



AGENCY REVIEW

Professional Services Review has recently commissioned an independent consulting firm, Ernst and Young (EY) to undertake an Agency Functional Review. In line with the Medicare Benefits Schedule (MBS) Review and a greater focus on enhancing the Medicare compliance process, PSR will experience a considerable growth in practitioner review activity. Workload is also expected to increase significantly with the commencement of corporate and employer referrals.

To be adequately prepared for these changes, the Review by EY will assess PSR's current operating environment to ensure it has the capacity to conduct timely, transparent and fair reviews of practitioners and employers. The Review will also take into consideration methods to strengthen stakeholder engagement, assess suitability of office location, and evaluate current staff resourcing and funding requirements.

FIRST QUARTER OUTCOMES

PSR had a busy first quarter for 2017-18 with 30 new requests received and 21 requests finalised. All new requests were in respect of medical practitioners.

Of the 21 requests finalised, 19 were by way of an agreement between the Director and the practitioner. The 21 requests collectively resulted in approximately \$5.3 million in repayment directions. Some 12 of the agreements involved at least a partial disqualification from the MBS (that is, a disqualification from billing one or more MBS item for a period of time).

Four new PSR Committees were established in the quarter.

MEETINGS AND SPEAKING ENGAGEMENTS

In the period from July to September 2018, the Director of the PSR presented talks at the following conferences and meetings: RANZCOG annual scientific meeting (Adelaide), Healthcert Skin Cancer conference (Brisbane), Executive Assistant Leadership forum (Canberra), Clinical Senate of WA (Perth), ASPOG annual scientific conference (Sydney) and Australian Public Service conference (Perth). In this latter conference, the Director was a keynote speaker who gave a talk on Mobility in the Public Service.

The Director of PSR also attended meetings and sessions with the following stakeholders: Meeting of small and medium sized agencies meeting, Shared services program for small agencies meeting, Health provider and compliance forum, PSR Advisory Committee with the Department of Health and the Australian Medical Association, Private Hospitals and Private Health Australia, and Australian National University.

In this period the Director of PSR participated in several interview panels for new appointments to the PSR Panel. The Director also conducted 66 meetings and teleconferences with practitioners under review and/or their legal representatives to help resolve their cases.

NEW PANEL APPOINTMENTS SINCE 1 JUNE 2018

Since 1 June 2018, the following appointments have been made:

On 8 June, Dr Catherine Reid, a dermatologist and Panel Member, was appointed as a Deputy Director.

On 28 June, Dr David Smith was appointed as Acting Medical Practitioner Member of the Determining Authority until 29 May 2020 when other Determining Authority Members' appointments expire.

On 21 July, the Minister signed the instruments of appointment for midwives Melissa Pearce and Donna Mansell as both Deputy Directors and Panel Members until the Panel's expiry on 29 May 2022.

PANEL APPOINTMENTS (CONTINUED)

On 12 September, the Minister signed the instruments of appointment for the following until the Panel's expiry on 29 May 2022:

- Dr Charles Howse, sports physician, was appointed as a Deputy Director (already on the Panel)
- Dr Mark Overton, general practitioner, Deputy Director (already on the Panel)
- Professor John Gibson, haematologist, appointed as a Panel member
- Dr Heather Coventry, general practitioner, appointed as a Panel member
- Dr Mark Arnold, rheumatologist, appointed as a Panel member

STAFF CHANGES

Due to a sharp increase in new requests in 2017/18 and continuing into 2018/19, PSR is in the process of adding some new case management staff.

Bruce, Andrew, Margaret and Kylie will continue to assist most Committees, but you may meet or liaise with some new people in the coming months.

We continue to have a need to appoint new practitioners, especially general practitioners to the PSR Panel. An advertisement appeared in the Weekend Australian on 22 September seeking applications for membership of the PSR Panel. It is to be proposed that new appointees would be appointed for a five year term. Information for applicants can be found on the PSR website under ['Employment opportunities'](#).

EDUCATION STRATEGY FOR MBS REVIEW

As a result of the MBS review, there are a number of upcoming changes to the MBS.

The Department of Health has been liaising with the AMA in relation to providing education around compliance generally. The Department of Health has also contracted the National Prescribing Service Medicinewise to develop education for practitioners regarding MBS review outcomes.

The Department of Health is also developing information and fact sheets, in consultation with the AMA, regarding appropriate MBS use.

HEALTH INSURANCE REGULATIONS 2018 REPLACE HEALTH INSURANCE REGULATIONS 1975

The Health Insurance Regulations prescribe certain matters for the purposes of the *Health Insurance Act 1973*. The *Legislation Act 2003* requires that all regulations and other instruments made under a Commonwealth Act of Parliament must be reviewed and revised every ten years. As part of that review and revision program, on 1 October 2018, the *Health Insurance Regulations 1975* were replaced by the *Health Insurance Regulations 2018*.

The Government has taken the opportunity to clarify some matters. One such change is that the regulations now make very clear in the new definition of 'provider number' that a separate provider number is required for each location where a practitioner practices their profession.

Regulation 13 of the 1975 regulations previously set out the details that must be included in a Medicare claim. Those requirements are now located in new regulations 47 to 60. There are no substantial changes in the requirements.

New regulations 95 to 102 replace the former regulations 29 to 31, which concerned the nature and content required in referrals. While the new regulations no longer expressly require the referring practitioner to specify 'a service to be rendered by a specialist', the effect of subsection 33(3A) of the *Acts Interpretation Act 1901* would be to permit a GP to limit the scope of a referral by specifying the particular services to be rendered by the specialist.

SPECIALIST REFERRALS - MBS ITEM 104

I have now reviewed several practitioners' rendering of MBS item 104, as well as noted Committees' treatment of the item.

MBS item 104, used by most medical specialists and consultant physicians, is for the first consultation in a *single course of treatment*. The *Health Insurance (General Medical Services Table) Regulations* (which underpin the MBS) provide that a single course of treatment includes the attendance on the patient, the continuing management of treatment up to including the state when the patient is referred back to the referring practitioner, and any subsequent review of the patient's condition that may be necessary, whether the review is initiated by the referring practitioner or the specialist. It does not include an attendance after the end of the period of validity of the last referral to have effect if the referring practitioner considers the later attendance necessary for the patient's condition to be reviewed and the patient was last attended more than 9 months before the subject attendance.

The *Health Insurance Regulations 2018* provide, in respect of referrals by general practitioners, that referrals are valid indefinitely or for a fixed period if specified, and valid for 12 months after the first service if a period of validity is not specified.

I have concerns that on some occasions practitioners are billing MBS item 104 for multiple episodes in the same course of treatment, simply because they have received a new referral document. If the further attendance is for treatment of the same or a closely related presenting complaint, it may be more appropriate to bill MBS item 105. In extreme cases, where specialists do not usually see patients more than once, I have been concerned that practitioners attempt to bill everything as MBS item 104 and only bill MBS item 105 if the initial claim is rejected by Medicare. Practitioners should be reminded to independently consider whether an attendance is the first or subsequent in the course of treatment, and to not rely on Medicare rejecting a claim for MBS item 104 to submit a claim for MBS item 105.

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