

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 2012 (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* 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 2011* (the Principal Rules), which commenced on 1 November 2011, provide for the minimum benefit requirements for psychiatric, rehabilitation and palliative care and other hospital treatment. Schedules 1 to 5 of the Rules set out the minimum levels of benefit, which are payable for hospital treatment. These are benefits for overnight accommodation (Schedules 1 and 2), same day accommodation (Schedule 3), nursing-home type patients (Schedule 4) and second tier default benefits (Schedule 5).

The *Private Health Insurance (Benefit Requirements) Amendment Rules 2012 (No. 2)* (the Amendment Rules) amends Schedule 5 of the Principal Rules.

The purpose of the amendment is to update the table at Clause 4 of Schedule 5 of the Principal Rules to add one additional facility that is eligible for second tier default benefits.

This change has increased the table of listed facilities from 379 to 380.

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

Consultation

Consultation for changes to Schedule 5 occurred with industry through the Second Tier Advisory Committee (STAC), which includes equal representation from both the private hospital and private health insurance sectors. Facilities wishing to be considered for inclusion in Schedule 5 are individually assessed by the STAC which then makes a recommendation to the Minister as to whether or not the hospital meets the eligibility criteria. This arrangement was negotiated with the private health industry and has been in place since 2004.

PRIVATE HEALTH INSURANCE BRANCH

DEPARTMENT OF HEALTH AND AGEING

ATTACHMENT

DETAILS OF THE PRIVATE HEALTH INSURANCE (BENEFIT REQUIREMENTS) AMENDMENT RULES 2012 (No. 2)

1. Name of Rules

Rule 1 provides that the title of the Rules is the *Private Health Insurance (Benefit Requirements) Amendment Rules 2012 (No. 2)* (the Amendment Rules).

2. Commencement

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

3. Amendment of *Private Health Insurance (Benefit Requirements) Rules 2011*

Rule 3 provides that the Schedule to the Amendment Rules amends the Principal Rules which commenced on 1 November 2011.

Schedule – Amendments

Item 1 – Schedule 5, Clause 4 Facilities, Table

Schedule 5 of the Principal 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 if 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 and 3 of the Principal Rules.

Item 1 provides that the table in Schedule 5, Clause 4 of the Principal Rules is amended to insert the following additional new facility:

Name	Address
The Hampton Park Women's Health Care Centre	2-4 Warana Drive, HAMPTON PARK VIC 3976

PRIVATE HEALTH INSURANCE BRANCH

DEPARTMENT OF HEALTH AND AGEING

**STATEMENT OF COMPATIBILITY FOR A BILL OR LEGISLATIVE INSTRUMENT
THAT DOES NOT RAISE ANY HUMAN RIGHTS ISSUES**

Statement of Compatibility with Human Rights

Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011

Private Health Insurance (Benefit Requirements) Amendment Rules 2012 (No. 2)

This Legislative Instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

Overview of the Legislative Instrument

The *Private Health Insurance (Prostheses) Amendment Rules 2012 (No.1)* is intended to update the table at Clause 4 of Schedule 5 of the *Private Health Insurance (Benefit Requirements) Amendment Rules 2012 (No.1)* to add one additional facility that is eligible for second tier default benefit.

Human rights implications

This Legislative Instrument does not engage any of the applicable rights or freedoms.

Conclusion

This Legislative Instrument is compatible with human rights as it does not raise any human rights issues.

Richard Magor

Assistant Secretary Private Health Insurance Branch

Department of Health and Ageing