

Study: GPs more likely to undercharge than overcharge Australian Medicare

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Researchers calculating the cost/savings to Medicare from General Practitioner (GP) billing practices, according to the length of the consultation itself, have found that GPs frequently undercharge Medicare for patient consultations.

The study found that of 2,760 GPs, 84.6% undercharged Medicare for at

least one [consultation](#) within a sample of 40 consultations. The study also found GPs undercharged 11.8% of total consultations and only overcharged 1.6%.

The researchers estimate that GPs' undercharging or overcharging resulted in an estimated saving of \$351.7 million to Medicare in 2021–2022.

"Our study has shown that GPs are more likely to err towards undercharging, than to overcharging. This contrasts with previous research and reports alleging widespread fraud related to GP billing of Medicare," said lead author Dr. Christopher Harrison from the Menzies Centre for Health Policy and Economics at the University of Sydney.

"General practice is in crisis. Allegations of fraud have been damaging to a workforce that is struggling to attract medical graduates to general practice."

"While some GPs may undercharge Medicare for altruistic reasons and others because they still consider complexity of care when determining the Medicare item charged, we believe that a major reason GPs undercharge, even for long consultations, is the fear of being audited."

"We hope that these results will help inform the current discussion around how to strengthen Medicare and primary care in particular.

"Evidence shows, time and time again, that a strong [primary care](#) system lowers the cost of care while providing better health outcomes for all."

The findings were published in the *Australian Journal of General Practice*.

BEACH program an invaluable data snapshot of GP

clinical activity

The study analyzed data from the Bettering the Evaluation And Care of Health (BEACH) program, a national study of GP clinical activity in Australia that ran from 1998 to 2016.

Each year, a different group of 1,000 GPs recorded information on paper about their consultation sessions for 100 consecutive consenting patients.

The result is a detailed snapshot of GP medical practice in Australia over time.

During 2013–2016, GPs were asked to record the start and finish time for 40% of their patient consultations so that the length of consultations could be calculated.

The data were used to calculate the cost differences between the Medicare Benefits Schedule (MBS) items charged and the MBS items that could have been charged based on the length of the consultation. The results from the analysis were projected to the total number of MBS items claimed in 2021–22 using the July 2022 rebates.

2,760 GPs recorded information for 89,765 consultations:

- 84.6% of GPs undercharged their sessions at least once
- 29.6% of GPs overcharged at least once
- 11.8% of all consultations were undercharged (10,570 times)
- 1.6% of all consultations were overcharged (1,424 times)
- Of GPs who overcharged at least once, 85.4% also undercharged at least once.
- The total effect of GP overcharging and undercharging was a net saving of \$351.7 million to Medicare.

The researchers acknowledge a limitation of the study is that the data were collected in 2013–2016; at least six years ago. However, the pattern was consistent with a previous investigation using data from 2000–2003.

An issue highlighted in the study is that currently there is no reliable data source that allows examination of more recent GP clinical activity and billing. Medicare statistics report the cost and frequency of visits claimed for GP service items, but data about the actual length or the content of GP patient consultations are not collected through Medicare.

More information: Christopher Harrison et al, Under or over? General practitioner charging of Medicare, *Australian Journal of General Practice* (2023). DOI: [10.31128/AJGP-11-22-6624](https://doi.org/10.31128/AJGP-11-22-6624).
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