



# **Medical Indemnity Amendment Act 2004**

**No. 17, 2004**

**An Act to amend the *Medical Indemnity Act 2002*,  
and for related purposes**

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## **An Act to amend the *Medical Indemnity Act 2002*, and for related purposes**

[Assented to 23 March 2004]

The Parliament of Australia enacts:

### **1 Short title**

This Act may be cited as the *Medical Indemnity Amendment Act 2004*.

### **2 Commencement**

This Act commences on the day after it receives the Royal Assent.

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### **3 Schedule(s)**

Each Act that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.

## **Schedule 1—Exemptions**

### ***Medical Indemnity Act 2002***

#### **1 Subsection 4(1) (note at the end of the definition of *medical indemnity cover*)**

Omit “Note”, substitute “Note 1”.

#### **2 Subsection 4(1) (at the end of the definition of *medical indemnity cover*)**

Add:

Note 2: This definition does not apply to references to medical indemnity cover in subsections 52(3B) and (3C): see subsection 52(3D).

#### **3 Paragraph 52(2)(c)**

Omit “if”, substitute “the contribution year is the financial year starting on 1 July 2003 and”.

#### **4 After paragraph 52(2)(c)**

Insert:

- (ca) in a case where the person was a medical practitioner during the income period for the contribution year—the person’s gross Medicare billable income for the income period was less than \$5,000; or
- (cb) in a case where the person was a health professional during, but was not a medical practitioner during, the income period for the contribution year—the person’s gross medical income for the income period was less than \$5,000; or

#### **5 After paragraph 52(2)(d)**

Insert:

- (da) the number of contribution years for the MDO in respect of which:
  - (i) the person has been liable to pay a UMP support payment; or
  - (ii) would have been so liable apart from an exemption under this section;

exceeds the total period (expressed as a number of years) for which the person was, prior to 1 July 2000, a member of that MDO; or

- (db) the number of contribution years for the MDO in respect of which the person has been liable to pay a UMP support payment, or would have been so liable apart from an exemption under this section, is more than 6; or

Note: Deferral of a payment day under section 62 will not affect the operation of this paragraph, because the UMP support payment will still relate to the same contribution year despite the deferment.

## 6 After subsection 52(3)

Insert:

- (3A) For the purposes of paragraphs (2)(ca) and (cb), ***gross medical income, gross Medicare billable income and income period*** have the same meanings as in the *Medical Indemnity (UMP Support Payment) Act 2002*.

- (3B) For the purposes of paragraph (2)(da):

- (a) if the total period referred to in that paragraph is not a whole number of years, round the number up to the nearest whole number of years; and

- (b) if:

- (i) a person has been, prior to 1 July 2000, a member of an indemnity provider (other than the MDO referred to in that paragraph) that has, prior to 1 July 2000, provided medical indemnity cover to the person; and

- (ii) the MDO referred to in that paragraph has (whether before, on or after 1 July 2000) taken over the indemnity provider;

the total period referred to in that paragraph, and in paragraph (a) of this subsection, is taken to include the total period for which the indemnity provider, prior to 1 July 2000, provided medical indemnity cover to the person.

- (3C) The reference in subparagraph (3B)(b)(ii) to an MDO having taken over an indemnity provider is a reference to the MDO having assumed some or all of the financial responsibility for claims:



- (a) that are claims in relation to incidents that occurred in the course of, or in connection with, the practice of a medical profession by the person in question; and
- (b) with which the indemnity provider would, but for that assumption of responsibility, have been concerned because of the indemnity provider having provided medical indemnity cover to the person.

(3D) In subsections (3B) and (3C), and in this subsection:

*indemnity provider* means a body that provided medical indemnity cover.

*provided medical indemnity cover* has the meaning given by the *Medical Indemnity (Prudential Supervision and Product Standards) Act 2003*.

(3E) A reference in paragraph (2)(da) or (db) to a liability to pay a UMP support payment includes a reference to a liability, before the commencement of that paragraph, to pay an IBNR indemnity contribution.

