medicare Australia is data rich:

500 million transactions generated by over 60,000 providers,
for the whole population.

But the data itself is rarely conclusive!

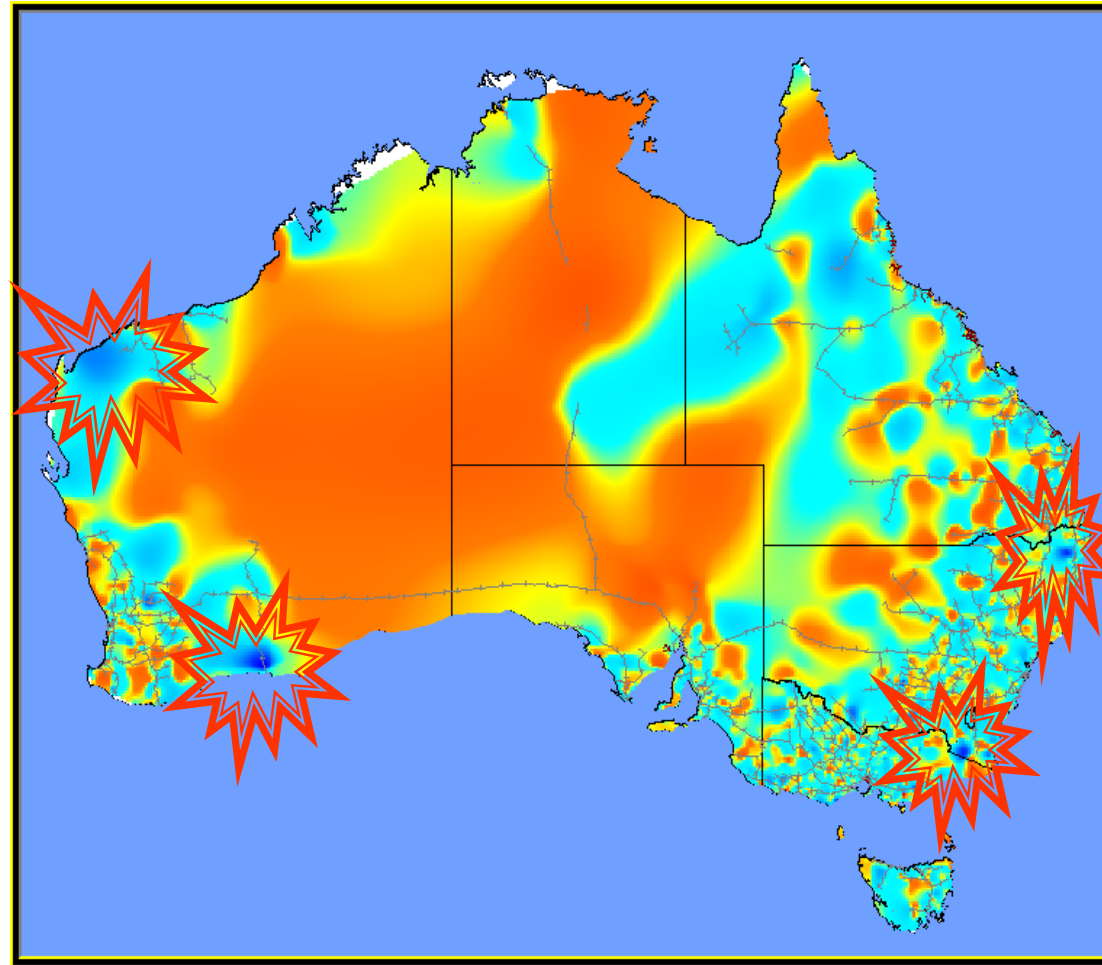
We apply sophisticated intelligence tools to point us in the right
direction.



