

Health Insurance (Bonded Medical Program) Rule 2020

I, Greg Hunt, Minister for Health, make the following Rule.

Dated 21 November 2019

Greg Hunt

Minister for Health

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Part 1—Preliminary

1 Name

This instrument is the *Health Insurance (Bonded Medical Program) Rule 2020*.

2 Commencement

This instrument commences on 1 January 2020.

3 Authority

This instrument is made under subsection 124ZT(1) of the *Health Insurance Act 1973.*

4 Definitions

Note: A number of expressions used in this instrument are defined in the Act, including the following:

(a) Bonded Medical Program;

(b) bonded participant;

(c) course of study in medicine;

(d) general practitioner;

(e) medical practitioner;

(f) return of service obligation;

(g) specialist.

In this instrument:

***Act*** means the *Health Insurance Act 1973*.

***AHPRA*** means the Australian Health Practitioner Regulation Agency.

***eligible work***: see subsection 8(3).

***eligible location***: see section 10.

***fellow*** means either:

(a) a fellow of the Royal Australian College of General Practitioners; or

(b) a fellow of the Australian College of Rural and Remote Medicine; or

(c) a fellow of a relevant organisation in relation to a specialty.

Note: See subsection 3D(5) of the Act for the definition of a relevant organisation.

***full-time basis***: a bonded participant completes 1 week of their return of service obligation on a ***full-time basis*** if they are employed in eligible work for at least 35 hours or more in that week.

***general registration*** means registration as a medical practitioner that is granted by the Medical Board of Australia to a graduate of a course of study in medicine who has successfully completed an internship.

***intern*** has the same meaning as in subsection 19AA(5) of the Act.

***internship*** means the period of medical work that is undertaken by an intern.

***medical college*** means a college that is accredited by the Australian Medical Council.

***MMM***, with a number, means the area of that number in the Modified Monash Model, which is the geographical classification system managed by the Australian Bureau of Statistics, that categorises metropolitan, regional, rural and remote areas according to geographical remoteness and town size. There are seven different MMM areas.

***part-time basis***: a bonded participant completes 1 week of their return of service obligation on a ***part-time basis***, if they are employed in eligible work for at least 20 hours, but less than 35 hours, in that week.

***per-day basis***: a bonded participant completes 1 week of their return of service obligation on a ***per-day basis***, if they are employed in eligible work on several different days:

(a) on each of which the participant works for at least 7.5 hours; and

(b) with a total of at least 20 hours.

***provisional registration*** means registration as a medical practitioner that:

(a) is granted by the Medical Board of Australia to a graduate of a course of study in medicine; and

(b) enables the graduate to complete a period of supervised practice or an internship.

***vocational training*** means any training undertaken by a bonded participant after admission to a vocational program that leads to fellowship.

Part 2—Return of service obligation

Division 1—Completing a return of service obligation

5 Overview

For the purposes of paragraph 124ZF(2)(b) of the Act, a bonded participant must complete their return of service obligation in accordance with the requirements set out in this Division.

6 Completion of course of study

(1) This section applies to:

(a) a person who is a bonded participant for the purposes of subsection 124ZE(1) of the Act; or

(b) a person who:

(i) is a bonded participant for the purposes of subsection 124ZE(2) of the Act; and

(ii) at the time of opting in to the Bonded Medical Program, was completing their course of study in medicine.

(2) For the purposes of paragraph 124ZG(1)(a) of the Act, the bonded participant must complete their course of study in medicine at an Australian university within the period of time prescribed by the university.

Note: See section 124ZH of the Act for the consequences of breaching the condition mentioned in paragraph 124ZG(1)(a).

7 Commencement of return of service obligation

For the purposes of paragraph 124ZT(3)(b) of the Act, a bonded participant may commence their return of service obligation when both of the following requirements are satisfied:

(a) the bonded participant has received confirmation of their provisional registration from AHPRA; and

(b) the bonded participant has commenced training as an intern in eligible work.

8 Requirements that apply to all bonded participants

(1) For the purposes of paragraph 124ZT(3)(d) of the Act, the circumstances in which work will qualify for completing a return of service obligation are that:

(a) the work is eligible work; and

(b) details of the work have been:

(i) registered in a return of service obligation plan in accordance with subsection 16(1); and

(ii) confirmed as being completed in accordance with subsection 16(1).

