



Australian Government

Medicare Australia

If not delivered return to PO Box 1001 Tuggeranong DC ACT 2901



ABN 75 174 030 967

Xx June 2008

**Practice Manager**

<Address line 1>

<Address line 2>

<Suburb><State><Postcode>

**Dear Practice Manager**

On 15 May 2008, Medicare Australia met with representatives from peak medical bodies and discussed a Medicare Australia proposal to reduce red tape for practices using Medicare Online.

Currently, providers utilising Medicare Online for Medicare and Department of Veterans' Affairs claiming, sign a contract with Medicare Australia, which obligates the provider to retain a copy of each assignment of benefit form for a period of two years. In addition, the form to be used by the provider for an assignment of benefit must be approved by the Medicare Australia Chief Executive Officer. The form approval process is undertaken by software vendors.

I am writing to inform you that the following policy changes are being introduced to streamline the process for practitioners:

- From 1 July 2008, the provider will no longer be required to retain a copy of the assignment of benefit form for a period of two years, as specified in the current contract.
- The assignment of benefit form will no longer need to be formally approved by the Chief Executive Officer of Medicare Australia. Where the form is compliant with the guidelines issued by Medicare Australia, the form will be considered approved. This will benefit software vendors by enabling them to determine whether their form is compliant and removes the red tape of approval.

The terms and conditions of the contract will be amended to reflect the policy change in relation to retention of a copy of the assignment of benefit. The new contract will be available on the Medicare Australia website from 1 July 2008.

Providers with an existing contract are not required to sign a new contract to gain benefit from the changed terms and conditions. Continued use of Medicare Online claiming will be deemed to be acceptance of the new terms and conditions.

Should Medicare Australia need to confirm that the service was provided to a patient, we will seek alternative evidence from the service provider that the service was indeed provided to that member of the public. The evidence of service may be demonstrated through records such as electronic billing information, notes in practice software, appointment records and, if the practice chooses to retain them, the copy of the assignment of benefit form. In the event of an audit, this information will help you to verify to Medicare Australia that claims have been correctly paid.

From 1 July 2008, providers may destroy any copies of assignment of benefit forms currently stored at their practice. However, in doing so, providers should assure themselves that they can still, from other means of record keeping, satisfy any request from Medicare Australia for evidence of service.

Please note that the legislative requirements for the assignment of benefit remain unchanged. That is:

- an agreement must be made between the patient (assignor) and the provider for the assignment of benefit
- the agreement is 'evidenced' through the use of the assignment of benefit form
- the patient is required to sign the form
- a copy of the agreement must be provided to the patient.

Please ensure all providers at your practice are advised of the changes.

If you would like to discuss this further, please telephone 132 150.

Yours sincerely

Rona Mellor  
Deputy Chief Executive Officer  
Medicare Australia