## **7 At the end of subsection 53(2)**

Add:

- ; and (e) the person has given to the HIC a certificate by the insurer, or (if there is more than one insurer) by each of the insurers, that paragraphs (a), (b), (c) and (d) apply in relation to the person.

## Schedule 2—Payment and collection

### *Medical Indemnity Act 2002*

#### **1 Subsection 4(1)**

Insert:

*invoice* includes:

- (a) any document issued by an MDO to a person (whether or not the person is already a member of the MDO) that contains a quote for the amount of subscription that is or would be payable by that person for membership of the MDO; and
- (b) any document issued by a medical indemnity insurer to a person (whether or not the medical indemnity insurer already provides medical indemnity cover to the person) that contains a quote for the amount of premium that is or would be payable by that person for provision of such cover.

#### **2 Subsection 4(1) (paragraph (b) of the definition of *late payment penalty*)**

Omit “or a lump sum payable under section 64”.

#### **3 Subsection 4(1) (at the end of the definition of *late payment penalty*)**

Add:

- ; and (c) in relation to an amount that a medical indemnity insurer or an MDO is required to remit to the HIC under paragraph 66A(4)(b)—means a penalty payable under section 66B.

#### **4 Subsection 4(1)**

Insert:

*medical indemnity insurer* means a body corporate that:

- (a) is authorised under section 12 of the *Insurance Act 1973* to carry on insurance business in Australia; and
- (b) in carrying on that business, enters into contracts of insurance providing medical indemnity cover for other persons.

**5 Subsection 50(3) (table item 7, column 3)**

Omit “to 63”, substitute “and 62”.

**6 Subsection 50(3) (table item 8)**

Repeal the item.

**7 Subsection 50(3) (table item 9, column 3)**

Omit “section 65”, substitute “sections 65 and 66B”.

**8 Subsection 50(3) (table item 10, column 3)**

Omit “section 66”, substitute “sections 66 and 66A”.

**9 Paragraph 52(2)(e)**

Repeal the paragraph.

**10 Subsection 60(2) (table item 1, column 3)**

Omit “to 63”, substitute “and 62”.

**11 Subsection 60(2) (table item 2)**

Repeal the item.

**12 Subsection 60(2) (table item 3, column 3)**

Omit “section 65”, substitute “sections 65 and 66B”.

**13 Subsection 60(2) (table item 4, column 3)**

Omit “section 66”, substitute “sections 66 and 66A”.

**14 Section 61**

Omit “sections 62, 63 and 64”, substitute “section 62”.

**15 Sections 63 and 64**

Repeal the sections.

**16 Paragraph 65(1)(a)**

Repeal the paragraph, substitute:

(a) a person is liable to pay a medical indemnity payment; and

**17 Paragraph 65(1)(b)**

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Omit “or lump sum”.

**18 Paragraph 65(2)(b)**

Omit “or lump sum”.

**19 Subparagraphs 65(2)(c)(i) and (ii)**

Omit “or lump sum” (wherever occurring).

**20 Subsection 66(1)**

Repeal the subsection, substitute:

- (1) A medical indemnity payment must be paid:
  - (a) if the payment is all or part of a payment of an amount specified in an invoice, issued under section 66A by a medical indemnity insurer or an MDO, as an amount of UMP support payment that is payable—to the medical indemnity insurer or MDO; or
  - (b) in any other case—to the HIC.

**21 Subsection 66(2)**

Repeal the subsection.

**22 Subsection 66(3)**

After “section 65”, insert “or 66B”.

**23 Subsection 66(4)**

Omit “, (2)”.

**24 At the end of section 66**

Add:

- (5) Paragraph (1)(a) does not apply to an amount recovered under section 68.

**25 After section 66**

Insert:

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**66A Collection of UMP support payments by medical indemnity insurers and MDOs**

*When this section applies to a UMP support payment*

- (1) This section applies to a UMP support payment for a contribution year that is payable by a person if, at a time before the end of the contribution year:
  - (a) either:
    - (i) a medical indemnity insurer gives to the person an invoice stating the premium that is or will be payable for medical indemnity cover provided by a contract of insurance with the medical indemnity insurer; or
    - (ii) subparagraph (i) does not apply, but an MDO gives to the person an invoice stating the subscription that is or will be payable for membership of the MDO; and
  - (b) before that invoice was given to the person, the HIC gave to the medical indemnity insurer or MDO a notice under subsection (2); and
  - (c) that invoice is the first invoice that the medical indemnity insurer or MDO has given to the person, relating to the premium or subscription, since the HIC gave the notice.

