

EXPLANATORY STATEMENT

Issued by the Authority of the Minister for Health

Private Health Insurance Act 2007

Private Health Insurance (Complying Product) Amendment Rules 2016 (No. 2)

Authority

Section 333-20 of the *Private Health Insurance Act 2007* (the Act) provides that the Minister may make *Private Health Insurance (Complying Product) Rules* providing for matters required or permitted by Chapter 3 and/or section 188-1 of the Act, or necessary or convenient in order to carry out or give effect to Chapter 3 and/or section 188-1 of the Act.

The *Private Health Insurance (Complying Product) Amendment Rules 2016 (No. 2)* (the Amendment Rules) amend Rule 8A of the *Private Health Insurance (Complying Product) Rules 2015* (the Principal Rules) which commenced on 1 July 2015.

Purpose

The purpose of the amendments to Rule 8A is to correct the reference to the patient contribution payable per night for nursing-home type patients (NHTP) at public hospitals in each State and Territory.

Background

Rule 8A of the Principal Rules sets the patient contribution for privately insured NHTPs by restricting the amount of benefit that private health insurers pay for each day of NHTP hospital treatment at a hospital.

The Schedule to the Amendment Rules makes minor changes to Paragraph 8A(3) of the Principal Rules by removing the duplicate reference to the old NHTP contribution rate at public hospitals in each State and Territory.

Details

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

Consultation

On 18 February 2016, 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. Queensland, New South Wales, Tasmania, Victoria, South Australia, Western Australia and the Northern Territory have advised that they will increase the NHTP contribution rates in their public hospitals from 20 March 2016.

On 18 February 2016, the Australian Government Department of Health (the Department) advised States and Territories of its intention to increase minimum private health insurance benefits for private hospital accommodation as a consequence of CPI movements.

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

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

MEDICAL BENEFITS DIVISION
DEPARTMENT OF HEALTH
MAY 2016

ATTACHMENT

DETAILS OF THE *PRIVATE HEALTH INSURANCE (COMPLYING PRODUCT) AMENDMENT RULES 2016 (No. 2)*

Section 1 Name of Rules

Section 1 provides that the title of the Rules is the *Private Health Insurance (Complying Product) Amendment Rules 2016 (No. 2)* (the Amendment Rules).

Section 2 Commencement

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

Section 3 Amendment of *Private Health Insurance (Complying Product) Rules 2015*

Section 3 provides that the Schedule to the Amendment Rules amends the *Private Health Insurance (Complying Product) Rules 2015* (the Principal Rules) which commenced on 1 July 2015.

Schedule – Amendments

Item 1 – Part 2, Paragraph 8A(3)

Paragraph 8A(3)(b) of the Principal Rules set out the patient contribution for privately insured NHTPs at private hospitals.

Item 1 of the Schedule of the Amendment Rules amends Part 2, Paragraph 8A(3)(b) of the Principal Rules by remove the duplicate reference to the NHTP contribution at private hospitals in each State and Territory.

Statement of Compatibility with Human Rights

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

Private Health Insurance (Complying Product) Amendment Rules 2016 (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 (Complying Product) Amendment Rules 2016 (No. 2)* amends Rule 8A of the *Private Health Insurance (Complying Product) Rules 2015* to remove the duplicate reference to the patient contribution payable per night for Nursing-Home Type Patients at private hospitals in each State and Territory.

Human rights implications

This legislative instrument engages Articles 2 and 12 of the International Covenant on Economic, Social and Cultural Rights by assisting with the progressive realisation by all appropriate means of the right of everyone to the enjoyment of the highest attainable standard of physical and mental health.

Private health insurance regulation assists with the advancement of these human rights by improving the governing framework for private health insurance in the interests of consumers. Private health insurance regulation aims to encourage insurers and providers of private health goods and services to provide better value for money to consumers, to improve information provided to consumers of private health services to allow consumers to make more informed choices when purchasing services and requires insurers not to differentiate the premiums they charge according to individual health characteristics such as poor health.

Conclusion

This legislative instrument is compatible with human rights because it advances the protection of human rights.

Tracey Duffy

Assistant Secretary

Private Health Insurance Branch

Medical Benefits Division

Department of Health