

MEDICARE & WORKERS' COMPENSATION

Why is Medicare involved?

- Australian law provides that 10% of all workers' compensation settlements above \$5,000.00 must be paid to Medicare. The workers' compensation insurer **must not** pay your compensation lump sum to you without first paying 10% to Medicare.
- Medicare has the right to recover out of all compensation claims in Australia all monies spent by it in connection with the treatment of the injured claimant.
- In workers' compensation claims, the medical expenses will ordinarily have been paid for by the insurer and not by Medicare. Most workers' compensation claimants will receive the entire 10% back from Medicare.
- In some rare instances, there will be money to be paid to Medicare. This can occur where, for example, the workers' compensation insurer has denied liability, meaning that the injured worker has initially had treatment expenses paid for by Medicare.
- Some workers fail to abide by the rules. If a claim is a workers' compensation claim, then the treatment expenses are to be paid for by the workers' compensation insurer and not by Medicare. But some injured workers have their treatment expenses paid for by Medicare, often so as to avoid having to deal with the workers' compensation insurer. In such cases, these expenses have to be paid back to Medicare.
- In our experience, most injured workers do receive the full 10% back from Medicare. In quite rare cases, Medicare is entitled to withhold part of the 10% by way of reimbursement of monies spent by it in connection with the worker's treatment. In such rare cases, the injured worker may be able to claim the amount withheld by Medicare from the workers' compensation insurer.

What does the procedure involve?

- You will receive documents from Medicare. You must attend to these documents promptly. Failure to attend to the documents promptly can result in Medicare forfeiting the whole 10%.
- When you receive documents Medicare, you should immediately phone John Gunson's assistant, Sue Tanner, who will assist you with the documents.
- One of the documents you will receive from Medicare must be made before a Justice of the Peace. Sue Tanner is a Justice of the Peace. You can make your statutory declaration in Sue Tanner's presence. An appointment is required. There is no charge for this. It's part of the service.
- If you nominate a bank account, Medicare will pay the money withheld by it directly to that bank account. Otherwise, you will receive a cheque.
- In our experience, the process takes in the vicinity of 6-8 weeks. If you have not received your 10% at the end of 8 weeks, you should phone Medicare to enquire as to the reason for delay.

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