



PRACTICE INCENTIVES PROGRAM » GUIDELINES

FEBRUARY 2009

THESE GUIDELINES PROVIDE INFORMATION ABOUT THE ELIGIBILITY REQUIREMENTS OF THE PRACTICE INCENTIVES PROGRAM (PIP), THE TYPES OF PAYMENTS AVAILABLE AND OTHER ADMINISTRATIVE MATTERS.

1. INTRODUCTION

The PIP provides a number of incentives that aim to encourage general practices to improve the quality of care provided to patients. Practices must be accredited or registered for accreditation against the Royal Australian College of General Practitioners (RACGP) *Standards for general practices* to participate in the PIP.

Payments are made through the PIP:

- to encourage use of electronic health systems;
- to ensure patients have access to after hours care;
- to support rural practices;
- to encourage rural general practitioners (GPs) to provide procedural services;
- to support practices to employ practice nurses;
- to encourage practices to teach medical students;
- for participating in educational activities to improve prescribing behaviour;
- to encourage cervical screening;
- for best practice management of patients with asthma and diabetes;
- to encourage general practices in rural and remote areas to act as a referral point for women experiencing domestic violence; and
- to encourage GPs to provide increased and continuing services in Commonwealth-funded Residential Aged Care Facilities.

The PIP is administered by Medicare Australia on behalf of the Australian Government Department of Health and Ageing.

2. PIP ELIGIBILITY REQUIREMENTS

To be eligible to participate in the PIP, a practice must:

- meet the RACGP definition of a 'general practice' (see below);
- be accredited or registered for accreditation against the RACGP *Standards for general practices* and be fully accredited within 12 months of joining the PIP;

- maintain practice accreditation;
- have public liability insurance; and
- ensure that all medical practitioners at the practice have professional indemnity cover.

Note: The RACGP *Standards for general practices* define a 'general practice' as "a service that provides initial, continuing, comprehensive and coordinated medical care for individuals, families, and communities and which integrates biomedical, psychological, social and environmental understandings of health".

ELIGIBILITY FOR INDIVIDUAL PIP INCENTIVES

Practices must also meet the eligibility requirements of each of the PIP incentives they wish to apply for. Guidelines for each of the PIP incentives are available online at www.medicareaustralia.gov.au/pip or by contacting the PIP Enquiry Line on freecall 1800 222 032.

3. JOINING THE PIP

Practices may apply to join the PIP at any time. Practices wishing to apply for the PIP must complete the *Practice Incentives Program and General Practice Immunisation Incentive* application form and submit the form, along with the required supporting documentation, to:

Practice Incentives Program
GPO Box 2572
ADELAIDE SA 5001
Fax: 08 8274 9352

Practices must include the name and contact details of the authorised contact person(s) for the practice. The contact person(s) must be authorised by the current owner(s) of the practice to advise Medicare Australia of any changes and will be the person(s) to whom all correspondence or enquiries are addressed. Medicare Australia can only deal with the current owner(s) or authorised contact person(s).

Each participating medical practitioner is required to complete the *Individual Practitioner Details* part of the application form, which includes consent to use their Medicare and Department of Veterans' Affairs service data to calculate the practice's PIP payments. New practitioners joining the practice after approval to participate in the PIP has been provided will need to complete and submit the *Additional or New Practitioner Details* part of the application form.

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If a medical practitioner does not consent, or omits to sign the relevant part of the application form, their service data will be excluded from the calculation of the practice's PIP payments. Practitioners may consent at a later date to have their service data included by advising Medicare Australia of this decision in writing. The medical practitioner's service data will then be included in the calculation of the practice's payments from the next payment date.

Medicare Australia will assess applications and advise applicants in writing of their eligibility.

4. PRACTICES WITH MULTIPLE LOCATIONS

Practices with multiple locations may apply to join the PIP as a single practice, as long as one or more doctors from the main practice location also practise at the additional practice locations. If this requirement is not met, each practice location is required to register as a separate practice for the PIP.