The medical indemnity insurer or MDO is the **collection body** for the UMP support payment.

*HIC may give notice of liability to pay UMP support payment*

- (2) The HIC may give to the collection body a notice that:
  - (a) states that the person is liable to pay a UMP support payment for the contribution year; and
  - (b) states the amount of UMP support payment that the person is liable to pay; and
  - (c) states the basis on which the amount of UMP support payment was worked out; and
  - (d) asks the collection body to include in its notice to the HIC under paragraph (4)(c) other specified information, being information that:
    - (i) the HIC believes on reasonable grounds the collection body is capable of giving; and

- (ii) the HIC believes on reasonable grounds that it requires for the purpose of determining the amount that the collection body must remit to the HIC under paragraph (4)(b); and
  - (e) states that this section applies to the collection of the payment.
- (3) The HIC must not give a notice under subsection (2) if:
  - (a) the person has already paid the UMP support payment to the HIC, or has already been notified by the HIC of his or her liability to pay the UMP support payment; or
  - (b) the person has notified the HIC in writing that he or she does not wish this section to apply to the collection of UMP support payments that he or she is liable to pay.

*What the collection body for a UMP support payment must do*

- (4) The collection body for the UMP support payment must:
  - (a) in the next invoice that the collection body gives to the person for payment of a premium for medical indemnity cover or for payment of a membership subscription, include an amount for payment, to the collection body, of the UMP support payment; and
  - (b) within the period referred to in subsection (5), remit to the HIC any amount that the person pays to the collection body under paragraph 66(1)(a) in discharge of the person's liability to pay the UMP support payment; and
  - (c) within that period, notify the HIC in writing:
    - (i) who made the payment; and
    - (ii) the amount of the payment; and
    - (iii) if the payment was made after the payment day for the UMP support payment under section 61—the day on which the payment was made; and
  - (d) include in the notice under paragraph (c) any other information that the HIC has, in its notice to the collection body under subsection (2), asked the collection body to include.

Note: Failure to comply with paragraph (a), (c) or (d) is an offence (see section 74A).

- (5) The period for remitting an amount to the HIC under paragraph (4)(b), and notifying the HIC under paragraphs (4)(c) and (d), is the period starting on the day on which the amount is paid to the collection body and ending:
- (a) if the amount is paid on or before the payment day for the UMP support payment under section 61—on that payment day; or
  - (b) if the amount is paid after that payment day—7 days after the day on which the amount is paid.

*Effect of payment to collection body*

- (6) A person's liability to the Commonwealth to pay UMP support payment is discharged to the extent that the amount of the payment is paid to the collection body under paragraph 66(1)(a).

*Collection body entitled to interest etc.*

- (7) If an amount is paid to the collection body under paragraph 66(1)(a), the collection body:
- (a) may, prior to remitting the amount to the HIC under paragraph (4)(b) of this section, invest the amount on deposit with an ADI; and
  - (b) is entitled to any interest payable on the amount so deposited.
- (8) In paragraph (7)(a):

**ADI** (authorised deposit-taking institution) means a corporation that is an ADI for the purposes of the *Banking Act 1959*.

- (9) The Consolidated Revenue Fund is appropriated to the extent necessary for the purposes of subsection (7).

**66B Late payment penalty for medical indemnity insurers and MDOs**

- (1) If:
- (a) a medical indemnity insurer or an MDO (the *collection body*) is liable under paragraph 66A(4)(b) to remit an amount to the HIC; and
  - (b) all or part of the amount has not been remitted to the HIC within the period referred to in subsection 66A(5);

the collection body is liable to pay a late payment penalty under this section.