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Geospatial mapping

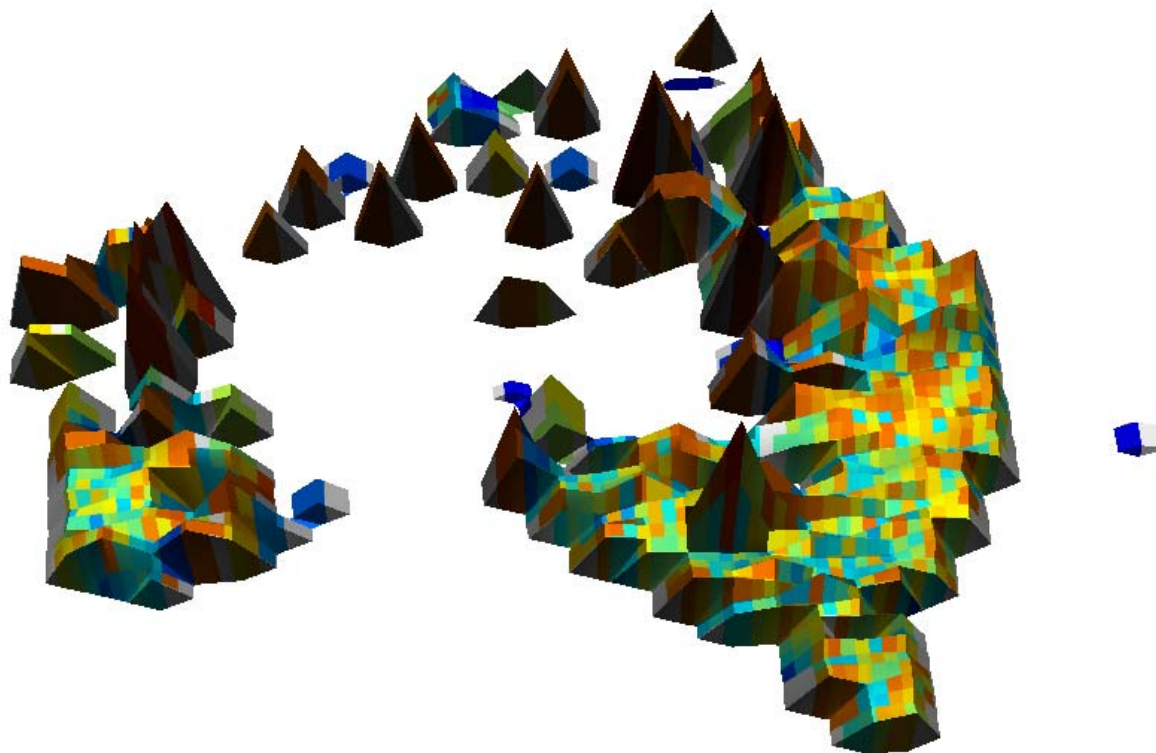




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Geospatial mapping

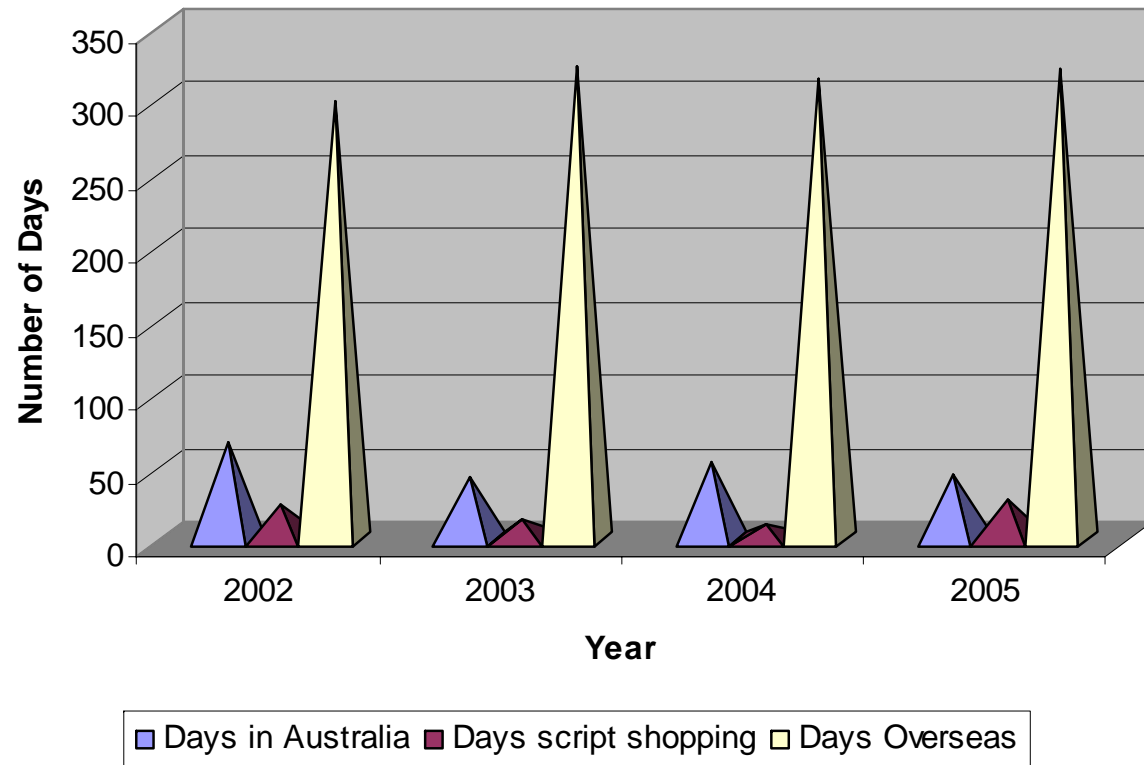