When completing the application form, the main practice location will need to be nominated. The main practice location should be the practice location that provides the highest number of services per annum.

Additional practice locations are known as 'practice branches'. Practice branches providing 3,000 or more services per annum are required to be accredited, or registered for accreditation, in their own right to be included in the calculation of the practice's PIP payments. If the practice branch is registered for accreditation, accreditation needs to be achieved within 12 months of registration and maintained thereafter.

Practice branches providing less than 3,000 services per annum do not need to be accredited in their own right. The services of these practice branches will be automatically included in the calculation of the practice's PIP payments, regardless of accreditation status.

5. PIP PAYMENTS

TYPES OF PAYMENTS

Practice Payments

The majority of payments through the PIP are made to practices and focus on those aspects of general practice that contribute to quality care.

PIP payments are intended to support the practice to purchase new equipment, upgrade facilities, or increase remuneration for doctors working at the practice.

Service Incentive Payments

Service Incentive Payments (SIPs) are generally made to medical practitioners to recognise and encourage the provision of specified services to individual patients.

Rural Loading Payments

Practices participating in the PIP with a main practice location situated outside capital cities and other major metropolitan centres are automatically paid a rural loading. If a practice with multiple locations is eligible for a rural loading, the loading will be calculated based on the main practice's location using the *Rural, Remote and Metropolitan Areas (RRMA) Classification, 1991 Census Edition* (Department of Primary Industries and Energy and Department of Human Services and Health, November 1994).

Further information on the rural loading is included in the PIP *Rural Loading Guidelines*.

CALCULATION OF PAYMENTS

PIP payments are generally based on practice size (calculated using the Standardised Whole Patient Equivalent (SWPE) value of the practice) in an historical reference period. The reference period is a rolling 12 month period that commences 16 months prior to the payment quarter. For example, payments received in the August quarter are calculated using practice size data for the 12 month period ending 31 March of that year.

Calculating the SWPE value

The SWPE value of a practice is the sum of the fractions of care provided to practice patients, weighted for the age and gender of each patient. The average full-time GP sees around 1,000 SWPEs annually. The SWPE value of a practice is calculated in three steps:

1. Calculation of the Whole Patient Equivalent (WPE) of each patient

The fraction of care provided by the practice to each patient is calculated. For example, in a 12 month period, a patient has \$100 in Medicare Benefits Schedule (MBS) benefits at Practice A and \$400 at Practice B, to a total of \$500.

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- Practice A would be assigned with \$100/\$500 or 0.2 of the patient's care.
- Practice B would be assigned with \$400/\$500 or 0.8 of the patient's care.

The total care for each patient equals one (1.0) and is known as the whole patient equivalent (WPE). The WPE is based on GP and other non-referred consultation items in the MBS and uses the value, rather than the number, of consultations per patient.

2. Weighting of the WPE

The WPE is weighted for the age and gender of each patient to become the SWPE. The weighting factor recognises that people generally require different amounts of care at different stages in their life, and that the amount of care differs for males and females. The weighting factors are routinely updated.

3. Sum the SWPE

The individual SWPE values are added together to determine the SWPE value of the practice.

PRACTICES WITHOUT AN HISTORICAL SWPE VALUE

Practices without an historical SWPE value (e.g. newly established practices) will not be eligible to receive payments for the majority of PIP incentives initially.

As a practice's historical SWPE value is established, payments will increase over time to the full value of the practice's entitlement. It takes approximately six payment quarters from the time of joining the PIP to establish a full SWPE value.

The cervical screening, asthma and diabetes incentives SIPs, the Procedural GP payment and the teaching payment are not affected by the lack of an historical SWPE value.

WHEN PAYMENTS ARE MADE

In most cases, practices that meet the eligibility requirements of a PIP incentive will be paid in the first payment quarter after application. Thereafter, the practice will be paid quarterly in February, May, August and November each year, provided the practice continues to meet the eligibility requirements.