- (2) The late payment penalty is calculated:
  - (a) at the prescribed rate; and
  - (b) on the unpaid amount of the amount to be remitted; and
  - (c) for the period:
    - (i) starting when the amount becomes due and payable; and
    - (ii) ending when the amount, and the penalty payable under this section in relation to the amount, have been paid in full.
- (3) The HIC may remit the whole or a part of an amount of late payment penalty if the HIC considers that there are good reasons for doing so.
- (4) An application may be made to the Administrative Appeals Tribunal for review of a decision of the HIC not to remit, or to remit only part of, an amount of late payment penalty.

Note: Section 27A of the *Administrative Appeals Tribunal Act 1975* requires notification of a decision that is reviewable.

## **26 After paragraph 67(1)(b)**

Insert:

- or (c) a late payment penalty in relation to an amount that a medical indemnity insurer or an MDO is required to remit to the HIC under paragraph 66A(4)(b);

## **27 Subsection 67(1)**

Omit “or the person makes an election under subsection (2)”.

## **28 Subsections 67(2) and (3)**

Repeal the subsections.

## **29 Subsection 68(2)**

Repeal the subsection, substitute:

- (2) An amount that a medical indemnity insurer or an MDO is required to remit to the HIC under paragraph 66A(4)(b) is a debt due to the Commonwealth.



**30 Subsection 68(3)**

After “section 65”, insert “or 66B”.

**31 Subparagraph 70(1)(a)(ii)**

Repeal the subparagraph.

**32 Subparagraph 70(1)(a)(iii)**

Omit “and”, substitute “or”.

**33 After subparagraph 70(1)(a)(iii)**

Insert:

- (iv) a late payment penalty in relation to an amount that a medical indemnity insurer or an MDO is required to remit to the HIC under paragraph 66A(4)(b); and

**34 After paragraph 71(1)(b)**

Insert:

- or (c) whether a person has medical indemnity cover provided by a contract of insurance with a particular medical indemnity insurer; or
- (d) whether a person is a member of a particular MDO;

**35 After section 74**

Insert:

**74A Failing to comply with requirements for collecting UMP support payments**

- (1) This section applies if a medical indemnity insurer or an MDO is required to comply with paragraph 66A(4)(a), (c) or (d).
- (2) The medical indemnity insurer or MDO commits an offence if the medical indemnity insurer or MDO fails to comply with the requirement.

Penalty: 30 penalty units.

- (3) An individual is excused from complying with the request if the giving of the information might tend to incriminate the individual or expose the individual to a penalty.

(4) An offence against this section is an offence of strict liability.

Note: For *strict liability*, see section 6.1 of the *Criminal Code*.

## **Schedule 3—Renaming the IBNR indemnity contribution**

### ***Health Insurance Act 1973***

#### **1 Subsection 130(25) (paragraph (c) of the definition of *medical indemnity legislation*)**

Omit “*(IBNR Indemnity) Contribution*”, substitute “*(UMP Support Payment)*”.

### ***Health Insurance Commission Act 1973***

#### **2 Paragraph 42(2)(c)**

Omit “*(IBNR Indemnity) Contribution*”, substitute “*(UMP Support Payment)*”.

### ***Medical Indemnity Act 2002***

#### **3 Subsection 3(4)**

Omit “contribution”, substitute “payment”.

Note: The heading to section 3 is altered by omitting “**contribution**” and substituting “**payment**”.

#### **4 Paragraph 3(4)(a)**

Omit “contributions”, substitute “payments”.

#### **5 Subsection 4(1) (paragraph (a) of the definition of *contribution year*)**

Omit “an IBNR indemnity contribution”, substitute “a UMP support payment”.

#### **6 Subsection 4(1) (paragraph (a) of the definition of *contribution year*)**

Omit “*(IBNR Indemnity) Contribution*”, substitute “*(UMP Support Payment)*”.

**7 Subsection 4(1) (paragraph (a) of the definition of *imposition day*)**

Omit “an IBNR indemnity contribution”, substitute “a UMP support payment”.

**8 Subsection 4(1) (paragraph (a) of the definition of *imposition day*)**

Omit “(*IBNR Indemnity*) *Contribution*”, substitute “(*UMP Support Payment*)”.

