

EXPLANATORY STATEMENT
NATIONAL HEALTH ACT 1953
NATIONAL HEALTH (REMOTE AREA ABORIGINAL HEALTH SERVICES PROGRAM)
SPECIAL ARRANGEMENT 2017
AMENDMENT INSTRUMENT 2018 (NO.1)
PB 62 of 2018

Authority

Subsection 100(1) of the *National Health Act 1953* (the Act) enables the Minister to make special arrangements for the supply of pharmaceutical benefits. Subsection 100(2) of the Act provides that the Minister may vary or revoke a special arrangement made under subsection 100(1).

Subsection 100(3) of the Act provides that Part VII of the Act, and instruments made for the purposes of Part VII of the Act, have effect subject to a special arrangement made under subsection 100(1).

Purpose

The purpose of this legislative instrument, made under subsections 100(1) and 100(2) of the Act, is to amend the *National Health (Remote Area Aboriginal Health Services Program) Special Arrangement 2017* (PB 107 of 2017) (the Special Arrangement). This Special Arrangement provides for the supply to remote Aboriginal Health Services of pharmaceutical benefits.

This instrument increases the bulk handling fee and the patient specific medicine supply fee (PSMSF) that is payable to an approved pharmacist or an approved hospital authority in respect of the supply of a pharmaceutical benefit to an approved Aboriginal Health Service in accordance with the Special Arrangement.

On and from 1 July 2018, the bulk handling fee is increasing from \$3.00 to \$3.04 in accordance with (WCI9) and the patient specific medicine supply fee is increasing from \$4.67 to \$4.77. The patient specific medicine supply fee is the difference between the bulk handling fee and the applicable dispensing fee plus 29% of the Premium Free Dispensing Incentive (PFDI) which are both indexed annually in accordance with the Consumer Price Index (CPI).

Consultations

The amendment is minor and machinery in nature.

No consultation was required as the 2010-11 Federal Budget provided for the annual indexation of the Remote Area Aboriginal Health Services Program handling fee and is indexed annually in accordance with the WCI9. As part of the 2017-2018 Budget process Government agreed for the Department of Human Services to implement an ongoing process for payment to approved pharmacists and approved hospital authorities of the patient specific medicine supply fee and is indexed annually based on the CPI increases to the dispensing fee and PFDI fee.

The legislative instrument commences on 1 July 2018.

This Instrument is a legislative instrument for the purpose of the *Legislation Act 2003*.

Statement of Compatibility with Human Rights

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

NATIONAL HEALTH (REMOTE AREA ABORIGINAL HEALTH SERVICES PROGRAM) SPECIAL ARRANGEMENT 2017 AMENDMENT INSTRUMENT 2018 (NO.1)

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 purpose of this legislative instrument, made under subsections 100(1) and 100(2) of the Act, is to amend the *National Health (Remote Area Aboriginal Health Services Program) Special Arrangement 2017* (PB 107 of 2017) (the Special Arrangement), to make changes to the Special Arrangement to increase the bulk handling fee and patient specific medicine supply fee that are payable to an approved pharmacist or an approved hospital authority in respect of the supply of a pharmaceutical benefit to an approved Aboriginal Health Service in accordance with the Special Arrangement.

On and from 1 July 2018, the handling fee is increasing from \$3.00 to \$3.04 and is indexed annually in accordance with the (WCI9). The patient specific medicine supply fee is increasing from \$4.67 to \$4.77. The patient specific medicine supply fee is the difference between the bulk handling fee and the applicable dispensing fee plus 29% of the Premium Free Dispensing Incentive (PFDI) which are both indexed annually in accordance with the Consumer Price Index (CPI).

Human rights implications

This legislative instrument engages Article 2 and 12 of the International Covenant on Economic, Social and Cultural Rights (ICESCR) 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.

The Pharmaceutical Benefits Scheme (PBS) is a benefit scheme which assists with advancement of this human right by providing for subsidised access by patients to medicines. This Special Arrangement ensures more ready and equitable access to PBS medicines for Indigenous Australians through the Section 100 Supply of PBS Medicines to Remote Area Aboriginal Health Services (RAAHS) Program. The RAAHS Program addresses three identified barriers that Aboriginal and Torres Strait Islander people living in remote communities experience in accessing essential medicines, being geographical, cultural and financial.

Conclusion

This Legislative Instrument is compatible with human rights because it advances the protection of human rights.

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