



# **Medical Indemnity (IBNR Indemnity) Contribution Amendment Act 2004**

**No. 18, 2004**

**An Act to amend the *Medical Indemnity (IBNR Indemnity) Contribution Act 2002*, and for related purposes**

Note: An electronic version of this Act is available in SCALEplus  
(<http://scaleplus.law.gov.au/html/comact/browse/TOCN.htm>)



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**An Act to amend the *Medical Indemnity (IBNR Indemnity) Contribution 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 (IBNR Indemnity) Contribution Amendment Act 2004*.

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## 2 Commencement

- (1) Each provision of this Act specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

Commencement information		
Column 1	Column 2	Column 3
Provision(s)	Commencement	Date/Details
1. Sections 1 to 3 and anything in this Act not elsewhere covered by this table	The day on which this Act receives the Royal Assent.	23 March 2004
2. Schedule 1	At the same time as Schedule 1 to the <i>Medical Indemnity Amendment Act 2004</i> .	24 March 2004

Note: This table relates only to the provisions of this Act as originally passed by the Parliament and assented to. It will not be expanded to deal with provisions inserted in this Act after assent.

- (2) Column 3 of the table contains additional information that is not part of this Act. Information in this column may be added to or edited in any published version of this Act.

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Each Act that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.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

### ***Medical Indemnity (IBNR Indemnity) Contribution Act 2002***

#### **1 Section 1**

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

#### **2 Section 3**

Insert:

***gross medical income***, of a health professional for a period, means the sum of the amounts payable in respect of health care related services rendered by, or on behalf of, the health professional during the period.

#### **3 Section 3**

Insert:

***gross Medicare billable income***, of a medical practitioner for a period, means the sum of the medical expenses payable in respect of professional services:

- (a) that were rendered by, or on behalf of, the medical practitioner during the period; and
- (b) for which medicare benefits were or are payable under Part II of the *Health Insurance Act 1973*.

#### **4 Section 3**

Insert:

***health professional*** has the same meaning as in the *Medical Indemnity Act 2002*.

#### **5 Section 3 (definition of *IBNR indemnity contribution*)**

Repeal the definition.

#### **6 Section 3**

Insert:

***income period***, for a contribution year, means:

- (a) the period, of the length specified in the regulations, ending on the day, in that year, specified in the regulations; or
- (b) if the regulations do not specify a period—the period of 12 months ending on 30 September in that year.

## 7 Section 3

Insert:

***medical expenses*** has the same meaning as in the *Health Insurance Act 1973*.

## 8 Section 3

Insert:

***medical practitioner*** has the same meaning as in the *Medical Indemnity Act 2002*.

## 9 Section 3

Insert:

***professional service*** has the same meaning as in the *Health Insurance Act 1973*.

## 10 Section 3

Insert:

***UMP support payment*** means the payment that is payable under Division 1 of Part 3 of the *Medical Indemnity Act 2002*.

## 11 At the end of section 3

Add:

- (2) For the purposes of the definitions of ***gross medical income*** and ***gross Medicare billable income*** in subsection (1):
  - (a) the amount payable in respect of a health care related service;  
or
  - (b) the medical expenses payable in respect of a professional service;



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is, or are, taken to be the amount paid for the service, or (if no amount has been paid) the highest amount stated in the account for the service as the amount payable for the service.

## **12 Section 4**

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

Note: The heading to section 4 is altered by omitting “**IBNR indemnity contribution**” and substituting “**UMP support payment**”.

## **13 At the end of section 4**

Add:

- (2) If there is an imposition day, for a contribution year for a participating MDO, for a particular class of participating members of the MDO, the reference in subsection (1) to the imposition day for that year for the MDO is taken, in its application to a member of that class, to be a reference to that imposition day for that class.

## **14 Subparagraph 5(3)(b)(i)**

Omit “1 August”, substitute “1 May”.

## **15 At the end of section 5**

Add:

- (4) Regulations made for the purposes of subparagraph (3)(a)(ii) or (3)(b)(ii) may specify different imposition days, for a contribution year for a participating MDO, for different classes of participating members of the MDO.

## **16 Subsection 6(1A)**

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

Note: The heading to section 6 is altered by omitting “**IBNR indemnity contribution**” and substituting “**UMP support payment**”.

## **17 Subsection 6(1A)**

Omit “lesser”, substitute “least”.

## **18 At the end of subsection 6(1A)**

Add:

- ; and (c) if the member is a medical practitioner during the income period for that contribution year—2% of the member's gross Medicare billable income for the income period for that contribution year; and
- (d) if the member is a health professional during, but is not a medical practitioner at any time during, the income period for that contribution year—2% of the member's gross medical income for the income period for that contribution year.

**19 Subsection 6(1B)**

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

**20 Paragraph 6(1B)(a)**

Repeal the paragraph, substitute:

- (a) the least of:
  - (i) \$2,500; and
  - (ii) half of the applicable percentage of the member's annual subscription for the base year; and
  - (iii) if the member is a medical practitioner during the income period for that contribution year—1% of the member's gross Medicare billable income for the income period for that contribution year; and
  - (iv) if the member is a health professional during, but is not a medical practitioner at any time during, the income period for that contribution year—1% of the member's gross medical income for the income period for that contribution year; and

**21 Paragraph 6(1B)(b)**

Omit “lesser”, substitute “least”.

**22 At the end of paragraph 6(1B)(b)**

Add:

- ; and (iii) if the member is a medical practitioner during the income period for that contribution year—1% of the member's gross Medicare billable income for the income period for that contribution year; and

- 
- (iv) if the member is a health professional during, but is not a medical practitioner at any time during, the income period for that contribution year—1% of the member's gross medical income for the income period for that contribution year.

## **23 Subsection 6(1)**

Repeal the subsection, substitute:

- (1) The amount of the UMP support payment imposed on a participating member of a participating MDO for a contribution year for the MDO that starts on or after 1 July 2005 is the least of:
  - (a) \$5,000; and
  - (b) the applicable percentage of the member's annual subscription for the base year; and
  - (c) if the member is a medical practitioner during the income period for that contribution year—2% of the member's gross Medicare billable income for the income period for that contribution year; and
  - (d) if the member is a health professional during, but is not a medical practitioner at any time during, the income period for that contribution year—2% of the member's gross medical income for the income period for that contribution year.

## **24 Renaming of the IBNR indemnity contribution does not affect existing liabilities**

To avoid doubt, the amendments made by this Act and the *Medical Indemnity Amendment Act 2004* to change the name of the IBNR indemnity contribution do not affect a person's liability to pay the IBNR indemnity contribution.

## **25 References in regulations or other instruments to the IBNR indemnity contribution**

A reference in a regulation or other instrument made under the *Medical Indemnity Act 2002* or the *Medical Indemnity (IBNR Indemnity) Contribution Act 2002* to the IBNR indemnity contribution is taken, after the commencement of this Schedule, to be a reference to the UMP support payment.

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

(15/04)