

Medicare pours \$8m into online claims ad blitz

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KAREN DEARNIE
E-MEDICINE

MEDICARE spent \$8 million spruiking the benefits of electronic claiming in doctors' offices in a two-month advertising blitz last May and June, on top of \$42m in financial incentives and \$6m to fix a "design flaw" inhibiting uptake of the troubled Easyclaim system.

The media campaign promoted the use of Easyclaim, Medicare Online and (in-hospital claiming service) Eclipse in a bid to reduce attendance at Medicare offices for cash rebates.

A direct mailout to 7.2 million Medicare cardholders cost \$4.1m, \$2m was spent on print and radio advertisements, while \$1.8m was spent on creative and market research consultants, public relations firms and "champion" events.

During October, figures provided by Medicare show, 5.2 million patient claims were processed, with 52 per cent paid at the

Medicare counter, down from 69 per cent a year earlier.

A quarter of all patient claims processed are now sent electronically from the doctor's office, with another 25 per cent are lodged via phone or post.

Medicare Online, traditionally used by doctors for their bulk billing, now handles 75 per cent of all e-patient claims, with Easyclaim delivering the other 25 per cent.

Online functionality has been improved by Medicare's push to register clients' bank details, allowing payment of rebates directly into accounts, rather than issuing cheques.

Human Services Minister Chris Bowen has lauded the success of Easyclaim, despite complaints from doctors' organisations that development and introduction of the system was technically problematic and shifted the agency's administrative work to medical practice staff.

In the payments innovation discussion paper released by Mr Bowen last year, Easyclaim is cited as "an example of government-

industry collaboration that delivers commoditised solutions".

For patient claims, the individual's debit card has to be double-swiped through an eTpos terminal, or details entered via the practice management software. The rebate is then paid directly into a bank account.

The paper asks: "What other uses might the government and/or industry have for the Easyclaim infrastructure?"

But the Australian Medical Association says the government has achieved staff savings by transferring the workload to medical practices, without providing any benefits.

A better system would allow real-time checking of a patient's eligibility for a service, and automatic assignment of rebates to the doctor, so people would not have to pay the full amount upfront.

"By lodging patient claims electronically, medical practices carry a risk of non-payment for the service provided, as the Medicare payments system automatically rejects claims in particular

circumstances," the AMA said. "Practices spend significant amounts of time following up these rejections and resubmitting claims for processing."

The Royal Australian College of General Practitioners said it could not see an expanded role for

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THE AUSTRALIAN MEDICAL ASSOCIATION

the Easyclaim infrastructure "as it affords little flexibility and is a rigid point-to-point system".

"Easyclaim was established without initial consultation with the (medical software) industry and has had a problematic development," the college said.

"Other uses for this infrastructure would require substantial co-design with the industry."

A spokeswoman for Mr Bowen told *The Australian* the discussion paper referred to the Easyclaim contracting model "which operates akin to a credit card scheme".

Human Services wanted feedback "on this approach to procurement as compared with a more common request for tender".

"No decision has been made on further use of this model," she said. "Consultations with organisations that responded to the paper are still under way."

Meanwhile Tyro, a recent entrant to the eTpos payments scene, said the growth of Easyclaim transactions in the past year was in line with Tyro's market share. It processed 294,000 Easyclaim transactions during September, up from only 8000 last April, when it began providing the service.

"As of March, we have more than 1000 practices signed up, and we expect to do more than 625,000 transactions during the month," Tyro sales manager Garry Duursma said.

"We believe this is more than

all the other providers put together," Mr Duursma said. Tyro had led the call for Easyclaim's integration with doctors' practice management software.

Altogether, \$6 million was paid to software makers to provide interfaces with Easyclaim.

Mr Bowen's spokeswoman last week told *The Australian* that had been necessary to rectify a "fundamental design problem".

Medicare also paid \$42m to doctors through an 18-month "transitional support package" offering an upfront payment of \$750 to \$1000 for practices to implement patient e-claiming, plus an 18c fee for each claim submitted via Easyclaim. The incentive scheme ended on December 31.

The AMA says per-transaction payments should continue, in recognition of the additional costs involved.

"This would be consistent with the approach the government has taken with pharmacies, where each prescription processed using PBS Online attracts a 40c payment," the AMA said.