



**Australian Government**  

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**Professional Services Review**

# Corporate Plan



2020-21



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# Introduction

## Message from the Director

As the Director and accountable authority for the agency I present the Professional Services Review Corporate Plan for 2020 - 21 (the Plan). The Plan outlines the direction and vision for our agency for four years as required under the *Public Governance, Performance and Accountability Act 2013*. We will achieve this direction and vision by conducting the Professional Services Review (PSR) Scheme effectively and efficiently. PSR is an important part of the framework established to safeguard the Australian public from the risk and cost of inappropriate practice within the Australian Government's Medicare Benefits, Dental Benefits, and Pharmaceutical Benefits Schemes.

The Corporate Plan 2020 – 21 is founded on the *Health Insurance Act 1973*, and Ministerial and Portfolio expectations. It sets out our purpose, our vision and our values which will continue to guide the agency. The Plan provides an overview of PSR's priorities and five key areas that will drive the activity of our organisation for the next four years. It provides a commitment to our stakeholders that we will operate with professionalism, transparency, and accountability. The plan should be read in conjunction with the strategic directions laid out in the Portfolio Budget Statements, and with the values and performance frameworks set out in the *Public Service Act 1999*.

As an Australian Government statutory agency, PSR acknowledges the need to continually monitor, review, and improve the way our business operates. This Plan draws together the activities we will be undertaking in 2020 - 21 to enhance the PSR Scheme and to meet the government's expectations of effectiveness and efficiency.

The PSR Agency will continue to adapt its processes and will continue its important role of contributing to the integrity of the Medicare Benefits, Dental Benefits and Pharmaceutical Benefits arrangements.

Fundamental to this plan is the agency's commitment to work closely with the Commonwealth Department of Health, Services Australia, the Australian Medical Association, the Professional Colleges and organisations, and the allied health professions. Through these partnerships, PSR will ensure the Australian health system continues to realise high levels of integrity.

As Director I would like to acknowledge the support of professional organisations and individual professionals who contribute to delivering the PSR Scheme, and the professionalism and dedication of PSR staff.

**Professor Julie Quinlivan**  
**Director, Professional Services Review**  
**August 2020**

## **Introduction**

This document is a four-year plan outlining the purpose, vision, values, strategic drivers, strategic goals, actions and key performance indicators for the Professional Services Review Agency.

## **Our Purpose**

Our purpose is to protect the integrity of the Commonwealth Medicare Benefits, Dental Benefits and Pharmaceutical Benefits programs and to safeguard the Australian public from the cost and risk of inappropriate practice. PSR investigates suspected inappropriate practice by health practitioners, on request from the Chief Executive Medicare.

## **Our Vision**

Our vision represents the overarching goal of the PSR as a contributing agency to Australia's health system:

**Excellence in ensuring Australia's health system meets the expectations of the Government and community**

## Our Values

PSR recognises its responsibilities as a part of the broader Australian Public Service (APS). As a statutory agency, PSR is committed to the Australian Public Service Values and the Code of Conduct outlined in the *Public Service Act 1999*. To help guide our performance we have defined our own values and behaviours which are underpinned by the APS Values. Our values and behaviours of Fair, Transparent and Professional address the unique aspects of our business and environment and guide us in how we conduct ourselves in performing our role.

### *Fair, Transparent and Professional*

To PSR, being **fair** means:

- providing procedural fairness in the operation of the PSR Scheme
- using a consistent approach to arrive at timely, justifiable decisions
- delivering an effective and impartial PSR Scheme
- explaining the process to stakeholders

To PSR, being **transparent** means:

- accurately informing practitioners of their rights and responsibilities
- accurately informing practitioners of PSR's powers, responsibilities and intentions
- proactively sharing information about the scheme, our outcomes and activities
- providing defensible reasons for outcomes

To PSR, being **professional** means:

- complying with Commonwealth legislative requirements and expectations
- being accountable for our actions and decisions
- protecting the privacy and confidentiality of the information we receive, use and create
- operating with integrity and honesty
- treating all people with courtesy and respect
- using time and resources effectively

# Background



## Why the Professional Services Review Agency exists

The high quality and integrity of Australia's health system is recognised internationally. Preventing inappropriate practice is crucial to maintaining the high quality and integrity of the health system and in maintaining the confidence of the Australian public and the health practitioners operating within the system, and minimising financial loss to the community as a result of inappropriate practices.