To qualify for payments, practices must be participating in the PIP and meet the eligibility requirements of the incentives at a 'point in time'. The 'point in time' corresponds to the last day of the month prior to the next quarterly payment month. The dates for the quarterly payment months, 'point in time' and reference periods are provided below.

Quarterly Payment Month	'Point in time' assessment of eligibility	Reference period
February	31 January	1 October to 30 September
May	30 April	1 January to 31 December
August	31 July	1 April to 31 March
November	31 October	1 July to 30 June

Most PIP payments are made prospectively. For example, the February quarterly payment is provided for committing to meet the eligibility requirements in February, March and April. However, other payments such as the PIP Teaching Incentive payment, and the outcomes payments and SIPs of the PIP Asthma, Diabetes and Cervical Screening Incentives, are made retrospectively. For example, the February quarterly payment is provided for having met the eligibility requirements in November, December and January.

HOW PAYMENTS ARE MADE

PIP payments are made by Electronic Funds Transfer (EFT) to the account nominated by the practice in the application form. PIP payments do not attract a Goods and Services Tax (GST).

WITHHELD PAYMENTS

Payments to practices may be withheld by Medicare Australia for a number of reasons including:

- Non-compliance;
- Change of ownership;
- Expiry of accreditation status; and
- Incomplete or inaccurate practice details.

If practices do not provide the information requested by Medicare Australia, PIP payments may be withheld. If the issue relates to eligibility to participate in the PIP, all PIP payments will be withheld. If the issue relates to a specific incentive, only payments for the relevant incentive will be withheld.

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Once the required information is provided and the practice is assessed as eligible for payments, Medicare Australia will release the payment(s).

If the practice remains ineligible for payment(s) at three (3) consecutive 'points-in-time' the practice will be withdrawn from the PIP, or the relevant PIP incentive(s).

If the issue (reason for payments being withheld) is subsequently resolved following a practice's withdrawal from the PIP, the practice will need to complete a new application form to re-join the PIP or the incentive(s) from which they were withdrawn. Practices rejoining the PIP will need to be fully accredited to receive PIP payments.

If a practice receives an extension on their **registration for accreditation**, payments will be withheld until evidence of accreditation is provided. Practices are given 12 months to obtain accreditation, and are not eligible for any further payments beyond this period. Once accreditation is achieved, payments will commence from the date of accreditation. The practice will be withdrawn from the PIP if the practice does not have full accreditation by the third point-in-time after the 12 month registration period expires.

If a practice has applied for **re-accreditation**, payments will be withheld until confirmation of re-accreditation is received. The full payment(s) will only be released if the practice was accredited for the full period that payments were withheld. The practice will be withdrawn from the PIP if the practice has not provided evidence of re-accreditation by the third consecutive point-in-time after the accreditation expired.

In all cases where a practice is withdrawn from the PIP or from a particular incentive(s), withheld payments will be forfeited.

RECOVERY OF PAYMENTS

In circumstances where PIP payments have been made as a result of an administrative error or inappropriate claiming, Medicare Australia may seek to recover those payments.

6. MAINTAINING AND CHANGING PRACTICE INFORMATION

NOTIFICATION OF CHANGES

Practices participating in the PIP must advise Medicare Australia of any changes in practice arrangements that may affect their eligibility for the PIP and/or individual PIP incentives within 14 calendar days. Relevant changes include, but are not limited to:

- changes in accreditation status, such as the practice becoming fully accredited or accreditation lapsing;
- lapses in public liability cover or professional indemnity cover;
- changes to the bank account nominated for PIP payments;
- changes to the authorised contact person(s) for the practice;
- changes to the practice location, ownership or structure;
- changes in eligibility or level of activity for individual PIP incentives, for example reduced employment of a practice nurse, or less after hours cover or procedural services;
- changes in provider numbers for any doctors at the practice; and
- doctors leaving or joining the practice (the *Additional or New Practitioner Details* part of the application form will need to be submitted for new doctors joining the practice).

