



# Health Insurance (Professional Services Review — Sampling Methodology) Determination 2006

*Health Insurance Act 1973*

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I, TONY ABBOTT, Minister for Health and Ageing, make this Determination under subsection 106K (3) of the *Health Insurance Act 1973*.

Dated 9 November 2006

TONY ABBOTT  
Minister for Health and Ageing

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## Part 1 Preliminary

### 1 Name of Determination

This Determination is the *Health Insurance (Professional Services Review — Sampling Methodology) Determination 2006*.

### 2 Commencement

This Determination commences on the day after it is registered.

### 3 Revocation of *Health Insurance (Professional Services Review — Sampling Methodology) Determination 2000 (No. 1)*

- (1) The *Health Insurance (Professional Services Review — Sampling Methodology) Determination 2000 (No. 1)* is revoked.

Section 4

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- (2) Despite subsection (1), the *Health Insurance (Professional Services Review — Sampling Methodology) Determination 2000 (No. 1)* continues to apply to the investigation of services referred to a Committee under section 93 of the Act before the commencement of this Determination.

#### 4 Definitions

In this Determination:

*Act* means the *Health Insurance Act 1973*.

*Note 1* The following terms that are used in this Determination are defined in subsection 3 (1) of the Act:

- initiate
- item.

*Note 2* The following terms that are used in this Determination are defined in subsection 81 (1) of the Act:

- class of services
- Committee
- inappropriate practice
- person under review
- referred services
- service.

## Part 2                      Sampling methodology

### 5                      Purpose

This Part specifies the content and form of a sampling methodology that may be used by a Committee in:

- (a) investigating the provision of services included in a particular class of referred services; and
- (b) having regard only to a sample of the services included in the class.

### 6                      Application of sampling methodology

The sampling methodology specified in this Part is applicable to services provided, within the meaning given by subsection 81 (2) of the Act, that are:

- (a) individual items; or
- (b) multiple items for the same patient on 1 occasion; in a particular class of referred services.

### 7                      Sample

- (1) Under this methodology, the Committee must have regard to a sample of no fewer than 25 provided services randomly drawn from a class of referred services being investigated.
- (2) The Committee may:
  - (a) omit a service from the sample; and
  - (b) include another provided service, randomly drawn from the same class, in its place.
- (3) If the Committee omits a service and includes another provided service in its place under subsection (2), the Committee must state its reasons for doing so in the draft report and final report it prepares in respect of the person under review to whom the sample relates.

*Note* The Committee must prepare a draft report under section 106KD of the Act, and a final report under section 106L of the Act, in relation to its findings.

## Section 8

**8 Determining percentage of inappropriate practice in sample**

- (1) A Committee relying on subsection 106K (1) of the Act must work out, in accordance with subsection (2), the proportion of services in the sample in relation to the provision of which the person under review engaged in inappropriate practice.
- (2) For subsection (1), the proportion is to be expressed as a percentage, as follows:

$$100 \times \left( d - \sqrt{\frac{4d \times (1-d) \times (N-s)}{N \times (s-1)}} \right)$$

where:

*d* is the number of services in the sample that the Committee has determined are services in relation to the provision of which the person under review engaged in inappropriate practice, divided by *s*.

*s* is the number of services in the sample.

*N* is the number of services in the class.

- (3) The percentage must be expressed as a whole number (if necessary, for that purpose, rounded down to the nearest whole number).

**9 Disregarding sample results less than 10%**

For the purpose of subsection 106K (1) of the Act, the methodology specified in this Determination may be used by a Committee only if the percentage worked out under section 8 is equal to, or greater than, 10% of the sample of the particular class of referred services under investigation.

*Note 1* It is considered that no conclusion can be drawn from a result less than 10%, because the result may not be statistically valid.

*Note 2* Information about a service may be considered under section 106H of the Act even if, because of this section, a sample including that service cannot be considered under section 106K of the Act.