

Chapter 12 Department of Health and Children

12.1 Follow-up of 2001 Report Issues

Recovery of Overpayments to Doctors

In my 2001 Report I drew attention to potential overpayments to General Practitioners (GPs) which came to light when the Department was implementing a Budget decision to bring all persons aged 70 years and over within the Medical Card scheme. The matter was subsequently examined in detail at the Committee of Public Accounts.

The Accounting Officer has since informed me that in advance of resolving certain outstanding issues with the Irish Medical Organisation (IMO), the GMS (Payments) Board has continued, in co-operation with Health Boards, to update the GMS register and identify expired medical card records. As of July 2004, a total of 104,236 records have been removed from the GMS register. Most would be considered by the Health Boards to be normal deletions due to death, change in eligibility status or persons moving from one board area to another.

The number of records relating to over-70s, and more than 3-months expired, was 29,165. The estimated overpayment arising from the removal of these cards from the register now amounts to €8.468 million (of which €0.769 million relates to superannuation). The overpayment amount was calculated in line with detailed guidelines drawn up by the Health Boards Executive in early-2003. The number of GPs involved was approximately 1,780 with individual overpayments ranging from €31 to €42,000. Nothing had been recovered by July 2004.

The Accounting Officer informed me that negotiations with the IMO on this matter were ongoing. Immediately after his attendance at the Committee of Public Accounts in September 2003, the IMO were informed of the Department's intention to fully recoup the overpayments identified, in line with the commitment given to the Committee. The IMO resisted recoupment of overpayments and maintained that GPs have been underpaid for certain other categories of medical card clients under 65, namely unregistered newborn babies and teenagers who become eligible for a card in their own right on reaching the age of 16.

He added that given the strong probability of a legal challenge, the Department agreed to have the alleged underpayments examined. The IMO have only recently responded to draft terms of reference for an examination of alleged underpayments and have also raised a number of other concerns. The GMS (Payments) Board and Health Boards have undertaken a preliminary examination of the issues raised by the IMO and, following acceptance of the terms of reference, the formal examination was expected to get underway shortly. He hoped to have this process completed by end September 2004.

I asked the Accounting Officer if the general contract with GPs has been amended to meet the concerns raised by the Committee of Public Accounts.

In response he informed me that the terms of the existing GMS contract reflect the agreed outcome of industrial relations negotiations between the Department of Health and Children and the IMO. There was no provision in the existing contract that would allow for the automatic deduction of an identified overpayment. However, the Department had offered to engage with the IMO in a wide-ranging review of general practice, which would address all aspects of the relationship between GPs and the public health system, including a full review of the current contract. The review would take full account of the structural changes taking place in the Health services, the Health reform agenda, the Primary Care

Strategy, the flexibility terms under Sustaining Progress and other relevant issues. He added that the IMO had refused the Department's offer of a review until certain industrial relations issues are addressed. Discussions on these issues were ongoing.

Refunds under the Drugs Payments Scheme

In my 2001 Report, I also drew attention to the overpayment and underpayment of subsidy to persons availing of the then new Drugs Payment Scheme arising from the delay in making regulations to give the scheme legal effect.

In response to my request for an update regarding the payment of refunds due under the Scheme, the Accounting Officer informed me that 36,278 refund cheques in total had been issued by July 2004 amounting to €6,437,845. The average refund was €177.

He added that apart from a small number of valid claims being finalised, query cases and late claims – which would be dealt with sympathetically - the process was complete.

The administrative cost of processing the overpayment refunds was approximately €55,000.