

# Audit Reports Summaries

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## Audit Report No. 24 1995-96

### Summary

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## Health Insurance Commission

### IMPACT OF SUNSET CLAUSE ON INVESTIGATORY POWERS

#### Performance Audit

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#### Origins of the audit

Following the audit of Medifraud and Excessive Servicing (ANAO Report No.17 1992-93) and subsequent Parliamentary hearings, the *Health Insurance Act 1973* and other Acts were amended to give the Health Insurance Commission greater powers to investigate fraud and excessive servicing. The amendments have a sunset clause and will expire on 30 June 1996.

The ANAO has undertaken an independent assessment of the impact of the legislation and the Commission's implementation of the legislation.

#### The Health Insurance Commission

The Health Insurance Commission (HIC) is responsible for the administration of the Medicare Benefits Scheme and the Pharmaceutical Benefits Scheme. Included in the Commission's responsibilities are the investigation of fraud and excessive servicing and other offences against health legislation. These responsibilities are discharged by the Professional Review Division of the Commission.

#### Audit purpose and scope

The ANAO's purpose was to ascertain:

- whether the enhanced investigatory powers had improved the Commission's ability to investigate and prosecute fraud and other offences against Health Legislation; and
- whether the Commission had used the powers with integrity, in a professional manner and in accordance with the legislation.

#### Audit conclusion

The ANAO concludes that:

- the enhanced powers to investigate fraud and excessive servicing have improved the Commission's ability to conduct investigations and prepare prosecutions. The ANAO considers that without powers of this kind the ability of the Commission to conduct investigations and prepare prosecutions would be impaired. This view has been supported by stakeholders consulted during the audit; and

- the Commission is using the enhanced powers in accordance with the legislation and in a professional manner.

## **Recommendation**

The report recommends that the Health Insurance Commission include a table in its annual report, under the heading 'Statutory Statements', that fully meets the requirements of section 42 (3A) of the *Health Insurance Commission Act 1973*, which covers reporting on the use of the powers.