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The Chairman
Accounting Professional & Ethical Standards Board Limited
Level 7, 600 Bourke Street
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AUSTRALIA

E-mailed: sub@apesb.org.au

Dear Ms Spargo

Comments on Exposure Draft 04/11: Guidance Note APES GN 40 *Ethical Conflicts in the workplace - Considerations for Members in Business*

Thank you for the opportunity to comment on the Exposure Draft 04/11 which provides Members in Business guidance on the application of APES 110. As a medical practitioner in a group practice, I am interested to read and comment on the case study entitled *Deceitful Doctor*.

Case studies are an important educational tool. However, their usefulness is greatly diminished if the material contained in the case study is factually incorrect and/or implausible. My specific comments are as follows:

1. It is unusual for a local medical practice to have an on-site accountant. Most practices would have an on-site practice manager who may be supported by a bookkeeper.

2. Recording of patient attendance is usually undertaken by the receptionist or the practice manager who are not usually accountants. Medical practitioners do not usually have a role in recording attendances and as most practices are computerised, most medical practitioners would not have the necessary skills to adjust/erase computerised records. Doctors usually electronically record the patient attendance by selecting the patient from the electronic waiting room in the practice management system which would be very difficult to later remove.

Doctors are required to retain patient records for possible future audit by Medicare, which would be aware of the episode of care due to either the doctor bulk-billing the patient or the patient making a Medicare claim after paying the account. In the event of a cash or credit card payment, a receipt would have to be issued to enable the patient to make the claim. In the event that the item was bulk-billed, the practice would generate the Medicare claim and receive the payment electronically from Medicare. In both cases, there would be a record in the practice management system.

It is therefore extremely difficult and highly unlikely for a doctor to be able to erase sufficient records of the patient attendance to avoid paying a share of practice costs in a group practice.

3. Rita's concern over fraudulent implications for Medicare is unfounded. Medicare Australia is not concerned about the business arrangements of medical practitioners; it is merely interested in ensuring that the appropriate Medicare claim is made for the medical services performed. In this case study it is assumed that the patients are seen by the *deceitful* doctor, are charged the appropriate Medicare item, and are therefore not bogus patients.

4. I am not sure why the tax office would be an affected party, unless the deceitful doctor failed to disclose his income in his tax return.

Yours sincerely

Peter Sexton
Associate Professor in Health Services