

EXPLANATORY STATEMENT

Issued by the Authority of the Minister for Health and Ageing

Private Health Insurance Act 2007

Private Health Insurance (Health Insurance Business) Amendment Rules 2011 (No.2)

Section 333-20 of the *Private Health Insurance Act 2007* (the Act) provides that the Minister may make Private Health Insurance (Health Insurance Business) Rules providing for matters required or permitted by Part 4-2 of the Act, or necessary or convenient in order to carry out or give effect to Part 4-2 of the Act.

The *Private Health Insurance (Health Insurance Business) Rules 2010* (the Principal Rules), which commenced on 1 July 2010, provides for inclusions and exclusions to the definitions of 'hospital treatment', 'general treatment' and sets out a range of activities which do not fall within the scope of 'health insurance business' as defined in the Act.

The *Private Health Insurance (Health Insurance Business) Amendment Rules 2011 (No.2)* (the Amendment Rules) amend Rules 4 and 7 of the Principal Rules. Rules 4 and 7 of the Principal Rules specify the kinds of information, relating to the treatment of insured persons, that hospitals are required to give to insurers and that private hospitals are required to give to the Department.

The *Private Health Insurance (Health Insurance Business) Amendment Rules 2011 (No.1)* recently amended the Principal Rules to give effect to the HCP Data from Hospitals to Insurers and PHDB Data from Private Hospitals to the Department documents which were approved on the 8 March 2011. However, errors were subsequently identified in those documents and the purpose of these Amendment Rules is to refer to the correct HCP Data from Hospitals to Insurers and PHDB Data from Private Hospitals to the Department documents for the 2011/12 data collection period.

The correct HCP Data from Hospitals to Insurers and PHDB Data from Private Hospitals to the Department documents were approved on 15 July 2011 by the Assistant Secretary of the Private Health Insurance Branch of the Department of Health and Ageing and can be found on the Department of Health and Ageing website at:

<http://www.health.gov.au/internet/main/publishing.nsf/Content/health-casemix-data-collections-about-HCP>.

The Act does not specify any conditions that need to be met before the power to make the Amendment Rules may be exercised.

Consultation

In 2010-11, the Department consulted with the private health insurance industry at quarterly HCP Data Working Group meetings regarding minor 'housekeeping' type amendments required to the HCP specifications. HCP Data Working Group meetings comprise of Department and industry stakeholder representatives. Private health insurance representatives interested in developing the amendments participate at the HCP Data Working Group meetings. Industry is of the view that it is appropriate for minor amendments

to be managed by this Working Group. Minor amendments have previously been managed in this way. The revised data specifications are distributed to industry via a Private Health Insurance Circular.

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

The Amendment Rules are a legislative instrument for the purposes of the *Legislative Instruments Act 2003*.

The Amendment Rules commence on the day after they are registered.

Authority: Section 333-20 of the *Private Health Insurance Act 2007*

DETAILS OF THE *PRIVATE HEALTH INSURANCE (HEALTH INSURANCE BUSINESS) AMENDMENT RULES 2011 (No.2)*

Part 1 Preliminary

1. Name of Rules

Rule 1 provides that the title of the Rules is the *Private Health Insurance (Health Insurance Business) Amendment Rules 2011 (No.2)* (the Amendment Rules).

2. Commencement

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

3. Amendment of *Private Health Insurance (Health Insurance Business) Rules 2010*

Rule 3 provides that the Schedule to the Amendment Rules amend the *Private Health Insurance (Health Insurance Business) Rules 2010* (the Principal Rules) which commenced on 1 July 2010.

Schedule – Amendments

Item 1 – Part 2 Hospitals, subrule 4(2)

Item 1 deletes subrule 4(2) and replaces it with a new subrule 4(2), which defines ***HCP Data from Hospitals to Insurers*** to mean the protocol set out in the document approved by the Assistant Secretary of the Private Health Insurance Branch of the Department of Health and Ageing on 15 July 2011.

Item 2 – Part 2 Hospitals, subrule 7(3)

Item 2 deletes subrule 7(3) and replaces it with a new subrule 7(3), which defines ***PHDB Data from Private Hospitals to the Department*** to mean the protocol set out in the document approved by the Assistant Secretary of the Private Health Insurance Branch of the Department of Health and Ageing on 15 July 2011.

PRIVATE HEALTH INSURANCE BRANCH
DEPARTMENT OF HEALTH AND AGEING
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