



# Compensation Recovery Program



## Important information

### What is a compensation payment?

A compensation payment is a sum of money paid to the compensable person for an injury or illness suffered as a result of the negligence or lack of care by another person. The payment is usually made by an insurance company but can be made by an individual or a company.

### Who advises Medicare Australia about my compensation claim?

By law, the compensation payer (usually the insurance company) must tell Medicare Australia when a claim for compensation reaches judgment or settlement and if the value of that judgment or settlement is set at more than \$5000 (including all costs).

Medicare Australia is not required to be notified of claims that are set at less than or equal to \$5000 (including all costs).

### Why is Medicare Australia involved?

When you suffer an injury or illness, you are usually entitled to Medicare benefits, nursing home benefits and residential care subsidies. However, when your injury or illness is the subject of a compensation claim and you subsequently receive compensation, the compensation payout should cover the full cost of your treatment.

To make sure that no 'double dipping' occurs, the Australian Government is entitled to recover the cost of benefits and subsidies it has paid in relation to your injury or illness under the *Health and Other Services (Compensation) Act 1995* (the Act).

'Double dipping' is when a person has received Medicare benefits, nursing home benefits or residential care subsidies paid by the Australian Government in relation to an injury or illness, and also receives compensation for that same injury or illness—in effect being paid twice for the injury or illness.

Medicare Australia administers the Compensation Recovery Program under the Act and is responsible for recovering the medical benefits and subsidies paid to a claimant on behalf of the Australian Government.

### Can I claim from Medicare Australia if I have a compensation claim?

Yes. If you have been injured, for example, at work, in a car accident or as a result of the negligence of another person, you can claim Medicare benefits for the treatment of your injury or illness. Your doctors can bulk bill you or give you an account to take to a Medicare office.

### Will my compensation payment affect my future claims for Medicare benefits?

No. After your claim has been finalised you will have the same entitlement to claim Medicare benefits as you had before your injury or illness.

### What if the insurer accepts liability?

If a compensation payer accepts liability for your injury or illness and agrees to pay your medical expenses, all medical accounts should be directed to the compensation payer for payment.

### What should I do before I settle my claim for compensation?

We suggest you identify the amount of Medicare benefits or subsidies to be repaid before you accept a settlement, as the amount due to the Australian Government will be deducted from your compensation payment.

# Compensation Recovery Program

## How do I know how much I may need to repay to the Australian Government once my claim settles?

If you would like to know the amount to be repaid before your case reaches judgment or settlement, you, your solicitor or the compensation payer should request a *Medicare claims history statement* from Medicare Australia. Your *Medicare claims history statement* lists the services that a Medicare benefit has been paid since the date of your injury or illness. From this list you can identify the services that relate to the injury, and we will determine the amount, if any, that you will need to repay the Australian Government.

To request a copy of your *Medicare claims history statement*, you will need to fill in a *Request for a Medicare history statement* form. For a copy of the form go to [www.medicareaustralia.gov.au](http://www.medicareaustralia.gov.au) then **For individuals and families > Forms and brochures > Other programs and Services**

**Note:** no matter who requests your *Medicare claims history statement*, it will be sent directly to you (unless you authorise, in writing, Medicare Australia to send it to a third party, for example your solicitor).

Once you have received your *Medicare claims history statement* you will need to identify each service that relates to your injury or illness. You will also receive a statutory declaration with your *Medicare claims history statement* asking you to declare if you received nursing home benefits and residential care subsidies relating to your injury. Once you have completed the *Medicare claims history statement* and signed the statutory declaration, you must return them to Medicare Australia in the supplied reply paid envelope within 28 days.

Medicare Australia will assess your returned *Medicare claims history statement* and, if satisfied that the identified services relate to your injury or illness, we will send a *Notice of past benefits* to the compensation payer and yourself.

The *Notice of past benefits* will identify the amount, if any, that is required to be repaid to Medicare Australia upon judgment or settlement of your claim. The *Notice of past benefits* is valid for six months.

## What if I need more time to identify and return my Medicare claims history statement?

If you need more time to identify services relating to your injury or illness and to return your *Medicare claims history statement*, you can apply for an extension of time by calling **132 127\***.

However, if your claim reaches judgment or settlement before you are able to return your *Medicare claims history statement*, Medicare Australia is unable to grant an extension.

## What if Medicare Australia does not agree with my returned Medicare claims history statement?

Medicare Australia will review your submitted *Medicare claims history statement* to make sure that the correct services relating to your injury or illness have been identified. If Medicare Australia considers the services identified as not being substantially correct, we will return the *Medicare claims history statement* for you to review further.

If Medicare Australia does not receive an amended *Medicare claims history statement* by the due date, or it believes services relating to your injury or illness have still not been identified, then all services on the *Medicare claims history statement* will be deemed as relating to the injury.