Counting of work

(2) Any work completed by a bonded participant that does not comply with subsection (1) must not be counted towards the return of service obligation in relation to the bonded participant.

Definitions

(3) In this section:

***eligible work*** means, in relation to a bonded participant, the rendering of a professional service to a patient in an eligible location. It includes:

(a) paid leave that is accrued from the rendering of such a professional service;

(b) outreach services in an eligible location;

(c) fly-in/fly-out medical services in an eligible location;

(d) aeromedical evacuation and retrieval services to patients in an eligible location;

(e) telehealth services in an eligible location and delivered to patients in an eligible location; and

(f) on-call services in an eligible location;

but does not include clinical research, academic teaching, medical or organisational/administrative work or paramedical work.

***professional service*** means a service of a kind referred to in paragraph (a), (d), (e), (f) or (g) of the definition of ***professional service*** in subsection 3(1) of the Act.

Note: A professional service may include:

(a) services delivered by a bonded participant under salaried arrangements or other employment arrangements; or

(b) a service for which a Medicare benefit is not payable.

9 Requirements that apply to certain bonded participants

(1) This section is made for the purposes of paragraph 124ZT(3)(b) of the Act.

Bonded participants who have a 3 year return of service obligation

(2) A 3 year return of service obligation must be completed on a full-time basis, a part-time basis or a per-day basis.

Note: If the requirements of section 14 are met, the 3 year return of service obligation may be scaled.

(3) If a bonded participant has a 3 year return of service obligation, then no more than 18 months of work before the earlier of the following days can count towards their return of service obligation:

(a) the day a bonded participant becomes a fellow; or

(b) the day 12 years after the day on which the bonded participant completes their course of study in medicine.

Note: The remaining return of service obligation must be completed within 18 years after the day on which a bonded participant completes their course of study in medicine (see paragraph 124ZF(2)(a) of the Act).

Bonded participants who have a 12 months return of service obligation

(4) A 12 months return of service obligation:

(a) must be completed on a full-time basis; and

(b) may be completed in a series of periods each of which is at least 10 consecutive weeks.

10 Eligible locations

(1) This section is made for the purposes of subsection 124ZT(2) of the Act.

Bonded participants who have completed their course of study

(2) If a bonded participant has completed their course of study in medicine at an Australian university and has not been admitted to vocational training, any geographic area that is classified as MMM 2, MMM 3, MMM 4, MMM 5, MMM 6 or MMM 7 is prescribed as an eligible location.

Bonded participants who are completing vocational training or have attained fellowship

(3) If a bonded participant:

(a) is completing their vocational training; or

(b) has attained their fellowship;

then, the following are prescribed as eligible locations:

(c) any geographic area that is classified as MMM 2, MMM 3, MMM 4, MMM 5, MMM 6 or MMM 7;

(d) in relation to a bonded participant who is a specialist in a speciality other than general practice—a District of Workforce Shortage in relation to that speciality;

(e) in relation to a bonded participant who is a specialist in general practice—a Distribution Priority Area.

Note: A District of Workforce Shortage or a Distribution Priority Area does not include inner metropolitan areas (see subsection 10(8)).

Eligible locations at different points in time

(4) If a person is a bonded participant for the purposes of subsection 124ZE(1) of the Act, the following are prescribed as eligible locations:

(a) a location that was prescribed as an eligible location at the time that the bonded participant entered into the Bonded Medical Program;

(b) a location that is, or becomes, an eligible location within 6 months before the bonded participant commences work at that location.

(5) If a person is a bonded participant for the purposes of subsections 124ZE(2) or (3) of the Act, the following are prescribed as eligible locations:

(a) a location prescribed as an eligible location at the time that the bonded participant opts in to the Bonded Medical Program under section 124ZU of the Act;

(b) a location that is, or becomes, an eligible location within 6 months before the bonded participant commences work at that location.

Location where a bonded participant has worked remains eligible for that participant

(6) If a bonded participant completes a period of work at an eligible location, the location will be taken to be an eligible location in relation to that bonded participant at any point in time, even if the location subsequently becomes ineligible.

