

EXPLANATORY STATEMENT

Issued by the Authority of the Minister for Health

Private Health Insurance Act 2007

*Private Health Insurance (Complying Product) (ACT Nursing Home Type Patient)
Amendment Rules 2018*

Authority

Subsection 333-20(1) 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) (ACT Nursing Home Type Patient) Amendment Rules 2018* (the Amendment Rules) amends 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 amendment to Rule 8A is to change the patient contribution payable per night for nursing-home type patients (NHTP) at public hospitals in the Australian Capital Territory (ACT).

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 amount of benefit is restricted to the hospital's charge less the patient contribution amount.

The Schedule to the Amendment Rules makes minor changes to Paragraph 8A(3)(a)(i) of the Principal Rules by amending the NHTP contribution rate at public hospitals in the ACT. Changes to the NHTP contribution rate reflect increases in the Adult Pension Basic Rate and the Maximum Daily Rate of Rental Assistance (Pension and Rental Assistance Rates), which took effect on 20 March 2018.

Details

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

Consultation

On 28 February 2018, 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. The ACT elected to update their rates on 1 July 2018, rather than 20 March 2018 in line with the other States and Territories.

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

**DETAILS OF THE *PRIVATE HEALTH INSURANCE (COMPLYING PRODUCT)*
*(ACT NURSING HOME TYPE PATIENT) AMENDMENT RULES 2018***

Section 1 Name of Rules

Section 1 provides that the title of the Rules is the *Private Health Insurance (Complying Product) (ACT Nursing Home Type Patient) Amendment Rules 2018* (the Amendment Rules).

Section 2 Commencement

Section 2 provides that the Amendment Rules are to commence on 1 July 2018.

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)(a)(i)

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

Item 1 of the Schedule of the Amendment Rules amends Part 2, Paragraph 8A(3)(a)(i) of the Principal Rules by increasing the NHTP contribution at public hospitals in the Australian Capital Territory (ACT).

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) (ACT Nursing Home Type Patient) Amendment Rules 2018

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) (ACT Nursing Home Type Patient) Amendment Rules 2018* amends Rule 8A of the *Private Health Insurance (Complying Product) Rules 2015* to change the patient contribution payable per night for Nursing-Home Type Patients at public hospitals in the Australian Capital 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.

Susan Azmi

Acting Assistant Secretary

Private Health Insurance Branch

Medical Benefits Division

Department of Health