

EXPLANATORY STATEMENT

Issued by the Authority of the Minister for Health

Private Health Insurance Act 2007

Private Health Insurance (Accreditation) Amendment Rules 2012 (No. 2)

Authority

Section 333-20 of the *Private Health Insurance Act 2007* (the Act) provides that the Minister may make *Private Health Insurance (Accreditation) Rules* providing for matters required or permitted by section 81-1 of the Act, or necessary or convenient to be provided in order to carry out or give effect to section 81-1 of the Act.

The *Private Health Insurance (Accreditation) Amendment Rules 2012 (No. 2)* (the Amendment Rules) amend the *Private Health Insurance (Accreditation) Rules 2011* (Principal Rules) which commenced on 5 November 2011.

Purpose

The purpose of the Amendment Rules is to make consequential amendments to the Principal Rules in light of the new National Safety and Quality Health Service Standards developed by the Australian Commission on Safety and Quality in Healthcare (the Commission) which are scheduled to commence from 1 January 2013.

The Amendment Rules amend the definition of ‘appropriate accrediting body’ in Part 1, Rule 4 to clarify that an appropriate accreditation body is a body approved by the Commission. The Amendment Rules also add a new paragraph 6(2)(d) in Part 2 to also clarify that the standard for accreditation is the National Standards as enforced under state and territory law.

Background

Section 81-1 of the Act provides that an insurance policy meets the quality assurance requirements in Division 81-1 of the Act if the policy prohibits the payment of private health insurance benefits for a treatment that does not meet the standards in the Principal Rules.

Details

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

Consultation

In accordance with Section 17 of the *Legislative Instruments Act 2003*, the Department of Health and Ageing has consulted with the Australian Commission on Safety and Quality in Health Care, the Australian Private Hospitals Association and Private Healthcare Australia regarding this amendment.

The Amendment Rules commence on 1 January 2013, or if registered after 1 January 2013, 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

**DETAILS OF THE *PRIVATE HEALTH INSURANCE (ACCREDITATION)*
*AMENDMENT RULES 2012 (No. 2)***

Section 1 Name of Rules

Section 1 provides that the title of the Rules is the *Private Health Insurance (Accreditation) Amendment Rules 2012 (No. 2)* (the Amendment Rules).

Section 2 Commencement

Section 2 provides that the Amendment Rules are to commence on 1 January 2013 or, if registered on a later date, the day after registration.

Section 3 Amendment of *Private Health Insurance (Accreditation) Rules 2011*

Section 3 provides that the Schedule to the Amendment Rules amend the *Private Health Insurance (Accreditation) Rules 2011* which commenced on 5 November 2011.

Schedule – Amendments

Item 1 – Part 1, Rule 4 Definitions, definition of *appropriate accrediting body*

Item 1 amends the definition for *appropriate accrediting body* to mean a body approved by the Australian Commission on Safety and Quality in Healthcare to accredit or certify health care organisations or health care providers against the National Safety and Quality Health Service Standards as at 1 January 2013.

Item 2 – Part 1, Rule 4 Definitions, after definition of *National Law*

Item 2 inserts the definition of *National Safety and Quality Health Service Standards* to mean the standards developed by the Australian Commission on Safety and Quality in Healthcare as at 1 January 2013.

Item 3 – Part 2, Rule 6 Treatments provided by hospitals and health care organisations, subrule (2)

Item 3 inserts a new paragraph 6(2)(d) which states that the State and Territory law requirements referred to in subrule 6 may include the National Safety and Quality Health Service Standards. It is noted that currently under the *Private Health Insurance (Accreditation) Rules 2011* (the Accreditation Rules), hospitals must meet state and territory licensing requirements for all private health insurance benefits to be paid. The Accreditation Amendment Rules clarify that hospitals and health care organisations will be required to meet the National Standards when required under their relevant state or territory regulatory regime. Hospitals and health care organisations will continue to be required to meet state and territory regulatory regimes under the Principal Rules. This will not change.

PRIVATE HEALTH INSURANCE BRANCH
DEPARTMENT OF HEALTH AND AGEING
DECEMBER 2012

Statement of Compatibility with Human Rights

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

Private Health Insurance (Accreditation) 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 (Accreditation) Amendment Rules 2012 (No. 2)* (the Amendment Rules) make consequential amendments to Part 1 and Part 2 of the *Private Health Insurance (Accreditation) Rules 2011* to reflect the introduction of the National Safety and Quality Health Service Standards. The Amendment Rules will not change the existing arrangements for hospitals and health care organisations to be required to meet state and territory regulatory regimes for all private health insurance benefits to be paid.

Human rights implications

This Legislative Instrument does not engage any of the applicable rights or freedoms as it makes consequential amendments and does not change existing arrangements.

Conclusion

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

Richard Bartlett

First Assistant Secretary

Medical Benefits Division

Department of Health and Ageing