**9 Subsection 4(1) (paragraph (b) of the definition of *late payment penalty*)**

Omit “contribution”, substitute “payment”.

**10 Subsection 4(1) (definition of *medical indemnity contribution*)**

Repeal the definition.

**11 Subsection 4(1) (definition of *medical indemnity contribution legislation*)**

Repeal the definition.

**12 Subsection 4(1)**

Insert:

*medical indemnity payment* means:

- (a) a UMP support payment payable under Division 1 of Part 3;
- or
- (b) an enhanced UMP indemnity contribution payable under Division 2 of Part 3.

**13 Subsection 4(1)**

Insert:

*medical indemnity payment legislation* means:

- (a) the *Medical Indemnity (UMP Support Payment) Act 2002*; or
- (b) the *Medical Indemnity (Enhanced UMP Indemnity) Contribution Act 2002*.

**14 Part 3 (heading)**

Repeal the heading, substitute:

**Part 3—Payments towards the cost of providing indemnities**

**15 Division 1 of Part 3 (heading)**

Repeal the heading, substitute:

**Division 1—UMP support payment**

**16 Subsection 50(2)**

Omit “(*IBNR Indemnity Contribution Act 2002* (the *Contribution Act*)”, substitute “(*UMP Support Payment Act 2002* (the *Payment Act*)”.

Note: The heading to section 50 is altered by omitting “**IBNR indemnity contribution**” and substituting “**UMP support payment**”.

**17 Paragraphs 50(2)(a), (b) and (c)**

Omit “contributions”, substitute “payments”.

**18 Subsection 50(2)**

Omit “contribution”, substitute “UMP support payment”.

**19 Subsection 50(3) (table item 1, column 3)**

Omit “Contribution Act”, substitute “Payment Act”.

**20 Subsection 50(3) (table item 2, column 3)**

Omit “Contribution Act”, substitute “Payment Act”.

**21 Subsection 50(3) (table items 3, 4 and 5, column 2)**

Omit “IBNR indemnity contribution”, substitute “UMP support payment”.

**22 Subsection 50(3) (table item 5, column 3)**

Omit “Contribution Act”, substitute “Payment Act”.

**23 Subsection 50(3) (table item 7, column 2)**

Omit “IBNR indemnity contribution”, substitute “UMP support payment”.

**24 Subsection 50(3) (table items 10 and 11, column 2)**

Omit “IBNR indemnity contribution”, substitute “UMP support payment”.

**25 Subsection 50(3) (table item 12, column 2)**

Omit “IBNR indemnity contributions”, substitute “UMP support payments”.

**26 Subsection 50(3) (table item 13, column 2)**

Omit “IBNR indemnity contribution”, substitute “UMP support payment”.

**27 Subdivision B of Division 1 of Part 3 (heading)**

Repeal the heading, substitute:

**Subdivision B—Who pays UMP support payment**

**28 Section 51**

Omit “an IBNR indemnity contribution”, substitute “a UMP support payment”.

Note: The heading to section 51 is altered by omitting “**IBNR indemnity contribution**” and substituting “**UMP support payment**”.

**29 Paragraph 51(d)**

Omit “contribution”, substitute “payment”.

**30 Subsections 52(1) and (2)**

Omit “an IBNR indemnity contribution”, substitute “a UMP support payment”.

**31 Subsections 52(4), (4A) and (5)**

Omit “IBNR indemnity contribution”, substitute “UMP support payment”.

**32 Subdivision C of Division 1 of Part 3 (heading)**

Repeal the heading, substitute:

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**Subdivision C—Determining amount of UMP support payment**

**33 Subsection 54(1)**

Omit “(*IBNR Indemnity Contribution*)”, substitute “(*UMP Support Payment*)”.

**34 Subsection 54(1)**

Omit “IBNR indemnity contribution”, substitute “UMP support payment”.

**35 Paragraph 55(a)**

Omit “IBNR indemnity contributions”, substitute “UMP support payments”.

