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MEDIA RELEASE

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Private Health Fund Fraud under Investigation

Private Health Funds, with the cooperation of some provider associations, are targeting fraudulent ancillary healthcare providers in a bid to keep premium increases to a minimum for health fund members.

The Australian Health Insurance Association's CEO, Hon. Dr Michael Armitage said that while fraudulent activity among health care providers was not widespread, it did contribute to the increasing cost of health care and funds had an obligation to keep costs to members as low as possible.

In the most serious cases of systematic abuse of the health insurance system, Funds will derecognise providers (meaning Funds will no longer pay benefits to those providers). They can also refer cases to the appropriate regulatory body for professional deregistration and provide evidence to police for prosecution.

During the 2007-08 financial year AHIA member funds derecognised 63 acupuncturists and remedial massage therapists for providing services other than acupuncture or massage and claiming repeated visits by patients who did not attend the practice.

Dispensing optometrists, optical dispensers and dentists were also among those providers who recorded the highest number of complaints. AHIA Funds derecognised 19 dispensing optometrists and optical dispensers during the last financial year and took other action against 47 providers, while 8 dentists were derecognised and more than 80 dentists were removed from electronic claiming and other disciplinary sanctions imposed on them.

Optical providers were largely derecognised for providing designer sunglasses as prescription glasses to enable benefits to be paid by private health funds. Similarly, fraud among dental providers included removing the same tooth more than once, charging for procedures which weren't performed and claiming for more expensive procedures than those performed.

In recent years the AHIA has held an annual Claims Leakage and Fraud Forum attracting international experts to provide advice to Australian Funds on how to identify and deal with fraudulent providers.

Dr Armitage said the Funds were determined to stamp out fraud wherever possible and by doing so ensure that the majority of providers and privately insured members were not disadvantaged by the behaviour of a few.

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