

# About the Medicare audit process

The following information is provided to you as general guidance only. Please consider this general guidance in context with any correspondence you have received relating to an audit.

## What is a Medicare audit?

The Department of Health undertakes audits where there is a reasonable concern that a Medicare benefit has been paid under the *Health Insurance Act 1973* (Health Insurance Act) or the *Dental Benefits Act 2008* that exceeds the amount (if any) that should have been paid. For instance, reasonable concerns can arise about a health provider's compliance with the Medicare program (including the Medicare Benefits Schedule and Child Dental Benefits Schedule) where there is anomalous claiming.

An audit is **not** a criminal investigation. It does not assess your clinical competence or the quality of your services. Where a Medicare benefit should not have been paid, a delegate of the Chief Executive Medicare may raise a debt and recover the overpayments. An example of where a delegate of the Chief Executive Medicare may raise a debt is if a Medicare benefit was paid as a result of you giving false or misleading information (see section 129AC(1) of the Health Insurance Act).

## Request for documents

The audit process generally starts with a **request for documents**. This letter outlines the reasonable concerns of the delegate of the Chief Executive Medicare and the request to provide documents to substantiate that the Medicare benefits should have been paid for those services. In other words, you need to provide documents to demonstrate that a Medicare benefit was payable for the services rendered (e.g. the service met the MBS item requirements).

You are encouraged to engage with Compliance Officers to discuss the reasonable concerns, the requested documents and/or if you require an extension of time, so that you can respond effectively.

At any time, you can submit a **voluntary acknowledgment of incorrect payment** form, available through the Department's website, to repay Medicare benefits for services you have incorrectly claimed. Early acknowledgement of incorrect claiming may mean a greater reduction of any **administrative penalty** that can be applied if a delegate of the Chief Executive Medicare makes the decision to raise a debt.

## Production of documents

Where you fail to respond or provide documents to substantiate the services, a delegate of the Chief Executive Medicare may issue you a **notice to produce documents**, which will require you to give documents within a specified timeframe. Failure to respond to a notice to produce documents can lead to you being required to repay the Medicare benefits or, if the notice is to a third party, the third party being subject to civil penalty proceedings.

If the delegate of the Chief Executive Medicare decides that the documents produced properly substantiate that the Medicare benefit should have been paid, you will receive written notice of this and the audit process will be finalised with no further action.

## **Preliminary view of decision to raise a debt**

Before the delegate of the Chief Executive Medicare can make a decision to raise a debt, the delegate will give you their **preliminary view of decision to raise a debt**. You will be invited to provide further information to the delegate to consider before a decision is made. In some circumstances, a delegate of the Chief Executive Medicare may give you their preliminary view without requesting documents from you.

## **Decision**

If the delegate of the Chief Executive Medicare decides to raise a debt, you will receive a **notice of decision to claim a debt** which sets out the decision, the reasons for the decision and explain how you may apply for an internal review of the decision or waive your right of review.

## **Conclusion of audit**

You will be sent a **notification of debt** after you receive the notice of decision or, if you have applied for review of the decision, after you receive a reconsidered decision confirming or varying the decision. You will be contacted by the Department's debt recovery team with information on how to repay your debt and administrative penalty (if applicable).