

# PIP News update

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November 2005

## Medicare Australia

On 1 October 2005 the Health Insurance Commission (HIC) became a prescribed agency under the Financial Management and Accountability Act 1997 and a statutory agency under the Public Service Act 1999, within the Department of Human Services. On that date, HIC was also renamed Medicare Australia.

The move to Medicare Australia is a component of the Minister for Human Services, the Hon Joe Hockey MP's, vision for the department to focus on "making people's lives easier through simpler access to government services and benefits".

Importantly, the functions of Medicare Australia will not change, continuing as one of the largest and most efficient health benefit and information processing agencies in the world. Medicare Australia has a connection with every Australian resident, every doctor and every pharmacy, processing more than 400 million transactions a year and paying benefits to the value of around \$16 billion a year.

The new web address is [www.medicareaustralia.gov.au](http://www.medicareaustralia.gov.au). The old web address will be automatically redirected to Medicare Australia for two years.

## Changes to the PIP incentives

Changes are being made to PIP following recommendations of the Australian Government's Red Tape Taskforce to simplify and improve the PIP. The key changes are as follows:

### PIP entry requirements

Practices previously had to provide evidence of public liability insurance and their GPs professional indemnity cover. Whilst practices must hold these kinds of insurance policies to join PIP, they no longer need to produce evidence of this unless they are audited.

### After hours

The requirements and payments for Tiers 1 and 3 are unchanged.

From 1 February 2006, the Tier 2 requirements will change to allow smaller practices to access the after hours incentive payments more easily. The payment level will not change.

- Tier 2
- Practices with 2,000 SWPEs or less—the practice's GPs must cover at least 10 hours per week of the practices after hours arrangements (on average).
  - Practices with more than 2,000 SWPEs—the practice's GPs must cover at least 15 hours per week of the practices after hours arrangements (on average).



Note: Medicare Australia will write to practices shortly and provide an opportunity to reconfirm the after hours arrangements in light of these revised requirements. Practices are not required to take any action until they receive this letter.

## **IM/IT**

The IM/IT incentive changes will take place in late 2006, to allow time for practices to understand and adopt these changes. Practices will receive further information about these changes.

The previous three Tiers will be replaced by 2 Tiers as follows:

- Tier 1 The practice maintains their electronic patient records which include clinical data on allergies/sensitivities for the majority of active patients. In addition, the practice implements appropriate information security measures (e.g. virus protection, firewall, backup and recovery, access control and practice procedures/processes to support/maintain appropriate information security). The practice also uses appropriate security (e.g. encryption systems) where patient information and/or clinical data are transferred electronically.
- Tier 2 The practice qualifies for Tier 1 and uses electronic patient records to record and store patient clinical information, including current and past major diagnoses and current medications for the majority of active patients.

## **Practice branch accreditation**

As highlighted in earlier newsletters, practice branches providing 3,000 or more services per annum will need to be accredited or registered for accreditation in their own right from 1 February 2006 in order for the services of that practice to be included in PIP calculation payments. This date has now been amended to 1 May 2006. To assist in deciding whether this applies to your practice/s, Medicare Australia practice statements now include the number of services provided at each branch location.

As with the PIP entry requirements, the branch practice/s can be registered for accreditation to be eligible, but they must obtain full accreditation within 12 months of registration or by February 2006, whichever is the later, to qualify for PIP.

## **Simplification of service incentive payments**

### **3 Step Mental Health**

The 3 Step Mental Health Process has been simplified. The number of planned consultations in the 3 Step Mental Health Process has been reduced from two to one. The assessment and planning steps are now able to be completed in one consultation. The review step must be undertaken in a separate planned consultation at least four weeks but not more than six months after the consultation at which the plan was prepared.

### **Diabetes**

GPs now have more flexibility in delivering the diabetes cycle of care. GPs were required to measure blood pressure and weight, and examine feet every six months in a cycle of care. GPs can now do these activities within a five to seven month timeframe.

For further information on the simplification of these requirements please contact Medicare on 132 150.

## **Need more information**

If you have any questions about the PIP please call the PIP enquiry line on 1800 222 032 or visit the website at [www.medicareaustralia.gov.au](http://www.medicareaustralia.gov.au)