**36 Division 3 of Part 3 (heading)**

Repeal the heading, substitute:

**Division 3—Administration of the medical indemnity payments**

**37 Subsection 60(1)**

Omit “IBNR indemnity contributions”, substitute “UMP support payments”.

**38 Subsection 60(2) (table item 1, column 2)**

Omit “the contributions”, substitute “medical indemnity payments”.

**39 Subsection 60(2) (table items 4 and 5, column 2)**

Omit “the contributions”, substitute “medical indemnity payments”.

**40 Subsection 60(2) (table item 6, column 2)**

Omit “contributions”, substitute “medical indemnity payments”.

**41 Subsection 60(2) (table item 7, column 2)**

Omit “contribution”, substitute “medical indemnity payment”.

**42 Subdivision B of Division 3 of Part 3 (heading)**

Repeal the heading, substitute:

**Subdivision B—Payment and collection of medical indemnity payments**

**43 Section 61**

Omit “contribution” (first occurring), substitute “payment”.

Note: The heading to section 61 is altered by omitting “**contribution**” and substituting “**payment**”.

**44 Section 61**

Omit “the contribution” (first occurring), substitute “the payment”.

**45 Section 61 (table heading)**

Omit “**contribution**” (first occurring), substitute “**payment**”.

**46 Section 61 (table column 2 heading)**

Omit “**An indemnity contribution**”, substitute “**A medical indemnity payment**”.

**47 Section 61 (table item 1, column 2)**

Omit “IBNR indemnity contribution”, substitute “UMP support payment”.

**48 Subsection 62(1)**

Omit “medical indemnity contribution”, substitute “medical indemnity payment”.

Note: The heading to section 62 is altered by omitting “**contribution**” and substituting “**payment**”.

**49 Subsection 62(1)**

Omit “the contribution” (wherever occurring), substitute “the payment”.

**50 Subsection 62(1)**

Omit “contribution legislation”, substitute “payment legislation”.

**51 Paragraph 62(2)(b)**

Omit “contribution”, substitute “payment”.

**52 Subparagraph 62(3)(b)(i)**



Omit “medical indemnity contribution”, substitute “medical indemnity payment”.

**53 Subparagraph 62(3)(b)(ii)**

Omit “medical indemnity contribution”, substitute “medical indemnity payment”.

**54 Subparagraph 62(3)(b)(ii)**

Omit “contribution” (last occurring), substitute “medical indemnity payment”.

**55 Subsection 62(4)**

Omit “contribution” (first occurring), substitute “payment”.

**56 Subsection 62(4) (table heading)**

Omit “contributions”, substitute “payments”.

**57 Subsection 62(4) (table column 2 heading)**

Omit “An indemnity contribution”, substitute “A medical indemnity payment”.

**58 Section 62(4) (table item 1, column 2)**

Omit “IBNR indemnity contribution”, substitute “UMP support payment”.

**59 Paragraph 62(7)(a)**

Repeal the paragraph, substitute:

(a) the payment is a UMP support payment; and

**60 Subsection 62(7)**

Omit “contribution” (last occurring), substitute “payment”.

**61 Paragraph 62(8)(a)**

Omit “contribution” (first occurring), substitute “payment”.

**62 Subsection 62(8)**

Omit “contribution” (last occurring), substitute “payment”.

**63 Paragraph 65(1)(b)**

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Omit “contribution”, substitute “payment”.

**64 Paragraph 65(2)(b)**

Omit “contribution”, substitute “payment”.

**65 Subparagraphs 65(2)(c)(i) and (ii)**

Omit “contribution” (wherever occurring), substitute “payment”.

**66 Paragraphs 67(1)(a) and (b)**

Omit “contribution” (first occurring), substitute “payment”.

Note: The heading to subsection 67(1) is altered by omitting “*contribution*” and substituting “*payment*”.

**67 Subdivision D of Division 3 of Part 3 (heading)**

Repeal the heading, substitute:

**Subdivision D—Recovery of payment debt**

**68 Subsection 68(1)**

Omit “contribution”, substitute “payment”.

Note: The heading to section 68 is altered by omitting “**contribution**” and substituting “**payment**”.