## What does 'deemed' mean?

If you do not return your completed *Medicare history claims statement* and statutory declaration to Medicare Australia by the due date and you have not been granted an extension, then all services listed on your *Medicare claims history statement* will be taken as relating to your injury or illness. This is known as being 'deemed'.

If your *Medicare claims history statement* has been deemed, the amount listed on the *Notice of past benefits* will be the total value of all services listed and is the amount that must be repaid upon settlement.

## What happens when my claim has reached judgment or settlement?

If your claim is finalised by way of judgment or settlement during the six-month period your *Notice of past benefits* is valid, the compensation payer will:

- send the amount to be repaid to Medicare Australia from the amount of compensation set
- send the balance to you.

If your claim is finalised and your *Notice of past benefits* is no longer valid, you can either:

- request a new *Medicare claims history statement* so you can identify the services paid since the last *Notice of past benefits* was issued. Medicare Australia will then issue a new *Notice of past benefits* to the compensation payer, or

# Compensation Recovery Program

- if no benefits have been paid since the last *Notice of past benefits* was issued, you can submit the statutory declaration, attached to the statement, confirming this.

**Note:** the compensation payer cannot send you any of the judgment or settlement amount until the Australian Government has been repaid for any past benefits or subsidies.

## What if Medicare Australia isn't notified of the claim until after judgment or settlement has been reached?

If the amount to be repaid is unknown at the time of judgment or settlement and Medicare Australia has not issued a *Notice of past benefits*, there are two options you, your solicitor or the insurer can take:

- request that Medicare Australia issue a *Medicare claims history statement* so that you can identify the amount payable, before you are paid compensation, or
- the compensation payer can choose to make an advance payment to Medicare Australia.

## What is the Advance Payment Option?

The Advance Payment Option (APO) is a payment made by the compensation payer which is equal to 10 per cent of the total amount of compensation set under judgment or settlement. This is sent to Medicare Australia within 28 days of judgment or settlement, before the amount of past benefits or subsidies previously paid in relation to your injury or illness is known.

By using the APO, the compensation payer is able to pay the balance of the compensation to you before knowing the amount of your past benefits or subsidies. The compensation payer can make an advance payment when:

- the amount of compensation is set at more than \$5000 (including all costs)
- there is no valid *Notice of past benefits* in place.

If the amount due to the Australian Government is less than the advance payment amount, Medicare Australia will refund the balance to you within three months of receipt of the advance payment and completed documents from the compensation payer.

If the amount due to the Australian Government is more than the advance payment made by the compensation payer, you are responsible for and must pay the difference to Medicare Australia.

## Example:

- you have been awarded \$10 000 in compensation
- the compensation payer sends Medicare Australia an amount of \$1000 by way of the 10 per cent APO
- you receive the remaining \$9000
- you are sent your *Medicare claims history statement* to complete
- you complete and return your *Medicare claims history statement* to Medicare Australia
- if Medicare Australia assesses the amount owed to the Australian Government is \$650, Medicare Australia refunds the balance of \$350 ( $\$1000 - \$650 = \$350$  refund) to you, or
- if Medicare Australia assesses the amount owed to the Australian Government is \$1420, Medicare Australia will retain the \$1000 advanced payment and ask you to pay an additional \$420 ( $\$1000 - \$1420 = \$420$  debt).

## For more information

Online [www.medicareaustralia.gov.au](http://www.medicareaustralia.gov.au)

Email [NSW.comp.mgr@medicareaustralia.gov.au](mailto:NSW.comp.mgr@medicareaustralia.gov.au)  
[QLD.comp.mgr@medicareaustralia.gov.au](mailto:QLD.comp.mgr@medicareaustralia.gov.au)

Call **132 127\***

TTY **1800 552 152\*\*** (Hearing and speech impaired)

TIS **131 450\*** (Translating and Interpreting Service)

If you need help translating this information call the TIS on **131 450\***.

Arabic - إذا احتجت لمساعدة في ترجمة هذه المعلومات، يمكنك الإتصال بخدمة الترجمة التحريرية والشفهية على الرقم 131 450\*

Korean - 본 정보의 이해를 위해 번역사의 도움이 필요하시면, 131 450\*번으로 TIS에 전화하십시오

Serbian - Ако вам је потребна помоћ да преведете информације, назовите TIS на 131 450\*

Spanish - Si necesita ayuda para traducir esta información, llame al TIS al 131 450\*

Turkish - Bu bilgiyi tercüme etmek için yardıma ihtiyacınız varsa 131 450\* numaradan TIS'i arayınız

Vietnamese - Nếu quý vị cần nhờ dịch thông tin này xin gọi cho TIS số 131 450\*

\* Call charges apply.

\*\* Call charges apply from mobile and pay phones only.