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JANET ALBRECHTSEN

'We are not doing our kids any favours by protecting them so much'



Bungling medical watchdog on critical list

SEAN PARNELL, FOI EDITOR The Australian December 28, 2011 12:00AM 18 comments

THE powerful commonwealth agency tasked with investigating medical roorts needs to be completely rebuilt, having bungled at least 71 cases, breached patient privacy and failed to comply with various financial and legislative controls.

The recommendation is in a government-commissioned review that has found problems so entrenched it calls for the independent statutory authority to be partly subsumed by the Health Department and put on a new financial footing.

That could mean doctors or their professional bodies for the first time being asked to pay a levy to fund the Professional Services Review potentially bringing the new Health Minister, Tanya Plibersek, into conflict with the doctors lobby.

The PSR was established in 1994 to help ensure patient safety and doctors' proper use of funds under the Medicare Benefits Schedule and Pharmaceutical Benefits Scheme. But as the agency has grown it has become bogged down with investigations and struggled to remain accountable, with a growing list of internal problems detracting from its role.

While a parliamentary inquiry recently recommended a series of minor reforms, and the PSR has been negotiating others with the Australian Medical Association, a draft of the government-commissioned PricewaterhouseCoopers review, obtained by The Australian under Freedom of Information laws, recommends sweeping changes.

The review reveals the PSR is currently dealing with a number of "high-risk" issues, including

its legislative non-compliance, information security failures, staffing problems and a "high number of instances of financial framework non-compliance, particularly in relation to the expenditure of public money" and credit cards used without proper authorisation.

"The extent of the challenges identified in this review indicate that the current operating model needs to be redesigned to facilitate the future delivery of PSR scheme functions and enable sustainable, efficient and effective delivery," the draft report warns.

Last month, the Privacy Commissioner found the PSR had illegally merged MBS and PBS data, requiring changes to its computer systems, while allegations of documents being left unsecured finally prompted the PSR to install lockable cabinets.


The PSR was almost crippled by a decision of the Full Bench of the Federal Court in July, which undermined 71 completed cases and left a cloud over others. The court found the PSR, through previous health ministers Tony Abbott and Nicola Roxon, had failed to consult the AMA on appointments to its investigative

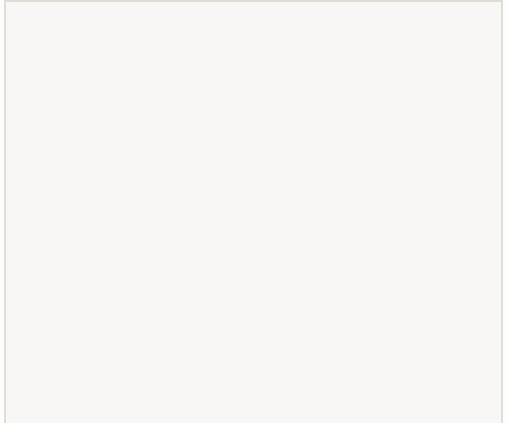
committees, as required under legislation. If the decision stands the commonwealth will in February seek leave to appeal to the High Court 44 doctors who were suspended from Medicare and the PBS, and stripped of \$3.3 million in claims, will have a legal right to sue for damages.

The PSR has on average recouped about \$2.3m in taxpayer funds each year and provided a much greater deterrent to inappropriate practice.

It has a current budget of \$6.7m less than previous years due to the impact of the Federal Court decision and

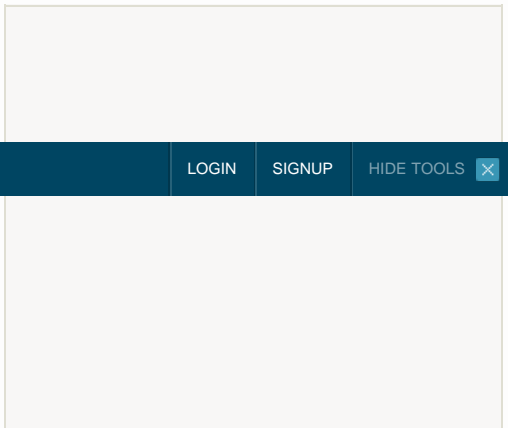

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about 30 staff.

The draft report highlights how the PSR workforce has doubled in five years and become more senior, which "may be inefficient", while the number and length of investigations has also drained its finances.

It recommends the PSR be partly subsumed by the Health Department, which would take over corporate support and provide further oversight.

It also suggests the government bring the PSR into line with public-sector guidelines on cost-recovery, either through a direct levy on all members of the professions it covers about \$87 a year for each of 94,000 practitioners, based on the PSR's 2010-11 funding levels or a direct levy on professional bodies.

"This (direct levy) approach would provide an incentive for professional bodies to increase their activities in actively discouraging levels of inappropriate practice," the draft report states.

A spokeswoman for the department said the review would be completed early next year, when the final recommendations would be considered and discussed with stakeholders, including the AMA.

"The government is aware of the problems identified by the report and has already taken action to address these," the spokeswoman said, noting the appointment of William Coote as PSR director last month.

"It is important to acknowledge the work that the PSR has already done over the last year to improve its operations, and make sure that they are effective and transparent."

The draft report, dated December 19, found it was too early to judge the success of those reforms and a larger overhaul was needed.

The PSR has sought to prevent a repeat of the issues that led to the Federal Court of Australia decision and is currently recruiting a new panel of members who can form investigative committees, along with the deputy directors who can head them.



COMMENTS ON THIS STORY

Miffed Posted at 11:32 AM Today

RE Logic of Canberra- Yes! And I want to know how much money Roxon's Canberra based National Bowel Cancer Screeing debacle costed the taxpayer too....but noone seems to be able to tell me.

Greg Posted at 11:15 AM Today

No the report does not call for a complete re-build. It simply suggests improvement in efficiency and beefed up, more effective reporting. An expensive, glossy looking report into the work of about 30 people. The roting by GPs runs to millions every year. All of these past bodies have been captive to the AMA which protects the vested interests of doctors. What needs to change is the legislation, to increase input by consumers, not doctors, into investigating outrageous cases of roting. To tackle the loopholes that led to the legal fiasco that the AMA are currently exploiting to the max.

Long Xuyen of Viet Nam Posted at 11:03 AM Today

We get all hot and bothered when the police investigate the police but we never bat an eyelid when doctors investigate doctors or lawyers investigate lawyers, two of the most powerful unions in the land. In fact we scream that any inquiry must include lawyers or doctors. Of course the bureaucrats and politicians aren't smart enough to keep them in line and they go on their merry way. So what's to be done? Poor fellow my country.

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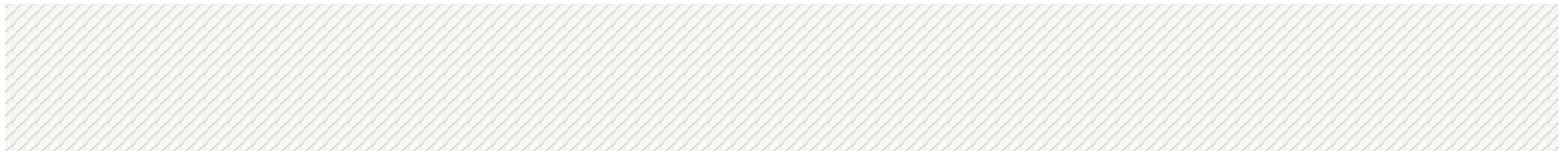
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