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Medicare
QB23-000213

ISSUE: GenesisCare

QUESTION: GenesisCare has released a public statement, and advised the Department of Health and Aged Care, that they have identified issues in how they have billed patients

Topline response:

I have asked my Department to investigate the issues relating to billing of Medicare by GenesisCare for cancer treatment.

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Background

- GenesisCare is a large provider of cancer treatments, including radiation oncology services.
- The Department is aware of allegations in the media concerning GenesisCare's billing of Medicare and is actively working with GenesisCare.

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s47E(b), s47E(d)

- The Department will take appropriate action if it is found there is non-compliance with Medicare requirements.
- The Department is bound by privacy and secrecy provisions in legislation and cannot comment on individual cases.

MEDIA COVERAGE All media needs to be linked as an attachment and should include social media. Please include NIL response if not relevant.

Publication: Australian Financial Review: GenesisCare charged bulk-bill patients in full ([GenesisCare charged patients in full even when obliged to bulk bill \(afr.com\)](https://www.afr.com/news/politics-government/health/genesis-care-charged-bulk-bill-patients-in-full-20230615-p5c8qz))

Publication dates: 15 June 2023

Key issues raised:

- GenesisCare charged patients for treatment when they are contractually required to bulk-bill them as a condition of Government grant funding

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[Medicare]
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Publication: Australian Financial Review: GenesisCare over-claims Medicare ([GenesisCare bankruptcy descends into Medicare overcharging \(afr.com\)](https://www.afr.com/news/health/genesis-care-bankruptcy-descends-into-medicare-overcharging))

Publication dates: 14 June 2023

Key issues raised:

- GenesisCare has wrongly claimed Medicare payments due to issues with the 'methodology' of its internal patient loans system

Publication: Australian Financial Review: GenesisCare bankruptcy descends into Medicare overcharging ([GenesisCare bankruptcy descends into Medicare overcharging \(afr.com\)](https://www.afr.com/news/health/genesis-care-bankruptcy-descends-into-medicare-overcharging))

Publication dates: 14 June 2023

Key issues raised:

- GenesisCare has entered into Chapter 11 bankruptcy protection in the United States.
- Health Department officials have confirmed to the AFR that GenesisCare have informed them of issues with Medicare billing.

Publication: GenesisCare Website ([Statement from GenesisCare | GenesisCare News AU](https://www.genescare.com.au/press-releases/genesis-care-news-au))

Publication dates: 1 May 2023

Key issues raised:

- GenesisCare advises that it has identified issues with its "EasyPay" patient loans system and with concessional patient billing under the Radiation Oncology Health Program Grants.

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BY THE DEPARTMENT OF HEALTH AND AGED CARE

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[Medicare]
[QB22-000213]

Date last updated by Dept:	15 June 2023	Cleared by Adviser/date:	
Contact Officer: Assistant Secretary	Nigel Murray	Work Phone: (02) 6289 s22	Mobile Phone: s22
Cleared by: First Assistant Secretary	Daniel McCabe	Work Phone: (02) 6289 s22	Mobile Phone: s22

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**Australian Government****Department of Health and Aged Care****Ministerial Information Request****MB23-001889****Version (1)****Date sent to MO: 19/06/2023****To: Minister Butler****Subject/Issue: Genesis Care**

Comments:

Contact Officer:	Nigel Murray	Assistant Secretary, MBS Policy and Specialist Programs Branch, Medicare Benefits and Digital Health Division	Ph: (02) 6289 s22 Mobile: s22
Clearance Officer:	Daniel McCabe	First Assistant Secretary, Medicare Benefits and Digital Health Division	Ph: (02) 6289 s22 Mobile: s22
Clearance Officer:	Paul McBride	First Assistant Secretary, Benefits Integrity Division	Ph: (02) 6289 s22 Mobile: s22

Request:

Your office requested advice on radiation oncology provider GenesisCare, including nature of s22 and issues with Medicare billing.

Key Points:

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s47E(b), s47E(d)

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The type of services that GenesisCare offers, their footprint and the likely impact on patients

- GenesisCare is the largest private provider of radiation therapy across Australia (approximately 40% market share) operating 38 cancer centres in metropolitan and regional settings. Services include public-private-partnerships with local health districts in rural and regional Australia.
- GenesisCare also provides cardiology and sleep services at more than 80 locations.