Other eligible locations

(7) The Minister may, by notifiable instrument, determine any other area as an eligible location from time to time.

Definitions

(8) In this section:

***Distribution Priority Area***, in relation to general practice, means the following:

(a) MMM 5, MMM 6 or MMM 7 areas; or

(b) the Northern Territory; or

(c) any area where the DPA Level is less than the DPA Benchmark; or

(d) any geographic area within Australia which the Secretary is satisfied has significantly less access than the national average to medical services provided by a general practitioner;

but does not include inner metropolitan areas.

***District of Workforce Shortage*** means a geographic area within Australia which the Secretary is satisfied has significantly less access than the national average to medical services provided by a specialist (other than a general practitioner), but does not include inner metropolitan areas.

***DPA Level*** means the level of services provided in a particular general practitioner catchment area.

***DPA Benchmark*** means the benchmark used for the purposes of the Health Workforce Locator that is published on the Department’s website in the year of application.

Division 2—Variations to a return of service obligation

11 Applications for an extension of time

For the purposes of subsection 124ZF(3) of the Act, a bonded participant must make an application to the Secretary as soon as practicable after the time that the bonded participant becomes aware that the bonded participant, or a member of the bonded participant’s family, has a medical condition that prevents the bonded participant from completing their return of service obligation within the 18 year period required by paragraph 124ZF(2)(a) of the Act.

Note: Under subsection 124ZF(4) of the Act, the Secretary has discretion to grant an extension. This would not normally extend the period by more than 2 years.

12 Member of a bonded participant’s family

(1) For the purposes of subparagraph 124ZT(3)(e)(i) of the Act, a member of a bonded participant’s family means:

(a) a partner, child, grandchild, parent, grandparent or sibling of the bonded participant; or

(b) a person determined by the Secretary, on application by the bonded participant, to satisfy the following criteria:

(i) the person is a relation of the bonded participant;

(ii) the bonded participant has significant responsibility for the care of the person;

(iii) there are no family members (other than the bonded participant) who are able to provide care to the person;

(iv) the person is not on a temporary visa; and

(v) the person has not been provided with an assurance of support in relation to the grant of a visa.

Note 1: A temporary visa means a visa specified in Parts 2, 3 and 4 of Schedule 1 to the *Migration Regulations 1994.*

Note 2: An assurance of support, in relation to the grant of a visa, means an assurance of support under Chapter 2C of the *Social Security Act 1991.*

(2) An application must be accompanied by evidence that the criteria are satisfied.

13 Evidential requirements for establishing a medical condition

(1) For the purposes of subparagraphs 124ZT(3)(e)(ii) and (iii), the bonded participant, or a member of the bonded participant’s family, must have a medical condition that:

(a) either:

(i) requires treatment or care for which Medicare benefits are payable under the Act; or

(ii) requires treatment or care for which pharmaceutical benefits are payable under the *National Health Act 1953*; or

(iii) requires treatment or care in a hospital; and

(b) is a serious illness, unless there are exceptional circumstances relating to the illness; and

(c) was not reasonably foreseeable when the bonded participant entered the Bonded Medical Program.

(2) For the purposes of subsection (1), the bonded participant must provide evidence of the relevant medical condition from the treating practitioner of the bonded participant, or the treating practitioner of the member of the bonded participant’s family, as the case may be.

(3) For the purposes of subsection (2), the evidence must meet the following requirements:

(a) the treating practitioner must:

(i) have sufficient expertise, qualifications and specialist registration to provide the medical evidence; and

(ii) state for how long they have known the bonded participant, or the member of the bonded participant’s family, as the case may be; and

(iii) state that they do not have a personal or professional relationship with the bonded participant or any potential conflicts of interest; and

(iv) state why the bonded participant cannot complete their return of service obligation within the 18 year period required by paragraph 124ZF(2)(a) of the Act;

(b) the evidence provided by the treating practitioner must be dated within 3 months from the date of the bonded participant’s application.

(4) In this section, a ***serious illness*** means:

(a) a life-threatening illness; or

(b) an illness that could become life-threatening if not treated; or

(c) a chronic illness or disabling condition whose treatment, or the illness itself, creates an insurmountable barrier to working in an eligible location.

