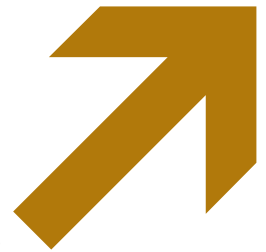


# CONTENTS



Chairman's report	II
Managing director's report	X
Report of operations	XII

## Chapter 1 – Year in summary 1

Medicare	2
Medicare easyclaim	2
Pharmaceutical Benefits Scheme (PBS) and Repatriation Pharmaceutical Benefits Scheme	2
Veterans' treatment accounts	3
Australian Organ Donor Register	3
Australian Childhood Immunisation Register	3
General Practice Immunisation Incentives Scheme	3
Practice Incentives Program	3
Rural Retention Program	3
General Practice Registrars' Rural Incentive Payments Scheme	3
Compensation Recovery Program	4
HECS Reimbursement Scheme	4
Federal Government 30% Health Insurance Rebate	4
Two-way agency arrangements with health funds	4
Simplified billing	4
Office of Hearing Services	4
Family Assistance Office	4

## Chapter 2 – HIC's Strategic Plan and purpose 7

HIC's Strategic Plan	8
Turning the Strategic Plan into action	10
Corporate scorecard	10
Customer satisfaction	10
Market research	10
Corporate Business Plan	11
Business Improvement Program	12
MediConnect	12
Web Channel Development project	13
Automated Risk Management System (ARMS)	13
Directories	13
HIC Online	14
PBS online services	15
HIC's purpose	16
Programs administered by HIC	16
HIC's relationships	16

Funding arrangements	17
Department of Health and Ageing	17
Department of Veterans' Affairs	17
Department of Family and Community Services	17
Health Department of Western Australia	17
Office of Hearing Services	17
Data security and access to information	18
HIC privacy training — internal and external stakeholders	18
Public Key Infrastructure	19
Health eSignature Authority Pty Ltd	19
Health sector connectivity	20
Health information services	20
HIC information strategy	20
Corporate metadata management	20
Knowledge management	21
Integrated Business Information System (IBIS)	21
Provider feedback	21
HIC web statistics pages	22
Data Quality	22
Health information delivery	22
Information Channels with Key stakeholders	22
Program integrity and assurance role	23
Fraud investigation	23
HIC's investigative powers	23
Review of HIC's national investigation function	24
Information technology role	24
IT applications	25
Architecture	25
Infrastructure and business continuity	25
Performance of IBMGSA	25
Planning and business management	26
Enterprise services and projects	26
IT quality assurance and testing	26
The IT Quality Assurance and Testing Branch	26
Web channel services management	26
Initiatives and challenges	27
HIC consultancy services role	27
Health financing model	27
International projects	28
International delegations	29
National project activity	29

## Chapter 3 – Corporate Governance, Services and Arrangements 31

HIC's Board of Commissioners	32
Structure	32
Remuneration	32
Directors' and officers' liability insurance	32
Membership and attendance at HIC's Board of Commissioners meetings	33
The Commissioners	34
Committees	37
Audit Committee	38
Fraud and Service Audit Committee	38
Business Outcomes Committee	38
Human Resource Committee	39
Remuneration Committee	39
Reporting	39
Internal control framework	40
Business risks	40
Ethical standards and Code of Conduct	40
Corporate governance information for HIC staff	40
Management Committees	40
Organisational structure	41
HIC divisions	42
HIC staff	43
Performance Support Program	43
Property management	44
Learning and development	44
Employment framework	45
Equity and diversity	46
Safety management	46
Staff survey	47
People Plan	47
Consultancy services engaged by HIC	48
Stakeholder Advisory Committee	48
HIC's Service Charter	48
Responding to Australia's culturally diverse society and people with disabilities	50
Improving access for Indigenous people	50
Improving access for new arrivals and residents from culturally and linguistically diverse backgrounds	51
Improving access for people with disabilities	51
HIC telephone enquiry service	52

## Chapter 4 – Medicare

55

Key business results	56
At a glance	56
Overview	57
HIC's responsibilities	57
<i>Medicare Benefits Schedule</i>	57
Medicare levy	57
Medicare Safety Net	58
Medicare eligibility	58
Customising services for Indigenous Australians	58
Aboriginal health service practice data	60
Memorandums of understanding signed	60
Improved services for immigrants	60
Visitors to Australia	60
Provider eligibility and registration	61
Committees	61
Location specific practice registration	61
Pathology	62
Medicare claiming	62
Bulk bill claims	62
HIC Online	62
Medclaims	62
Scanning and document imaging system	62
Patient claims	62
Paid accounts	62
Unpaid accounts	63
Medicare office claiming	63
Medicare easyclaim	63
Medicare mail claiming	63
Two-way lodgement of Medicare claims	63
Simplified billing	63
Balimed	64
Professional Services Review Scheme	65
Prescribed pattern of service (80/20 rule)	65
Recoveries under the Professional Services Review Scheme	65
Inappropriate practice	66
Compliance audits	66
Post payment audits	66
Purpose based audits	67
Source based audits	67
Fraud Investigations	67
Medicare Participation Review Committee	68
Risk management developments	69
Education and promotion	69
Customer research	70

## Chapter 5 – Pharmaceutical Benefits Scheme 73

Key business results	74
At a glance	74
Overview	74
PBS beneficiaries	74
PBS Safety Net	75
HIC's responsibilities	75
Processing claims and payment to approved pharmacists	75
Approving authority prescriptions	76
Internet ordering of repeat authorisation stationery	76
Approving pharmacists to supply PBS medicines	76
Third Community Pharmacy Agreement	76
Payments made under the Third Community Pharmacy Agreement 2002 – 03	77
Indigenous and Torres Strait Islander access to the PBS	78
Herceptin	78
Australian Health Care Agreements — pharmaceutical reform measures of public hospitals	78
Management of risks to the PBS	79
Restricted PBS medicines	79
Authority PBS medicines	79
Prescription Shopping project	79
PBS Risk project	79
Overseas Drug Diversion project	80
Suspension or revocation of PBS approvals	80
Education and promotion	81
Customer research	82

## Chapter 6 – Australian Organ Donor Register 85

Key business results	86
At a glance	86
Overview	86
Australian Organ Donor Register website	86
How information in the Register is used	87
Education and promotion	87
Research	87
Australian Organ Donor awareness week	87
Bowel Cancer Screening Register	88

## Chapter 7 – Australian Childhood Immunisation Register 91

Key business results	92
At a glance	92
Overview	92
How information in the Immunisation Register is used	93
Challenges	94
Education and promotion	94

## Chapter 8 – Other Health Payments and Activities 97

Medical Indemnity	99
General Practice Immunisation Incentives Scheme	100
Practice Incentives Program	101
Rural Retention Program	104
General Practice Registrars' Rural Incentive Payment Scheme	105
Compensation Recovery Program	106
HECS Reimbursement Scheme	107
Federal Government 30% Health Insurance Rebate	107
Veterans' treatment accounts	109
Family Assistance Office	110
Hearing Services Program	111

## Chapter 9 – Financial Statements 113

## Chapter 10 – Appendixes 163

Appendix A: Statutory reports	165
Appendix B: Freedom of information	171
Appendix C: Ecologically sustainable development and environmental performance	174
Appendix D: Staffing overview	175
Appendix E: Consultancy services engaged by HIC	179
Appendix F: <i>Charter of Care</i> report	183
Appendix G: Telephone calls received	188
Appendix H: Accessing HIC	189
Glossary	192
Compliance index	194
Management accountability	195
Historical highlights	196
Alphabetical index	197