

HEALTH DEPARTMENT, DEBT COLLECTION POLICY

2372. Mrs C.L. Edwardes to the Minister for Health

I refer the Minister to question on notice No. 2015, asked on 16 September 2003, and ask -

- (a) for each of the debts over \$10,000, what action was taken to try to recover the debt from the overseas resident;
- (b) has the Department arranged to be informed if any of the debtors returns to Australia;
- (c) if not, why not; and
- (d) what action will the department take if any of the overseas residents is found to be in Australia?

Mr J.A. McGINTY replied:

- (a) Collection policy requires each Health Service to undertake a rigorous process to collect outstanding amounts. Only when all avenues for collecting the debt are exhausted are these cases referred to the Department. Before a write-off can be approved, the following actions are completed by the health service:

Issuing invoices and accounts.

Issuing reminder notices

Issuing final notices

Legal demand letter

Referral to collection agency

Direct negotiation for settlement (if patient is still in Australia)

Consideration of legal action

Legal action (where appropriate)

If the above actions (as appropriate) have not been successful in recovering the debt, it is referred to the Department for approval to write the account off.

Individual Health Services have more detailed protocols for dealing with overseas patients specifically, and the following is an extract of the current policy at East Metropolitan Health Service (as an example):

1. Interview the patient/relatives/friends;
2. Obtain a copy of visa/passport;
3. If the patient has Travel Insurance obtain a copy of the policy and attempt to have the relevant documentation signed;
4. If there is any doubt about the account being paid this is communicated to Clinical Services;
5. Endeavour to have the admission documents signed accepting liability for the account;
6. Endeavour to obtain an up front payment;
7. Invoices are sent to the insurer or the patient for payment;
8. If payment is refused, then the matter is referred to the collection agent and the Department of Immigration, Multicultural, and Indigenous Affairs.

Specific circumstances and actions taken in the case of each debt over \$10,000 is as follows: -

East Metropolitan Health Service

Daniel Sujono - \$11,921 - This overseas resident patient is deceased and no funds were available in the deceased estate to settle the account. The relatives paid \$17,886 in settlement of the account, against the total account of \$29,807. The balance was written off.

Sylvie Jackoby - \$16,877 - An overseas resident patient who was denied coverage by her insurer. The matter was given to our collection agents, however the patient disappeared following treatment. She was reported as being deported. A letter was written to Department of Immigration, Multicultural and Indigenous Affairs (DIMIA) on 14 March 2001 informing them of the outstanding debt with the Hospital.

Andrew Piil - \$141,235 - Admitted to hospital after suffering a serious accident, the patient did not have travel insurance. The family paid \$10,000 towards the account but was unable to make any further contributions. He was stabilised and repatriated to Canada as soon as medically possible.

Correspondence to DIMIA was sent on 17 July 2001 informing them of his outstanding debt with the Hospital.

Haewjawtha Sarmorne - \$104,551 - This overseas visitor arrived from Thailand without travel insurance. The patient's partner/sponsor undertook to settle the account on the patient's behalf, however the sponsor subsequently wrote explaining that they were not able to make payment. Crown Solicitor's Office (CSO) was consulted a decision made not to proceed with the case. Correspondence to DIMIA was sent on 7 February 2001 informing them of his outstanding debt with the Hospital.

Dario Atzori - \$11,322 - The patient's insurance policy was insufficient to meet the cost of repatriation and medical treatment. The patient was unable to make payment for the remaining balance and was repatriated to India as soon as medically possible. No contact was made with DIMIA in this case, due to the serious medical condition. No recovery was possible.

Hazel D'Souza - \$40,336 - Ms D'Souza is an Indian national that was admitted to Royal Perth Hospital. Medical insurance was limited to US \$10,000. Family members in Australia were unable to make repayments on the debt and insurance funds were utilised to repatriate the patient. No contact was made with DIMIA in this case, due to the medical condition.

Zhi Yun Wong - \$35,548 - From Hong Kong, this patient did not have overseas student health cover. Admitted as a result of a motor vehicle accident, he remained in hospital until his condition stabilised to enable a return to Hong Kong. Correspondence to DIMIA was sent on 12 June 2002 informing them of his outstanding debt with the Hospital.

Ganga Ballu - \$62,951 - This overseas patient required dialysis treatment. The hospital communicated and invoiced the patient and relatives without success. Correspondence to DIMIA was sent on 15 April 2002 informing them of his outstanding debt with the Hospital.

KEMH/PMH

L Billington - \$14,595

This overseas patient had insurance through a US private health insurance company. The patient who was resident in Indonesia came to Australia and delivered a baby at KEMH. Attempts to contact Ms Billington in Indonesia for her to make payment to KEMH were unsuccessful and the debt was regarded as irrecoverable and submitted for write-off.

M Iskandar - \$18,745

The Ministry of Justice was detaining the patient in Bandyup Women's Prison at the time of treatment. She was without financial means and pending deportation action. The Ministry of Justice advised that treatment costs are not their responsibility. DIMIA were aware of the issue and as the patient was subsequently deported the debt was regarded as irrecoverable and submitted for write-off.

South Metropolitan Health Service

Terrance Japara - \$26,337

The patient was determined to have no capacity to pay. A number of unsuccessful attempts were made to collect the debt from his relatives before the amount outstanding was referred to a collection agency.

North Metropolitan Health Service

Mrs Boom Chaum Lake - \$80,954

The patient did not have insurance and had no capacity to pay. On admission, her son stated that he would pay the account. Extensive telephone and correspondence contact with the son failed to procure payment and the case was referred first to the CSO and also the Claremont CIB after discovery that documentation relating to the case was deliberately removed from the patient's file. Police advice at the time indicated that the son was wanted for questioning in several States in relation to fraud inquiries. Advice was received that Mrs Lake had subsequently moved from residence in Thailand to Canada.

- (b)&(c) Advice has been sought from the Department of Immigration and Multicultural and Indigenous Affairs (DIMIA) where appropriate, to provide information on the debtors return to Australia, however, DIMIA have advised that they would not provide this information due to the requirements of Privacy Act, 1985. DIMIA do take outstanding debts into consideration when reviewing future visa applications.
- (d) The Health Service will take all reasonable and economically viable steps to recover the amounts outstanding. Although the debt has been "written off", this would not prevent further action to recover that debt.

