



Private Health Insurance Legislation Amendment Act 2014

No. 26, 2014

**An Act to amend the law relating to private health
insurance, and for related purposes**

Note: An electronic version of this Act is available in ComLaw (<http://www.comlaw.gov.au/>)

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No. 26, 2014

An Act to amend the law relating to private health insurance, and for related purposes

[Assented to 9 April 2014]

The Parliament of Australia enacts:

1 Short title

This Act may be cited as the *Private Health Insurance Legislation
Amendment Act 2014*.

2 Commencement

This Act commences on the day this Act receives the Royal Assent.

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Each Act that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.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

Part 1—Main amendments of the Private Health Insurance Act 2007

Private Health Insurance Act 2007

1 Subsections 22-15(2), (3) and (4)

Omit “mentioned in subsection (1)”, substitute “specified in subsection (1) (as affected by subsection (5A))”.

2 After subsection 22-15(5)

Insert:

Annual adjustment of percentages

- (5A) For each adjustment year, each percentage specified in subsection (1), (2) or (3) is replaced by the percentage worked out as follows:
- (a) for the adjustment year starting on 1 April 2014—multiply the specified percentage by the adjustment factor for the adjustment year;
 - (b) for a later adjustment year—multiply the specified percentage, as worked out under this subsection for the preceding adjustment year, by the adjustment factor for the later adjustment year.
- (5B) Percentages are to be worked out under subsection (5A) to 3 decimal places (rounding up if the fourth decimal place is 5 or more).
- (5C) The percentages worked out under subsection (5A) for an adjustment year apply in relation to premiums, or amounts in respect of premiums, that were paid, or that are payable, at any time in the adjustment year.
- (5D) Each of the following is an ***adjustment year***:
- (a) the period of 12 months starting on 1 April 2014;
 - (b) the period of 12 months starting on each later 1 April.

- (5E) The *adjustment factor* for an adjustment year is to be determined in accordance with the Private Health Insurance (Incentives) Rules. However, if the factor so determined for an adjustment year is more than 1, the *adjustment factor* for that year is instead taken to be 1.

3 Subdivision 22-C

Repeal the Subdivision.

4 Clause 1 of Schedule 1

Insert:

adjustment factor for an adjustment year has the meaning given by subsection 22-15(5E).

adjustment year has the meaning given by subsection 22-15(5D).

5 Clause 1 of Schedule 1 (definition of *base premium*)

Repeal the definition.

6 Clause 1 of Schedule 1 (definition of *base premium indexation factor*)

Repeal the definition.

7 Clause 1 of Schedule 1 (definition of *CPI indexation factor*)

Repeal the definition.

8 Clause 1 of Schedule 1 (definition of *CPI index number*)

Repeal the definition.

9 Clause 1 of Schedule 1 (definition of *premium indexation factor*)

Repeal the definition.

10 Clause 1 of Schedule 1 (definition of *reference premium*)

Repeal the definition.

11 Clause 1 of Schedule 1 (definition of *weighted average ratio*)

Repeal the definition.

Schedule 1 Amendments

Part 2 Repeal of the Private Health Insurance Legislation Amendment (Base Premium)
Act 2013

**Part 2—Repeal of the Private Health Insurance
Legislation Amendment (Base Premium) Act
2013**

*Private Health Insurance Legislation Amendment (Base
Premium) Act 2013*

12 The whole of the Act

Repeal the Act.

Part 3—Other amendments

Private Health Insurance Act 2007

13 At the end of section 126-20

Add:

- (8) Rules made for the purposes of paragraph (7)(e) may describe a group as consisting of one or more classes of people (whether or not the class or classes are described by reference to matters of a kind referred to in paragraphs (7)(a) to (d)).

*[Minister's second reading speech made in—
House of Representatives on 12 December 2013
Senate on 12 February 2014]*

(216/13)
