Australian Government
Department of Health and Aged Care

Health Provider Compliance Audits – Medicare Benefits Schedule

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What is a Medicare audit?

The audit process aims to establish whether health benefits have been correctly claimed in accordance with relevant legislation. This includes assessing and verifying information obtained by the Department of Health and Aged Care, interaction with health practitioners, and decisions to initiate the recovery of incorrectly paid amounts.

The *Health Insurance Act 1973* (the Act) sets out the legislative framework for the Medicare scheme and contains provisions which regulate compliance for the scheme. Services must be rendered in accordance with legislative requirements for a Medicare benefit to be payable.

Health providers are responsible for claims made under their provider number, regardless of who submits claims or receives associated payments.

What does an audit involve?

Audits are conducted through a series of interactions between an audit officer and a health provider or a representative.

An audit usually begins with a health provider receiving a written request to provide documents relevant to ascertaining whether amounts paid in respect of professional services should have been paid.

Any information from a health provider will be considered by the Chief Executive Medicare or delegate in deciding whether to seek the recovery of Medicare benefits paid in respect of identified professional services.

An audit does not assess the clinical relevance or competence of a professional service.

Notice to produce

A notice to produce may be issued after a person has had an opportunity to voluntarily provide documents relevant to ascertaining whether amounts paid in respect of professional services should have been paid.

Notices to produce include information about the types of documents that may be relevant to ascertaining amounts paid in respect of identified professional services.

Recovery of amounts paid

The legislation enables the recovery of amounts paid in respect of professional services in certain circumstances. For example, a Medicare benefit may be recoverable if a professional service was not rendered in accordance with relevant item requirements.

False or misleading information

Recovery may be sought where Medicare benefit has been paid as a result of the giving of false or misleading information. If certain requirements are met, the excess is recoverable as a debt due to the Commonwealth. Generally, this results in an amount being recoverable from the health provider.

Failure to produce

If a health provider fails to comply with a notice to produce, the amounts paid in respect of the identified professional services are recoverable as a debt due to the Commonwealth.

An amount will not be recoverable if the person satisfies the Chief Executive Medicare or delegate that the non-compliance is due to circumstances beyond the person's control.

Opportunity to respond

If there is evidence to suggest an amount paid may have exceeded the amount that should have been paid, the health provider will be given an opportunity to make a submission before a recovery decision is considered. This ensures the health provider is aware of the matter and enables them to provide any additional information.

Claiming an amount as a debt

Once the Chief Executive Medicare or delegate has assessed the available evidence in an audit, they may decide to claim an amount as a debt due to the Commonwealth. If an amount is claimed, the health provider will be advised in writing, given reasons for the decision, and information about how to apply for a review of the decision.

Administrative penalties

The Act sets out circumstances in which administrative penalties apply in respect of amounts recoverable as debts due to the Commonwealth.

These provisions allow for the reduction of administrative penalties if a health provider voluntarily indicates that an amount paid exceeds the amount that should have been paid.

More information about making voluntary acknowledgments is available at https://www.health.gov.au/health-topics/medicare-compliance/debts-and-penalties/voluntary-acknowledgements

Review of decisions

A health provider may seek an internal review of a decision to claim an amount as a debt within 28 days of being notified of the decision. A request must be made on the form at https://www.health.gov.au/resources/publications/application-to-review-compliance-audit- decision

Conclusion of an audit

A health provider is notified in writing when an audit is finalised.

This is general information in summary form. Consider the legislation and obtain legal advice.