

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. 5)

Section 333-20 of the *Private Health Insurance Act 2007* (the Act) provides that the Minister may make *Private Health Insurance (Benefit Requirements) 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 *Private Health Insurance (Benefit Requirements) Rules 2007 (No. 4)* (the Rules) provide for the minimum benefit requirements for psychiatric, rehabilitation and palliative care and other hospital treatment. 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. 5)* (the Amending Rules) amend Schedule 5 of the Rules.

The purpose of this amendment is to ensure that seven new facilities are entitled to second tier default benefits. In order to carry out this purpose, it is necessary for those five new facilities to be inserted into the table at clause 4 of Schedule 5 to the Rules (the table). However, the table is alphabetised. As a result, the Amending Rules delete the table in the Rules in its entirety and insert a new table which contains the insertion of seven new facilities in alphabetical order with the previously listed facilities. Consequently, the table has increased from 276 listed facilities to 283 listed facilities. No change has been made to the previously listed facilities.

Details of the Amending Rules are set out in the Attachment.

Consultation

Consultation for changes to Schedule 5 occurred with industry through the Second Tier Advisory Committee, which includes equal representation from both the private hospital and health insurance fund sectors.

PRIVATE HEALTH INSURANCE BRANCH
DEPARTMENT OF HEALTH AND AGEING
DECEMBER 2007

ATTACHMENT

DETAILS OF THE *PRIVATE HEALTH INSURANCE (BENEFIT REQUIREMENTS) AMENDMENT RULES 2007 (No.5)***1. Name of Rules**

Rule 1 provides that the title of the Rules is the *Private Health Insurance (Benefit Requirements) Amendment Rules 2007(No.5)* (the Amending Rules).

2. Commencement

Rule 2 provides that the Amending Rules are to commence on the day after registration.

3. Amendment of *Private Health Insurance (Benefit Requirements) Rules 2007 (No. 4)*

Rule 3 provides that the Schedule to the Amending Rules amends the *Private Health Insurance (Benefit Requirements) Rules 2007(No. 4)* (the Rules).

Schedule – Amendments**Item 1 – Schedule 5, Clause 4**

Schedule 5 of the Rules requires a health insurer to pay second-tier default benefits for most episodes of hospital treatment provided in private hospital facilities that are specified in Schedule 5 with which the health insurer does not have a negotiated agreement with the hospital. Schedule 5 sets a higher minimum level of benefit (for overnight treatment and day only treatment provided in specified facilities) than the minimum benefit set for such treatment by Schedules 1, 2, 3 and 6 of the Rules.

Item 1 of the Schedule to the Amending Rules amends clause 4 of Schedule 5 of the Rules to ensure that seven new facilities are entitled to second-tier default benefits.

The new facilities are:

1.	Hunter Valley Private Hospital	Maitland	NSW
2.	Sunshine Coast Day Surgery	Maroochydore	QLD
3.	Cairns Day Surgery	Cairns	QLD
4.	Shellharbour Private Hospital	Barrack Heights	NSW
5.	QFG Day Theatres	Spring Hill	QLD
6.	Delmont Private Hospital	Glen Iris	VIC
7.	Stonnington Day Surgery	Malvern	VIC

The Amending Rules delete the table in clause 4 of Schedule 5 of the Rules in its entirety and insert a new table which contains the insertion of seven new facilities in alphabetical order with the previously listed facilities. Consequently, the table has increased from 276 listed facilities to 283 listed facilities. No change has been made to the previously listed facilities.

The Amending Rules commence on the day after registration on the Federal Register of Legislative Instruments.