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Performance Audit Services Group
Australian National Audit Office
GPO Box 707
Canberra ACT 2601

Submitted via website

Dear Audit Team

RE: Performance audit – Using artificial intelligence (AI) to manage health provider non-compliance

The Royal Australian College of General Practitioners (RACGP) welcomes the opportunity to respond to the Australian National Audit Office's (ANAO) audit assessing the effectiveness of the Department of Health, Disability and Ageing's (DoHDA) use of AI to manage health provider non-compliance.

The RACGP is the voice of specialist general practitioners (GPs) representing more than 50,000 members in our growing cities and throughout rural and remote Australia. For more than 60 years, we have supported the backbone of Australia's health system by setting the standards for education and practice and advocating for better health and wellbeing for all Australians. Our core commitment is to support specialist GPs from across the entirety of general practice to address the primary healthcare needs of the Australian population. The College now trains more than 90% of Australia's GPs, including those in rural and remote areas and in Aboriginal and Torres Strait Islander communities.

Medicare compliance processes

As with all specialist medical colleges, the RACGP has no legal authority to interpret Medicare Benefits Schedule (MBS) rules and regulations. There is no guarantee that Medicare will consider the use of an MBS item number appropriate, even if the RACGP does. While the RACGP cannot intervene in individual compliance cases, we work collaboratively with DoHDA's Benefits Integrity Division to provide education to our members and reduce their risk of non-compliance.

We advocate for measures to reduce the complexity of the MBS and ensure Medicare compliance activities like targeted letters and audits are fair, appropriate, and based on accurate data and information. It should be noted that many practitioners have specific interests and extra training in certain areas, which will potentially make them statistical outliers when it comes to Medicare item number usage.

The RACGP does not have visibility of how AI is currently used by DoHDA to manage health provider non-compliance. DoHDA's [AI transparency statement](#) notes that AI can be used across areas including compliance and fraud detection, but does not outline the specific uses for compliance purposes. As this technology becomes more widely adopted in the coming months and years, we support transparent reporting arrangements to better understand its use in the compliance context. This is particularly important given DoHDA does not provide a breakdown of the percentiles for MBS item number usage (eg the number of services that would place a provider in the top percentile), meaning there is already a degree of obscurity around the process.

The RACGP is keen to avoid a situation where providers are unnecessarily targeted because they have been identified as being potentially non-compliant by AI tools. Compliance processes can be extremely stressful and practitioner wellbeing must be prioritised. The RACGP supports lower levels of potential non-compliance being managed through education wherever possible.



The use of AI tools to monitor compliance should be avoided where possible due to the risks outlined below. If used, it should be recognised that there is a spectrum of compliance reflecting different practice arrangements, and it is dangerous to rely solely on arbitrary standards set by government. This audit also specifically refers to 'non-compliance', which neglects the opportunities presented by AI to identify good clinical practice, reduce red tape and improve workflows in general practice.

Adoption and regulation of AI

The RACGP's [position statement](#) on the use of AI in primary care includes broader principles around AI adoption and regulation (whilst largely focused on the use of this technology within the general practice sector). Current risks associated with AI include:

- tools that are poorly programmed, trained with inadequate or unrepresentative (biased) data, or vulnerable to hacking
- tools being used in an inappropriate setting or context, which can skew the device's decision-making ability over time
- 'hallucinations' tied to large language models – the answering of questions with data that is incorrect but convincing in nature
- the lack of rigour in assessing the safety and efficacy of AI tools
- the ability of devices equipped with this technology to keep pace with the rapidly evolving AI landscape
- AI decision-making being the proprietary product of the developer or technology company, making it hard for a human to untangle and understand
- determining liability when AI produces incorrect or harmful advice
- a lack of trust in the technology.

AI tools that produce inaccurate and incorrectly interpreted information in the health sector could result in adverse patient outcomes including death. This is not an area where AI use can be allowed to expand without robust safeguards.

With regard to Medicare compliance, the use of AI without clear understanding and sharing of information such as model training risks worsening transparency and belief in DoHDA's assessment and decision-making processes. Retaining human oversight of Medicare claiming is essential to avoid the tragic consequences of another Robodebt scheme.

Additionally, the concept of peer review when determining Medicare compliance becomes paramount if AI is used to identify billing discrepancies. A clinically relevant service is considered one that is generally accepted as necessary by a practitioner's body of peers. While AI can identify billing patterns, it does not understand the drivers of those patterns. For example, an ageing population with an increased chronic disease burden could result in practitioners billing more longer consultations than they have historically. DoHDA ought to be guided by the medical profession to understand the meaning behind the statistics. Attempts to enforce compliance through AI tools, without consideration of variables such as patient demographics, could encroach on a GP's clinical autonomy. Consultation with peak bodies such as the RACGP will therefore be key as the use of AI continues to grow.

Use of AI by GPs

One of the criteria of this audit is centred on whether DoHDA has fit for purpose assurance arrangements over the adoption of AI by health providers. A newsGP poll in August 2024 found that 22% of respondents were [currently using AI scribes](#) in their practice, however by November 2025, that percentage had almost doubled to 40%. AI may be used for various reasons, including MBS billing (selecting the appropriate item/s to claim), clinical record keeping, appointment recalls, and to develop referral letters.



DoHDA has identified the use of AI as an emerging compliance risk, with concerns around its potential to reduce a practitioner's input to clinical decision-making or automate decisions. GPs at all stages of the career cycle will need new skills to work with AI and keep pace with rapid developments in this field. As noted in our [position statement](#), medical students and postgraduates of the future will require an understanding of medical informatics, mathematical concepts, data science, and the ethics of AI. They will need tools for appraising new AI technologies for safety and efficacy. At the postgraduate level, there should also be a focus on relevant applications of AI in clinical practice.

The RACGP stands ready to work with DoHDA on education to ensure AI use does not compromise health provider compliance, particularly with respect to Medicare billing and record keeping. We strongly encourage the development and promotion of further resources specifically focused on AI and Medicare compliance, outlining benefits, risks and other considerations.

The RACGP looks forward to contributing to further discussions on this topic. Please contact Samantha Smorgon, National Manager – Funding and Health System Reform, on (03) 8699 0566 or samantha.smorgon@racgp.org.au if you have any questions or comments regarding our contribution to this audit.

Yours sincerely

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