Using profiling

In this case, a person of interest who's potentially prescription shopping

POI's travel 2002 to 2005

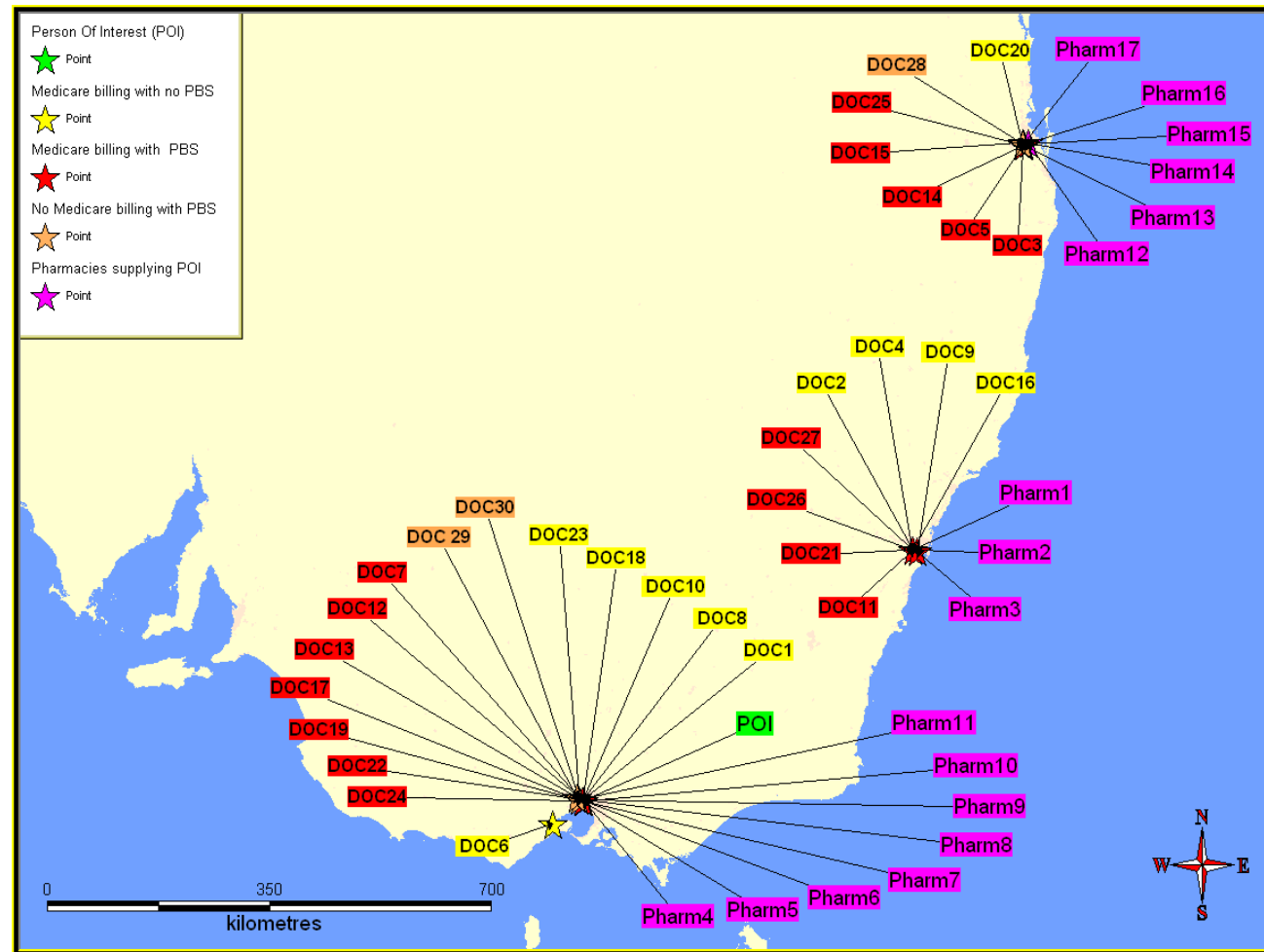




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Building the case...