All changes should be advised in writing, on practice letterhead, signed by the nominated contact person, and witnessed by another person registered with the practice. Changes to practice details should be sent to:

Practice Incentives Program

GPO Box 2572
ADELAIDE SA 5001
Fax: 08 8274 9352

Email: pip@medicareaustralia.gov.au

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Practices should routinely check their PIP quarterly payment statements for accuracy, particularly the medical practitioners listed at the practice and the incentives the practice is participating in.

Some payments (such as Practice Nurse, Domestic Violence, After Hours Tier 2 and the need to accredit practice branches) are affected by changes in the practice's SWPE value. It is important that practices regularly check their SWPE value to assess their ongoing eligibility for these payments.

Practices that make false or misleading claims or fail to notify Medicare Australia of any changes which affect their entitlement to PIP payments will be required to repay any payments received inappropriately.

TRANSFERRING THE SWPE VALUE OF A PRACTICE

Change of practice ownership

If the practice's full accreditation status is included in the transfer of practice ownership, the new owner may be eligible for PIP payments based on the practice's historical SWPE value.

If full accreditation is not included in the transfer of practice ownership, the new owners will not be eligible for PIP payments that are based on the practice's historical SWPE value. The practice will need to register for accreditation and establish an historical SWPE value. However, practices may be eligible for incentive payments that are not based on SWPE value, for example the PIP procedural and teaching payments.

If the practice was withdrawn from the PIP at the time ownership was transferred, the practice's historical SWPE value will not be transferred and the practice will need to re-apply for the PIP.

If the practice was registered for accreditation at the time ownership was transferred, the practice's historical SWPE value cannot be transferred.

Relocation of practice and/or practice GPs

If a practice relocates, the practice's historical SWPE value cannot generally be transferred. If practice GPs relocate, their historical SWPE value remains at the original practice.

Practice closure

If a practice closes and a new practice opens at the same location, the historical SWPE value cannot be transferred to the new practice.

CONFIRMATION OF PRACTICE INFORMATION

Medicare Australia requires accurate information about practices to ensure PIP payments are calculated correctly. Medicare Australia will confirm practice details from time to time. Practices must comply with requests for information from Medicare Australia in order to continue receiving payments.

7. PIP AUDITS

Medicare Australia conducts both targeted and random audits of PIP practices each year to verify that practices are meeting the eligibility requirements. Audits may include practice visits or a review of practice documentation. If requested by Medicare Australia, practices must provide documentary evidence to support their eligibility and claims for payment.

8. PIP APPEALS PROCESS

The PIP has an established appeals process. To request a review of a decision, the authorised contact person or the owners of the practice must write to Medicare Australia within 28 calendar days of receiving notice of the decision it would like reviewed.

The request must include the following details:

- the name and address of the person requesting the review;
- the name and PIP practice identification number of the practice;
- the decision to be reviewed; and
- the grounds for requesting the review.

Medicare Australia will reconsider its decision in accordance with the PIP eligibility criteria and/or payment formula used to make the original decision and advise the practice in writing of the outcome of the review.

If a practice is not satisfied with the reviewed decision, the practice may request the decision be considered by a Formal Review Committee. Further information on the formal review process is available on request from the PIP Enquiry Line on freecall 1800 222 032.

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**APPLICATION FORMS AND ADDITIONAL
INFORMATION ABOUT THE PIP ARE
AVAILABLE FROM MEDICARE AUSTRALIA:**

Web: www.medicareaustralia.gov.au/pip

Email: pip@medicareaustralia.gov.au

Phone: 1800 222 032*

Hours of operation are between
8:30 am – 5:00 pm
Australian Central Standard Time

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

These Guidelines are for information purposes only. While it is presently intended that the Commonwealth will make payments as set out in these Guidelines, the making of payments is a matter in the sole discretion of the Commonwealth. The Commonwealth may alter arrangements for the Practice Incentives Program at any time and without notice.

The Commonwealth does not accept any legal liability or responsibility for any injury, loss or damage incurred by the use of, reliance on, or interpretation of the information provided in these Guidelines.