14 Scaling—return of service obligation

(1) For the purposes of paragraph 124ZT(3)(c) of the Act, work by a bonded participant that satisfies this section may be scaled by counting each month of service obligation actually completed as satisfying two months of their return of service obligation.

(2) Work by a bonded participant satisfies this section if:

(a) the participant:

(i) is a fellow; and

(ii) is in the third year of their return of service obligation; and

(iii) has completed at least 2 years of their return of service obligation:

(A) in a geographic location classified as MMM 4, MMM 5, MMM 6 or MMM 7; and

(B) on a full-time basis; and

(b) the work is done:

(i) in a geographical location classified as MMM 4, MMM 5, MMM 6 or MMM 7; and

(ii) on a full-time basis.

(3) This section does not apply to a bonded participant who was a party to a deed of agreement with the Commonwealth for funding of a place in the Bonded Medical Places Scheme, which was entered into during the period beginning on 1 January 2016 and ending on 31 December 2019.

(4) In applying subparagraph 14(2)(a)(iii), ignore any reduction in the return of service obligation period for prior service in accordance with paragraphs 124ZV(2)(a) and 124ZW(2)(a) of the Act.

Division 3— Reporting obligations

15 Notifiable events

(1) For the purposes of paragraphs 124ZT(3)(a) and (g) of the Act, a bonded participant must, within 6 months after a notifiable event in Column 1, report the notifiable event by entering the required information and uploading the evidence to support their report as specified in Column 2 into a web portal maintained by the Department.

| Notifiable events | | |
| --- | --- | --- |
| Item | Column 1 – Notifiable Event | Column 2 – Information or evidence that must be provided to the Department |
| 1 | Any change in the name of the bonded participant. | The bonded participant must update the relevant information on the Department’s web portal and provide certain evidence.  *Evidence to be uploaded:*  Marriage certificate or deed poll certificate. |
| 2 | Any change in the primary or secondary contact details of the bonded participant, including their phone number, email address or postal address. | The bonded participant must update the relevant information on the Department’s web portal.  *Evidence to be uploaded:* none. |
| 3 | Any change which impacts on the completion time of a bonded participant’s course of study in medicine. | The bonded participant must update the relevant information on the Department’s web portal and provide certain evidence.  *Evidence to be uploaded:*  Evidence from the university that confirms the change, including the following information:  (a) name of the bonded participant;  (b) date of the evidence;  (c) date on which the change takes effect;  (d) date on which the approved change of circumstances has been completed. |
| 4 | Completion of course of study in medicine. | The bonded participant must update the relevant information on the Department’s web portal and provide certain evidence.  *Evidence to be uploaded:*  Evidence from the university that confirms completion of the course, including the following information:  (a) name of the bonded participant;  (b) name of the university;  (c) name of the medical course;  (d) date of the evidence;  (e) statement of completion of the medical course registered under the Bonded Medical Program. |
| 5 | Provisional registration with AHPRA. | The bonded participant must update the relevant information on the Department’s web portal and provide certain evidence.  *Evidence to be uploaded:*  Evidence from AHPRA that provisional registration has been attained. Evidence must include:  (a) name of the bonded participant;  (b) date of the AHPRA registration;  (c) date that the registration was provided to the bonded participant;  (d) AHPRA registration number;  (e) Medicare provider number. |
| 6 | Commencement of an internship | The bonded participant must update the relevant information on the Department’s web portal and provide certain evidence.  *Evidence to be uploaded:*  Evidence from an employer that the bonded participant’s internship has commenced. Evidence must include a signed contract of employment or letter of agreement from the bonded participant’s employer, including:  (a) name of the bonded participant;  (b) commencement date of the internship;  (c) expected completion date of the internship;  (d) position name;  (e) facility name;  (f) facility address;  (g) number of hours employed each week. |
| 7 | Completion of an internship | The bonded participant must update the relevant information on the Department’s web portal to confirm completion of their internship.  *Evidence to be uploaded:* none. |
| 8 | General registration with AHPRA | The bonded participant must update the relevant information on the Department’s web portal and provide certain evidence.  *Evidence to be uploaded:*  Evidence from AHPRA that general registration has been attained. Evidence must include:  (a) name of the bonded participant;  (b) date of the AHPRA registration;  (c) date that the registration was provided to the bonded participant;  (d) AHPRA registration number;  (e) Medicare provider number. |
| 9 | Commencement of vocational training | The bonded participant must update the relevant information on the Department’s web portal and provide certain evidence.  *Evidence to be uploaded:*  Evidence from the medical college that the bonded participant has enrolled in vocational training and evidence from the employer engaging the bonded participant. Evidence must include both of the following:  (a) information from the medical college, including:  (i) date of commencement of vocational training;  (ii) anticipated date of completion;  (iii) name of the medical college;  (iv) type of specialisation; and  (b) a signed employment contract or signed letter of agreement from the bonded participant’s employer, including the following information:  (i) name of the bonded participant;  (ii) employment commencement date;  (iii) expected employment completion date;  (iv) position name;  (v) facility name;  (vi) facility address;  (vii) number of hours employed each week. |
| 10 | Attainment of medical specialisation | The bonded participant must update the relevant information on the Department’s web portal and provide certain evidence.  *Evidence to be uploaded:*  Evidence from the relevant medical college that the bonded participant has completed their vocational training and attained medical specialisation. Evidence must include:  (a) name of the bonded participant;  (b) name of the medical college;  (c) type of specialisation;  (d) date the specialisation was attained. |