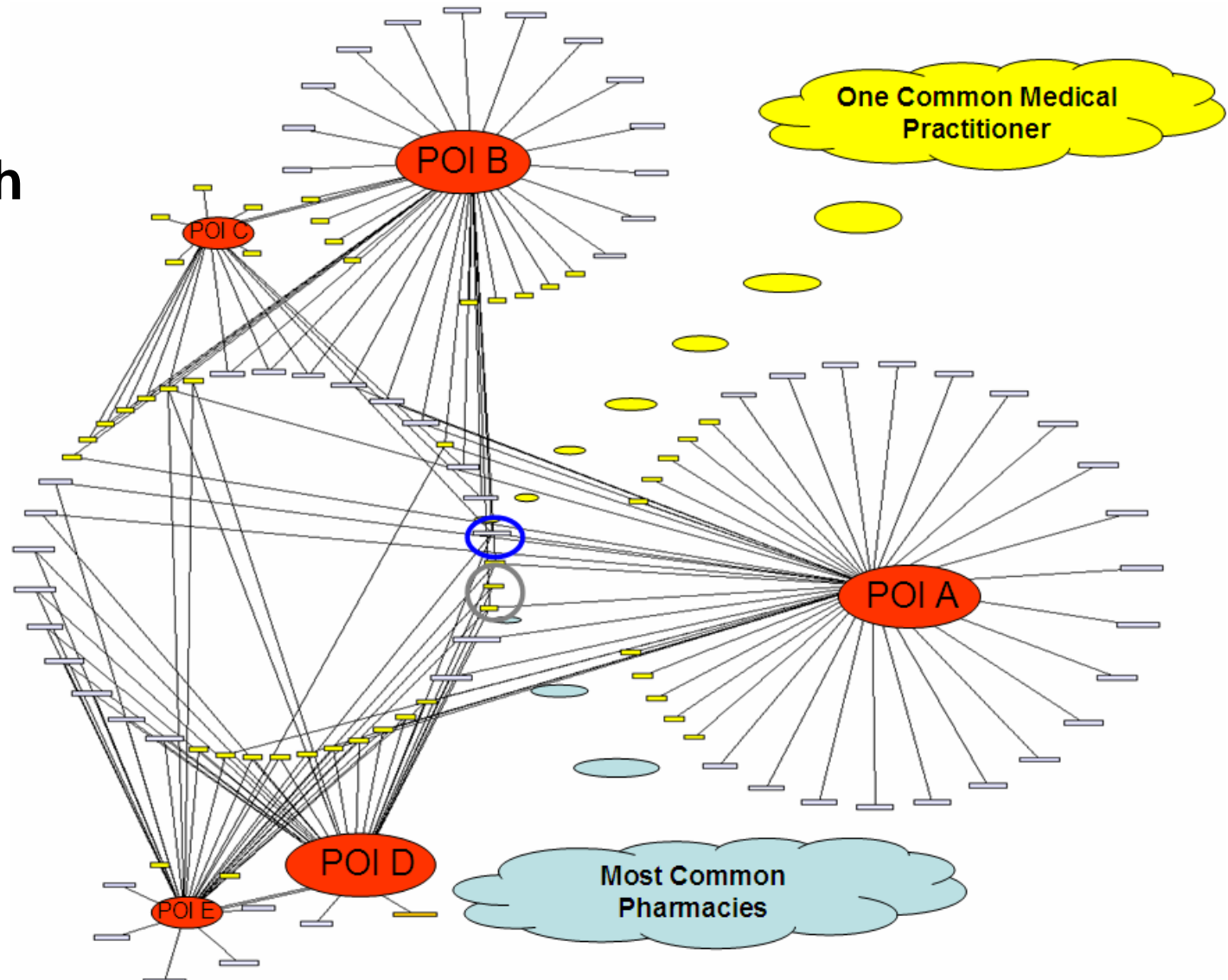




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What if we compare with other POIs?





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Education and information services

- Face to face
- Pharmacy students
- Online learning
- Information help lines



Focused on processes to enhance consistency and improve ease of access

All underpinned by stakeholder engagement



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Graduated audit program