## About PSR

PSR operates as an independent agency within the Australian Government's Health portfolio, and reports directly to the Minister for Health. Together, the Director and staff form a statutory agency under the *Public Service Act 1999*.

## Agency and Scheme Objectives

PSR is established under Part VAA of the *Health Insurance Act 1973* (**the Act**) which sets out the role and powers of the agency, as well as the process that it must follow when conducting its work.

Section 79A of the Act states that:

The object of this Part is to protect the integrity of the Commonwealth Medicare benefits, dental benefits and pharmaceutical benefits programs and, in doing so:

- (a) protect patients and the community in general from the risks associated with inappropriate practice; and
- (b) protect the Commonwealth from having to meet the cost of services provided as a result of inappropriate practice.

Section 81 of the Act and the Health Insurance (*Professional Services Review – Allied Health and Others*) Determination 2012 describes the medical and allied practitioner groups subject to review under Part VAA.

## Agency Outcomes

Outcomes are the Government's intended results, benefits or consequences for the Australian community. The Government requires agencies such as PSR to use outcomes as a basis for budgeting, measuring performance and reporting. Annual funding is appropriated on an outcomes basis.

Within the Commonwealth Health Portfolio, PSR is accountable for delivering one of the outcomes allocated to the Portfolio.

The outcome belonging to PSR is:

**A reduction of the risks to patients and costs to the Australian Government of inappropriate practice, including through investigating health services claimed under the Medicare Dental and Pharmaceutical Benefits schemes.**

## Delivery of Outcomes

The PSR Scheme delivers on this outcome by protecting the public from:

1. Inappropriate practice by investigating whether the Commonwealth funded services delivered by practitioners are clinically relevant.
2. The consequences of inappropriate practice by investigating whether payments to claimants are made in accordance with the regulations for the Medicare and Pharmaceutical Benefit schedules.

The PSR Scheme has continued to evolve since its inception. Legislative amendments were made in 1997, 1999, 2002, 2006, 2012, and 2018 to strengthen the Scheme's review and investigation process. Comprehensive reviews conducted in 1999 and 2006 by government and key stakeholders, and a Senate Inquiry in 2011 also made recommendations to refine the administration of the Scheme and improve its effectiveness and transparency.

Through the annual report, PSR provides the Minister, the Parliament, and the public with a detailed description of PSR's activities, reporting against its planned outcome and performance targets identified in the Health Portfolio Budget Statements, and the Health Portfolio Additional Estimates Statements.



# Key Strategic Drivers

For PSR

## **An Australian Government Agency**

PSR is part of the APS and is an independent agency within the Department of Health portfolio.

To help guide our performance we have defined our own values and behaviours which are underpinned by the APS Values. Our values and behaviours of Fair, Transparent, and Professional address the unique aspects of our business and environment and guide us in performing our role.

## **Increased Compliance**

A review of the Medicare Benefits Schedule (MBS) during 2017-18 and 2018-19 coincided with the Australian Government's decision to enhance Medicare compliance processes. One major outcome from the review was to expand compliance to include employers and/or companies that employ or otherwise engage practitioners, to ensure they act as good corporate citizens and provide services appropriately. In late June 2018, PSR received its first referral under this category.

During 2018–19, PSR received a higher number of referrals compared to historical averages, and also finalised more section 92 agreements than in previous years. In 2019-20, some committee activities were postponed due to COVID-19. However, PSR continued to receive a high number of referrals, exceeding requests received in prior years.

PSR also continued to receive a diverse range of referrals. During 2019-20, there continued to be a significant number of general practitioner referrals. However, approximately 40% of referrals included a range of other specialties, including other medical practitioners, radiologists, cardiologists, neurologists, haematologists, specialists in neonatal and perinatal medicine, oral and maxillofacial surgeons, otolaryngologists, urologists optometrists and dentists.

## **The Future – Corporate Referrals**

The MBS will become more complex as it evolves to reflect innovations in technology, health science and an expansion of the professions whose services attract Medicare benefits. These developments will make the tasks performed by PSR more challenging and also more significant. Consequently, PSR must be able to maintain the organisational agility required to meet these future changes and challenges.



# Present Day

## PSR's Goals

Ensuring the effective operation of the PSR Scheme is the core business of our agency. PSR's purpose is to protect the integrity of the Commonwealth Medicare Benefits, Dental Benefits and Pharmaceutical Benefits programs.