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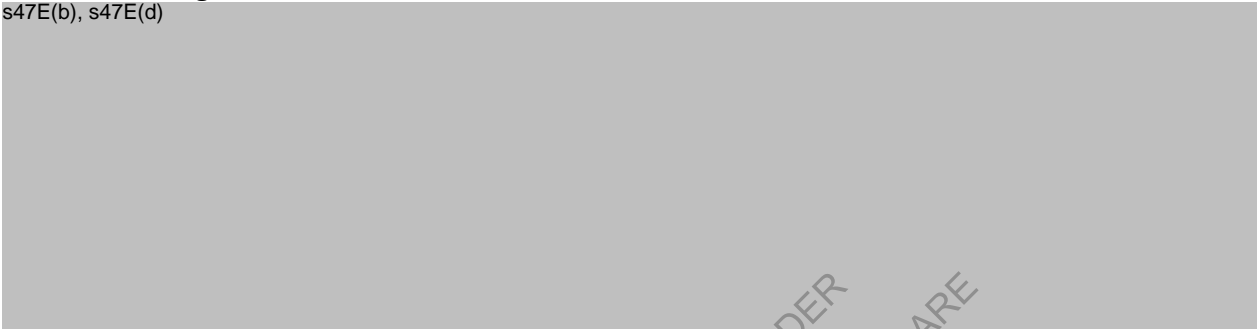
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Additional Background

s47E(b), s47E(d)




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s47E(b), s47E(d)



Minister	Minister Butler
PDR Number	MB23-001889
Subject	**URGENT same day turnaround** MIR: Genesis Care

Division/Branch	Health Resourcing Medicare Benefits & Digital Health
Adviser/DLO comments:	Returned to Dept for: REDRAFT <input type="checkbox"/> NFA <input type="checkbox"/>

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Senate Committee: Community Affairs Committee
Additional Estimates 2023-2024
Outcome: 2 - Individual Health Benefits

Radiation Oncology (GenesisCare) s22

KEY POINTS

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Genesis Care EasyPay patient loan system

- Under this arrangement Genesis would provide a repayable loan to patients which would help meet the up front costs of payments for services. s38

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Contact Officer:	Nigel Murray	Deputy Secretary Clearing Officer:	Adriana Platona	Clearance: 17 January 2024
Mobile No:	s22	Mobile No:	s22	
Division:	Health Resourcing Medicare Benefits & Digital Health			Page 1 of 2

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- Genesis have ceased the EasyPay loan Scheme. s47E(b), s47E(d)

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QB24-000100

ISSUE: RADIATION ONCOLOGY ISSUES – SECTOR VIABILITY, GENESIS CARE, PATIENT BILLING

QUESTION – How is the Government responding to concerns about the radiation oncology sector, including sector viability, Genesis Care and patient billing?

Topline Response:

- The Government is committed to supporting a viable radiation oncology sector to deliver quality services to patients in need.
- The Government provides around \$800 million per year to support the delivery of 2.6 million radiation therapy services, including approximately \$720 million in Medical Benefits Schedule (MBS) benefits and \$80 million in funding through the Radiation Oncology Health Program Grant (ROHPG) to support purchase of capital equipment to deliver services.
- The Government also announced in the recent MYEFO that changes to the MBS will commence from 1 July 2024, better matching payments of benefits to complexity of treatment.
- The department has commenced a review of the financial viability of the sector which is being undertaken by EY, an independent financial firm with expertise in the area. The review report is expected to be with Government in mid 2024. This will help inform future Government funding settings for the sector.
- s47E(b), s47E(d)

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RADIATION ONCOLOGY – SECTOR VIABILITY (GENESIS CARE ^{s22})
[QB22-000100]

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Genesis EasyPay loan system ^{s47E(b), s47E(d)}

- Genesis have ceased the EasyPay loan Scheme. ^{s47E(b), s47E(d)}

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RADIATION ONCOLOGY – SECTOR VIABILITY (GENESISCARE ^{s22})
[QB22-000100]

MEDIA COVERAGE

Publication: [GenesisCare emerges from bankruptcy, cuts deal with government](#)

Publication dates: 18 Feb 2024

Key issues raised:

- “The Australian Financial Review revealed in June that GenesisCare had charged patients for treatment when they were contractually required by the federal government to only bulk bill them.”
- “Health officials will launch an independent review into the financial viability of the radiation oncology sector after the country’s largest provider of cancer services, GenesisCare, emerged from bankruptcy...”
- “As part of the finalisation of its bankruptcy, [GenesisCare] has struck a deal with the Department of Health to deal with historical issues including the overcharging of Medicare through the use of its propriety payments system known as EasyPay.”

Publication: [GenesisCare’s first US clinics are offloaded in US bankruptcy](#)

Publication dates: 14 Nov 2024

Key issues raised:

- Following a Chapter 11 bankruptcy process due to the failure of its clinics in US, GenesisCare is restructuring its business by offloading unprofitable US clinics.
- As the US assets are sold, the rest of the company’s operations, including in Australia, will come under the financial control of a group of lenders led by Oaktree Capital Management, which provided fresh debt of \$US200 million to help stabilise the company.

Date last updated by Dept:		Cleared by Adviser/date:	
Contact Officer: Assistant Secretary	Nigel Murray	Work Phone: (02) 6289 ^{s22}	Mobile Phone: ^{s22}
Cleared by: Acting First Assistant Secretary	Louise Riley	Work Phone: (02) 6289 ^{s22}	Mobile Phone: ^{s22}