Payment Accuracy Reviews

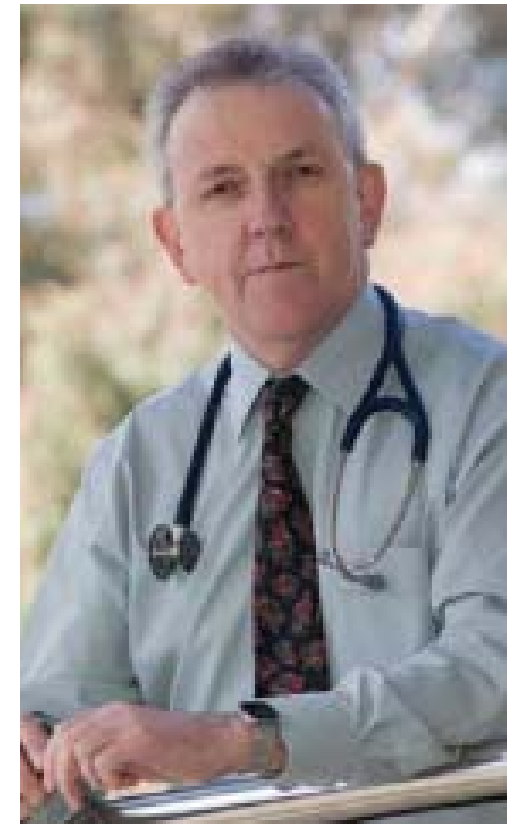
Phone or letter based reviews requiring a person to confirm specific details of a claim.

Desk Based Audit

Phone or letter based audits requiring a person to demonstrate correctness of a claim, usually on a specific issue.

Field Based Activity

A specifically targeted activity across a range of complex issues or very serious matters, normally requiring in situ verification of the correctness of claims and/or legal or clinical technical input.





