

EXPLANATORY STATEMENT

Issued by the Authority of the Minister for Health and Ageing

Private Health Insurance Act 2007

Private Health Insurance (Benefit Requirements) Amendment Rules 2007 (No.1)

Section 333-20 of the *Private Health Insurance Act 2007* (the Act) provides that the Minister may make *Private Health Insurance (Benefit Requirements) Rules* (the Rules) providing for matters required or permitted by Part 3-3 of the Act, or necessary or convenient in order to carry out or give effect to Part 3-3 of the Act.

The current Rules, dated 30 March 2007, provide for the minimum benefit requirements for psychiatric, rehabilitation and palliative care and other hospital treatment and were previously covered by provisions in Schedule 1 (1) (bj) of the *National Health Act 1953*. Schedules 1 to 6 to the Rules set out the minimum levels of benefit which are payable for hospital treatment. Namely, benefits for overnight accommodation (Schedules 1 and 2), same day accommodation (Schedule 3), nursing-home type patients (Schedule 4), second-tier default benefits (Schedule 5), and outreach services (Schedule 6).

The *Private Health Insurance (Benefit Requirements) Amendment Rules 2007 (No. 1)* (the Amending Rules) amend the Rules dated 30 March 2007 by making amendments to Schedule 1 and Schedule 3 of the Rules.

Details of the Amending Rules are set out in the [Attachment](#).

Consultation

Private health insurers were extensively consulted and provided with opportunities to comment upon the new Private Health Insurance legislative package. Consultations were attended by representatives from individual private health insurers and peak industry bodies (the Australian Health Insurance Association and Health Insurance Restricted Membership Association members funds), private hospitals and their industry representatives (Australian Private Hospitals Association and Catholic Health Australia), the Australian Medical Association, other health care providers, the Private Health Insurance Administration Council, the Private Health Insurance Ombudsman, Consumers' Health Forum of Australia and central agencies. The Department also met with industry on an individual basis when requested. All of the industry representatives have expressed strong support for the proposed legislative framework including the Private Health Insurance Rules.

No specific consultation was undertaken in relation to the Amending Rules as the changes to Schedule 1 and Schedule 3 are machinery in nature and do not substantially alter existing arrangements. The amendments are necessary to incorporate changes to the Medicare Benefits Schedule (MBS), which is to take effect from 1 May 2007.

PRIVATE HEALTH INSURANCE BRANCH
DEPARTMENT OF HEALTH AND AGEING
APRIL 2007

ATTACHMENT**DETAILS OF THE *PRIVATE HEALTH INSURANCE (BENEFIT REQUIREMENTS) AMENDMENT RULES 2007 (No.1)*****1. Name of Rules**

Rule 1 provides that the title of the Rules is the *Private Health Insurance (Benefit Requirements) Amendment Rules 2007(No.1)* (the Amending Rules).

2. Commencement

Rule 2 provides that the Amending Rules are to commence on 1 May 2007.

3. Amendment of *Private Health Insurance (Benefit Requirements) Rules 2007*

Rule 3 provides that Schedule 1 of the Amending Rules amends the *Private Health Insurance (Benefit Requirements) Rules 2007* made on 30 March 2007 (the Rules).

Schedule A Amendments**Clause 1**

This clause inserts MBS item 45561 into the list of items provided at sub-clause 4(3) of Part 2 of Schedule 1 of the Rules.

Clause 2

This clause inserts MBS items 13251, 37605 and 37606 into the list of items provided at sub-clause 6(3) of Part 2 of Schedule 1 of the Rules.

Clause 3

This clause deletes MBS items 2574, 2575, 2577 and 2578 from the list of items in Group A18 of Category 1 - attendance items provided at clause 8 of Part 3 of Schedule 3 of the Rules.

Clause 4

This clause deletes MBS items 2704, 2705, 2707 and 2708 from the list of items in Group A19 of Category 1 - attendance items provided at clause 8 of Part 3 of Schedule 3 of the Rules.

Clause 5

This clause inserts MBS item 12323 into the list of items in Group T1 of Category 3 – therapeutic procedure items provided at clause 8 of Part 3 of Schedule 3 of the Rules.

Clause 6

This clause inserts MBS item 30062 into the list of items in Group T8 of Category 3 – therapeutic procedure items provided at clause 8 of Part 3 of Schedule 3 of the Rules.

Clause 7

This clause inserts MBS item 61505 into the list of items in Group I4 of Category 5 items provided at clause 8 of Part 3 of Schedule 3 of the Rules.

Clause 8

This clause inserts a new Group M9 and MBS items 8110, 81105, 81110, 81115, 81120 and 81125 in Category 8 – services provided by nurses, allied and dental health professionals items provided at clause 8 of Part 3 of Schedule 3 of the Rules.