

PSR's Increased Recoveries from Healthcare Pros



Reading time:
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Last Modified on 02/05/2024 3:12 pm AEST

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In the last two years the Government agency that protects the Australian taxpayer from footing the bill for 'inappropriate practice', the Professional Services Review (PSR), has increased recoveries by 180%. The Government recognised the significant workload for PSR staff and increased resources allowing the PSR to focus more on fraud.

Typically, the PSR has only recovered about \$5M per annum, but this has increased since 2015 and exceeded \$29 million in 2018-19. Professor Julie Quinlivan, Director of Professional Services Review said "the increase in recoveries since 2015 has occurred as a result of an increase in workload in terms of both numbers of referrals and reviewed items per referral. It has also arisen as a result of specialist reviews, from whom higher recoveries are typically ordered."

PSR Total ordered recoveries

2018-19 \$29.20 million

2017-18 \$20.85 million

2016-17 \$10.41 million

The scheme is designed to assess if inappropriate claims are being made against the Medicare Benefits Schedule and the Pharmaceutical Benefits Scheme. The PSR reviewed 101 cases in 2018-19, which included 90 negotiated agreements. Repayments ranged from \$10,000 to \$995,286, with more than two-thirds of the agreements involving repayments of \$200,000 and above.

The Director of the PSR decided not to pursue further action in only 2 of the 101 cases. There appears to be scope for the PSR to continue to increase activity and recoveries which may still only be limited by resources. PSR recoveries are only a small fraction of total MBS and PBS subsidies. In 2018-19, Medicare paid out over \$24 billion in services for Australians.

Practitioners need to be mindful that Commonwealth is actively looking at MBS and PBS claims for anything it regards as unusual or inappropriate. The powers of the PSR were expanded in July 2018 when the Government passed legislation to improve the PSR's ability to pursue employers or corporations.

The PSR relies on the Health Department medical officers to interview several hundred practitioners each year before they make a decision about whether to refer a practitioner to the Director of the PSR. If you are contacted by the Health Department or Medicare, you should immediately contact MIPS.

The PSR advises that the kinds of issues that will bring your practice into focus include:

- rendering a statistically abnormal volume of total and daily services
- initiating a high volume of diagnostic imaging and pathology services
- unusual prescribing habits or
- other unusual practices.

If you have rendered or initiated 80 or more 'professional attendance services' on 20 or more individual days in a 12-month period, then you are far more likely to come to the attention of the PSR. This is known as the Prescribed Pattern of Services (see this on the [Department of Health](#) website).

In MIPS' experience members who are reviewed by the PSR generally fall into one of four categories:

- Specialist interest group
- Genuinely unaware of transgression
- 'Working the system'
- Fraudulent

MIPS is unable to assist members who are deliberately conducting fraud. While MIPS does represent and assist members with the PSR, any repayments to the MBS or PBS are not covered by MIPS' indemnity insurance.

Practitioners are most often caught out by the PSR for 'over servicing', incorrect Item numbers (either accidental or deliberate), where the requirements of the item number descriptor are not met or billing where no Medicare benefit is eligible.

The PSR always notify practitioners prior to arranging an interview and you should notify MIPS as soon as possible once you receive this notification.

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