PSR aims to achieve its purpose with the following main goals:

1. Investigate whether practitioners have engaged in inappropriate practice through peer review
2. Actively engage with professional bodies through consultation

## Where are we now?

In the last financial year (2019-20) and the preceding year (2018-19), PSR ordered repayments of nearly \$28 million and \$30 million respectively, and over \$20 million in 2017-18 in repayments to Medicare<sup>1</sup>. A large focus in the past 4 years was to increase awareness of patient safety and quality, and non-compliance (fraud) concerns.

In late 2018, PSR held a business planning day to prepare for how the agency would manage anticipated increases in case referrals as well as greater complexity in referrals. Key outcomes from the planning day in 2018 identified that amendments to the *Health Insurance Act 1973* have resulted in broader jurisdiction, and greater scope and complexity in referrals. Increased scope and complexity will consequently have an impact on outcomes from future court challenges.

PSR is working collaboratively with the Department of Health to improve data analytics relating to practitioners and corporate practices.

PSR continues to enhance its legal expertise and capability to ensure competent and effective assistance to the Director, PSR Committees, and the Determining Authority in light of the greater complexity of matters being reviewed and investigated, and to ensure that PSR's processes are fair to the persons under review

PSR recognises the importance of maintaining its capability to undertake its core functions by managing risks and ensuring it minimises its regulatory impact while still ensuring the integrity of the scheme. Minimising challenges to findings and reducing regulatory burden on industry is an important future driver for PSR.

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<sup>1</sup> Ordered repayments represent repayments to the Commonwealth from final determinations and ratified section 92 agreements. PSR only has a role in raising debts to the Commonwealth while the Department of Health is responsible for collecting debts owed to the Commonwealth.

## Where do we want to be?

In previous years, PSR has undergone significant transformation in response to a range of factors. Since our inception as a statutory agency within the Health Portfolio in 1994, we have been an adaptive organisation that responds to challenges and continues to evolve to improve our business processes. We aim to enhance our efficiency and effectiveness to deliver excellence to the Government and Australian community.

### Where have we come from?

Introduced in 1994, the objectives of the PSR Scheme were to:

- Safeguard the public against the risks and costs of inappropriate practice by health practitioners
- Protect the integrity of the Commonwealth Medicare benefits, dental benefits and pharmaceutical benefits programs
- PSR has undergone reform through legislative amendments in 1997, 2002, 2006 and 2012 to refine internal procedures and practices
- A senate inquiry in 2011 made a number of recommendations to refine the administration of the Scheme and improve its effectiveness and transparency

### Where are we now?

- In 2018, the *Health Legislation Amendment (Improved Medicare Compliance and Other Measures) Act 2018* was enacted
- A case management capability structure managed by qualified legal staff and structured with adequate administrative support
- Preparing for Corporate Referrals
- Repayments to the Commonwealth from administering the Scheme are substantially exceeding the cost of running the agency
- Investigating a wider range of specialists and professions

### Where are we going?

- Increased reviews of corporate referrals
- Greater focus on data matching between MBS/PBS and DVA services
- Working closely with stakeholders to help ensure the integrity of the PSR Scheme
- Continuing to investigate a broader range of practitioners, including other allied health practitioners, specialists and general practitioners

# Measuring Performance

## How will PSR measure its performance?

The table below outlines how PSR will measure its performance against its strategic objectives:

### Investigate whether practitioners have engaged in inappropriate practice through peer review

- The Director will conduct reviews of practitioners referred by the Chief Executive of Medicare and in appropriate cases enter into agreements
- Where appropriate, the Director of PSR will refer the practitioner to a PSR Peer Review Committee
- The Determining Authority will consider ratification of agreements and make appropriate determinations

### Key Performance Indicators – Strategic Goal 1

1. 80% of Committees will finalise their investigations within 24 months of commencing investigation<sup>2</sup>
2. The Director has made a decision under section 91, section 92 or section 93 within 12 months in all cases
3. The Determining Authority makes a decision on 100% of s92 agreements
4. In 80% of cases, the Determining Authority issues its final determination within 6 months of receiving a final report

### Actively engage with professional bodies through consultation

- Professional bodies are actively engaged in the process for appointments to the PSR Panel
- PSR receives the required number of nominees to ensure broad professional representation on the PSR Panel

### Key Performance Indicators – Strategic Goal 2

5. PSR will consult with the relevant professional bodies on behalf of the Minister in respect of every appointment

<sup>2</sup> KPI 1 – timeframe extended in light of COVID-19. PSR anticipates its Committees will return to finalising 80% of its investigations within 18 months from 2021-22



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