

## **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 (No.1) 2007 (No.2)*

Section 333-20 of the *Private Health Insurance Act 2007* (the Act) provides that the Minister may make *Private Health Insurance (Benefit Requirements) Rules (No. 2)* (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 25 June 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 (No.1) 2007 (No. 2)* (the Amending Rules) amend the Rules dated 25 June 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**

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) July Supplement, which is to take effect from 1 July 2007.

**ATTACHMENT****DETAILS OF THE *PRIVATE HEALTH INSURANCE (BENEFIT REQUIREMENTS) AMENDMENT RULES (No. 1) 2007 (No. 2)*****1. Name of Rules**

Rule 1 provides that the title of the Rules is the *Private Health Insurance (Benefit Requirements) Amendment Rules (No. 1) 2007(No.2)* (the Amending Rules).

**2. Commencement**

Rule 2 provides that the Amending Rules are to commence the day after registration on the Federal Register of Legislative Instruments.

**3. Amendment of *Private Health Insurance (Benefit Requirements) Rules 2007(No. 2)***

Rule 3 provides that Schedule 1 of the Amending Rules amends the *Private Health Insurance (Benefit Requirements) Rules 2007(No. 2)* made on 25 June 2007 (the Rules).

**Schedule A Amendments****Clause 1**

This clause inserts MBS items 30680, 30682, 30684 and 30686 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 30688, 30690, 30692 and 30694 into the list of items provided at sub-clause 6(3) of Part 2 of Schedule 1 of the Rules.

**Clause 3**

This clause inserts MBS items 718 and 719 into the list of items in Group A14 of Category 1 - attendance items provided at clause 8 of Part 3 of Schedule 3 of the Rules.

**Clause 4**

This clause inserts MBS item 10997 into the list of items in Group M2 of Category 1 - attendance items provided at clause 8 of Part 3 of Schedule 3 of the Rules.

**Clause 5**

This clause omits MBS items 56549 and 56551 from the list of items and inserts MBS items 56552 and 56554 in Group I2 of Category 5 at clause 8 of Part 3 of Schedule 3 of the Rules.