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Achievements from National Compliance Program 2007-08

- Face to face education to more than more then 8500 new medical practitioners, pharmacy students and others in the health care industry.
- Over 3000 letters of targeted information to medical practitioners on aspects of the MBS.
- We undertook around 550 MBS audits of medical providers, around 380 audits of pharmacies and 330 investigations of members of the public
- Five airport operations to detect PBS medicines being sent overseas
- Our compliance activity generated Program savings of over \$250million



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A case study in taking an end to end approach



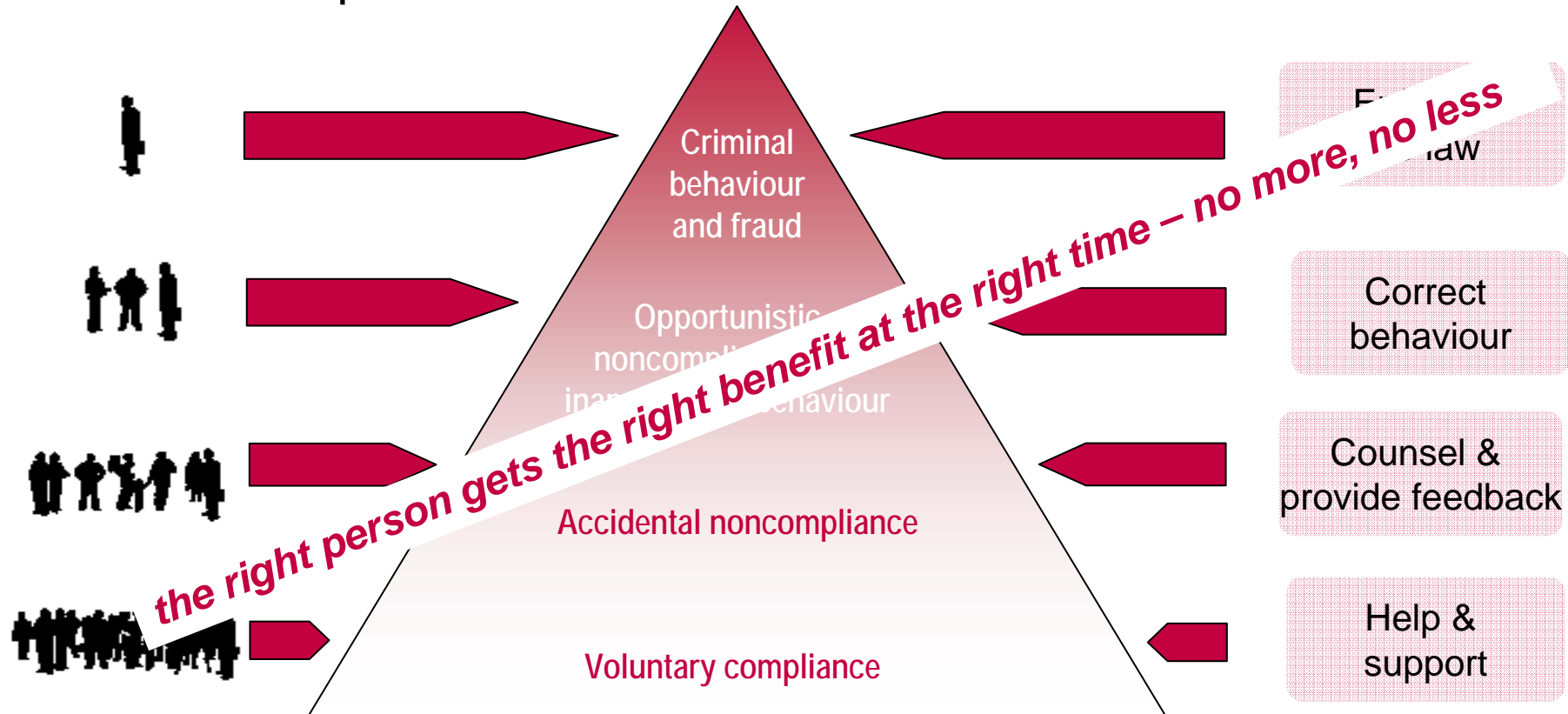
- Heart screening services
 - 2005 – MBS benefits worth \$.54million
 - 2006 – MBS benefits worth \$10million
- In 2007 Medicare Australia initiated a mix of education, media and audit activity
- By December 2007 claims decreased to 2005 levels



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Our compliance model:





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*Medicare Australia's
approach to compliance*

*'Encouraging a culture of
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Questions?

