

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 2008 (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* providing for matters required or permitted by Part 3-3 of the Act, or necessary or convenient to be provided in order to carry out or give effect to Part 3-3 of the Act.

The *Private Health Insurance (Benefit Requirements) Rules 2008 (No. 1)*, which commenced on 20 March 2008 (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 2008 (No. 1)* (the Amending Rules) amend Schedule 5 of the Rules.

The purpose of this amendment is to ensure that two new facilities are entitled to second tier default benefits. In order to carry out this purpose, it is necessary for those two new facilities to be inserted into the table at clause 4 of Schedule 5 to the Rules (the table). The new facilities will be inserted into the table so that its alphabetical order is maintained. As a result of the insertion of the two new facilities, the table has increased from 284 listed facilities to 286 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
APRIL 2008

ATTACHMENT

DETAILS OF THE *PRIVATE HEALTH INSURANCE (BENEFIT REQUIREMENTS) AMENDMENT RULES 2008 (No. 1)***1. Name of Rules**

Rule 1 provides that the title of the Rules is the *Private Health Insurance (Benefit Requirements) Amendment Rules 2008 (No. 1)* (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. 5)*

Rule 3 provides that the Schedule to the Amending Rules amends the *Private Health Insurance (Benefit Requirements) Rules 2008 (No. 1)* which commenced on 20 March 2008 (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. 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 specify two new facilities that are entitled to second tier default benefits.

The new facilities are:

- | | | | |
|----|------------------------------------|---------------|-----|
| 1. | Concept Fertility Centre | Subiaco | WA |
| 2. | Pennant Hills Day Endoscopy Centre | Pennant Hills | NSW |

The Amending Rules insert the two new facilities into the table so that its alphabetical order is maintained. As a result of these insertions the table has increased from 284 listed facilities to 286 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.

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