

Handling PSR Reviews in Healthcare Practice

Reading time:

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Practitioners should understand that an allegation of 'inappropriate practice' does not necessarily indicate inappropriate clinical practice, but rather technical non-compliance with the conditions of relevant MBS item number(s).



The Professional Services Review Scheme is a daunting and difficult process for any healthcare practitioner. In its administration of the Scheme, PSR is responsible for reviewing and examining possible inappropriate practice by practitioners when they provide Medicare services or prescribe Government subsidised medicines under the PBS. In many cases it involves a financial recovery from the practitioner and a process that appears to be heavily weighted in favour of this outcome. This is a very real perception and not one to be ignored.

The key message is that contacting MIPS should be your number one priority. The more notice MIPS has that you have received a Notice from PSR, the more effectively and thoroughly MIPS can assist you during the PSR Process. MIPS staff are well informed regarding the PSR process and are here to support you. If required, MIPS expert panel of solicitors will also assist, they are exceptionally well experienced with the PSR process and the legal framework which supports that process.

MIPS' staff will work with you to propose a strategy to best serve your circumstances, taking into account the concerns raised by PSR, your practice, the completeness of your records and your billing practices. This is a challenging position for any medical practitioner as it involves a look back over practices with the threat of heavy financial payback burden being ever present. For example, in the first two months of 2019 the Director of PSR entered into nine agreements with practitioners for repayments totalling \$2,840,000. The maximum single repayment was \$550,000.00 and five of the nine practitioners were GPs.

Contrast that to the [PSR 2017/18 Annual Report](#) which shows:

- Ordered recoveries from PSR Committees \$4,656,988
- Ordered recoveries from Directors. 92 agreements \$16,188,558
- Total recoveries were \$20,845,546 (or double that of 2016/17)

From the outset the medical practitioner is confronted with an allegation of 'inappropriate practice' for which it can be difficult for a practitioner to come to terms. Practitioners should understand that this does not necessarily indicate inappropriate clinical practice, but rather technical non-compliance with the conditions of relevant MBS item number(s).

In many cases, a negotiated Section 92 Agreement, is the best outcome for a practitioner; there are many reasons for this which include (but are not limited to):

- proceeding to a PSR Committee Hearing means a risk of a less favourable outcome;
- an Agreement does not result in anything being published against your name, as occurs if the matter proceeds to a PSR Committee Hearing;
- the practitioner does not lose income by attending a one to two week PSR Committee Hearing;
- a PSR Committee Hearing will, more likely than not, be inflexible;
- there will be three medical panel members constituting the PSR Committee Hearing who will conduct a forensic examination of a medical practitioners medical records and billing practises, such that there is a risk of clinical concerns being raised and referred to AHPRA

In short, this Commonwealth legislation aims to “protect patients and the community from the risks associated with inappropriate practice and to protect the Commonwealth from having to meet the cost of medical/health services provided as a result of inappropriate practice” However, when the emphasised words are considered, it is very clear that it a key aim is to protect the Commonwealth (and Medicare) from improper billing practices by medical practitioners. Such practices are seen as a burden on the public at large and are open to interpretation as being fraudulent.

Practitioners should be aware that Medicare and PSR have advanced analytical systems for examining billing data including those practitioners whose billings are above the norm.

Medical practitioners are reminded that their billings should comply with the requirements of relevant Medicare item numbers, be supported by adequate notes in a patient records and proper billing practices. In addition, if a practitioner is billing beyond the norm, then it is likely that he/she will come to the attention of PSR at some stage.
