

## EXPLANATORY STATEMENT

Issued by the Authority of the Minister for Health

*Private Health Insurance Act 2007*

*Private Health Insurance (Benefit Requirements) Amendment Rules 2012 (No. 6)*

### Authority

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) Amendment Rules 2012 (No. 6)* (the Amendment Rules) amend Schedule 4 of the *Private Health Insurance (Benefit Requirements) Rules 2011* (the Principal Rules) which commenced on 1 November 2011.

### Purpose

*Schedule A of the Amendment Rules*

Schedule A of the Amendment Rules amends Schedule 4 of the Principal Rules. The purpose of the amendments to Schedule 4 of the Principal Rules is to change the minimum benefits payable per night for nursing-home type patients (NHTPs) at public hospitals in some states and at private hospitals nationally.

### Background

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 Principal 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) and second-tier default benefits (Schedule 5).

*Schedule A of the Amendment Rules*

The minimum benefits payable per night for hospital treatment provided to NHTPs in Schedule 4 of the Principal Rules is subject to review and change twice annually, to reflect the indexation applied to the Adult Pension Basic Rate and Maximum Daily Rate of Rental Assistance (Pension and Rental Assistance Rates). The latest indexation of these takes effect on the day after registration.

### Details

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

### Consultation

*Schedule A of the Amendment Rules*

On 23 August 2012, states and territories were asked whether they would be increasing the NHTP contribution and accommodation rates in their jurisdiction in line with increases in the Pension and Rental Assistance Rates. Tasmania and Victoria requested an increase the NHTP accommodation rates in their public hospitals which was given effect in *Private Health Insurance (Benefit Requirements) Amendment Rules 2012 (No. 5)*. The Australian

Capital Territory, New South Wales, Queensland and South Australia advised that it will not increase its NHTP accommodation rates at this time. On 25 September 2012 the Northern Territory provided an increase request to the Department of Health and Ageing.

The Amendment Rules commence on the day after registration.

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

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

## ATTACHMENT

### **DETAILS OF THE *PRIVATE HEALTH INSURANCE (BENEFIT REQUIREMENTS) AMENDMENT RULES 2012 (No. 6)***

#### **Section 1 Name of Rules**

Section 1 provides that the title of the Rules is the *Private Health Insurance (Benefit Requirements) Amendment Rules 2012 (No. 6)* (the Amendment Rules).

#### **Section 2 Commencement**

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

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

Section 3 provides that the Schedule to the Amendment Rules amends the *Private Health Insurance (Benefit Requirements) Rules 2011* (the Principal Rules) which commenced on 1 November 2011.

#### **Schedule A – Amendments**

##### **Item 1 – Schedule 4, Clause 6 Minimum benefit, Table 1**

Item 1 of Schedule 4, Clause 6, Minimum benefit, Table 1, to the Amendment Rules increases the minimum benefit payable per night for nursing-home type patients in public hospitals in the following states in Clause 6, Table 1:

- Northern Territory from \$75.83 to \$77.47

PRIVATE HEALTH INSURANCE BRANCH  
DEPARTMENT OF HEALTH AND AGEING  
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## **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. 6)**

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 (Benefit Requirements) Amendment Rules 2012 (No. 6)* amend Schedules 4 of the *Private Health Insurance (Benefit Requirements) Rules 2011* to update the minimum benefits for Nursing-Home Type Patients at public hospitals and private hospitals in the Northern Territory.

### **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.

**Doug Fawns**

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**Private Health Insurance Branch**

**Department of Health and Ageing**