**69 Subsection 69(1)**

Omit “*contribution*” (wherever occurring), substitute “*payment*”.

**70 Subsection 69(2)**

Omit “contribution” (wherever occurring), substitute “payment”.

**71 Paragraph 69(3)(a)**

Omit “contribution”, substitute “payment”.

**72 Subsections 69(8), (9) (10) and (11)**

Omit “contribution” (wherever occurring), substitute “payment”.

**73 Subparagraphs 70(1)(a)(i) and (iii)**

Omit “contribution”, substitute “payment”.

**74 Subsection 70(2)**

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Omit “contribution”, substitute “payment”.

**75 Paragraphs 71(1)(a) and (b)**

Omit “contribution”, substitute “payment”.

**76 Paragraph 72(1)(a)**

Omit “contribution”, substitute “payment”.

**77 Paragraph 72(1)(b)**

Omit “contribution” (first occurring), substitute “payment”.

**78 Subparagraph 72(1)(b)(ii)**

Omit “contribution”, substitute “payment”.

**79 Section 75**

Omit “contribution”, substitute “payment”.

Note: The heading to section 75 is altered by omitting “**contribution**” and substituting “**payment**”.

**80 Section 76**

Omit “contribution”, substitute “payment”.

**81 Subsection 77(1) (paragraph (b) of the definition of *medical indemnity legislation*)**

Omit “contribution”, substitute “payment”.

***National Health Act 1953***

**82 Subsection 135A(24) (paragraph (c) of the definition of *medical indemnity legislation*)**

Omit “*(IBNR Indemnity) Contribution*”, substitute “*(UMP Support Payment)*”.

## Schedule 4—Other matters

### *Medical Indemnity Act 2002*

#### **1 Subsection 4(1) (definition of *health care related vocation*)**

Repeal the definition, substitute:

*health care related vocation* means a health care related vocation in relation to which there is at least one State or Territory under the law of which a person must be registered in order to practise.

#### **2 Subsection 43(1)**

Repeal the subsection, substitute:

- (1) The Minister may, by writing, formulate one or more schemes for one or both of the following:
  - (a) making payments to:
    - (i) medical practitioners; or
    - (ii) medical indemnity insurers and MDOs on behalf of medical practitioners;  
to help those medical practitioners meet the cost of purchasing medical indemnity (whether such costs are incurred by way of MDO membership subscriptions, insurance premiums or otherwise);
  - (b) making payments to medical indemnity insurers and MDOs to help the medical indemnity insurers and MDOs meet the cost of:
    - (i) administering schemes formulated under paragraph (1)(a); or
    - (ii) complying with their obligations under section 66A relating to UMP support payments.

#### **3 Subsection 43(2)**

Omit “the scheme”, substitute “a scheme”.

#### **4 Paragraph 43(2)(c)**

Omit “medical practitioners”, substitute “persons”.

**5 At the end of subsection 43(2)**

Add:

- ; and (d) payments to medical indemnity insurers or MDOs to reduce the costs of medical indemnity for medical practitioners; and
- (e) the entering into of contracts setting out conditions for such payments to medical indemnity insurers or MDOs.

**6 Subsection 43(3)**

Omit “the scheme”, substitute “a scheme”.

**7 Existing subsidy scheme to continue**

A scheme formulated under section 43 of the *Medical Indemnity Act 2002* before the commencement of this Schedule continues in effect after that commencement as if it had been formulated under that section as amended by this Schedule.

**8 After section 44**

Insert:

**44A HIC may notify medical indemnity insurers or MDOs of UMP support payments**

The HIC may, for the purpose of enabling a medical indemnity insurer or MDO to work out an amount payable to a medical practitioner under a scheme formulated under subsection 43(1), notify the medical indemnity insurer or MDO of:

- (a) whether the medical practitioner is or has been liable for a UMP support payment, and the amount of any such liability; and
- (b) whether the UMP support payment has been paid.

**9 Paragraph 48(c)**

Omit “the scheme”, substitute “a scheme”.

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*[Minister's second reading speech made in—  
House of Representatives on 19 February 2004  
Senate on 3 March 2004]*

(16/04)

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