(2) If a bonded participant is unable to provide the evidence or information in Column 2, the bonded participant must upload a statutory declaration to the web portal that:

(a) explains why the relevant evidence or information in Column 2 cannot be obtained; and

(b) attests the relevant information in Column 2.

Reporting timeframes for bonded participants who opt in to the Bonded Medical Program

(3) Subsection (4) applies to a person who is:

(a) a bonded participant in accordance with subsection 124ZE(2) of the Act; or

(b) a bonded participant in accordance with subsection 124ZE(3) of the Act.

(4) If a notifiable event occurred before the bonded participant opts in to the Bonded Medical Program, the bonded participant must upload the evidence or enter the required information in Column 2 into a web portal maintained by the Department within 6 months of opting in to the Bonded Medical Program.

16 Return of service obligation plan

(1) For the purposes of subparagraphs 124ZT(3)(a) and (g) of the Act, a bonded participant must, within the timeframes in Column 1, enter the information and upload the evidence in Column 2 into a web portal maintained by the Department.

| Return of service obligation plan | | | |
| --- | --- | --- | --- |
| Item | Column 1 – Reporting timeframes | Column 2 – Information or evidence that must be provided to the Department |
| 1 | (a) In relation to a person who is a bonded participant for the purposes of subsection 124ZE(1) of the Act—no later than the completion date of the bonded participant’s course of study in medicine.  (b) In relation to a person who is a bonded participant for the purposes of subsections 124ZE(2) or (3) of the Act—no later than 3 months after opting in to the Bonded Medical Program. | The bonded participant must:  (a) register a return of service obligation plan;  (b) propose one or more eligible locations to complete their return of service obligation;  (c) upload the evidence specified below where a proposed location has been confirmed.  *Evidence to be uploaded:*  Evidence of either a signed contract or a signed letter of agreement from the bonded participant’s employer that confirms an eligible location has been selected, and includes the following information:  (a) name of the bonded participant;  (b) commencement date;  (c) expected completion date of employment;  (d) position name;  (e) employer name;  (f) employer address;  (g) primary locations of work;  (h) number of hours employed each week. |
| 2 | No later than 3 months after a bonded participant has completed work at an eligible location. | The bonded participant must provide relevant information to confirm they have completed their work at an eligible location in accordance with their registered return of service plan and provide evidence to support completion of their work.  *Evidence to be uploaded:*  Evidence from the bonded participant’s employer that work has been completed in accordance with the bonded participant’s signed employment contract or letter of employment. |
| 3 | No later than 3 months after a bonded participant has changed the expected completion date of work at an eligible location. | The bonded participant must:  (a) update their registered return of service plan;  (b) update the expected completion date of work at an eligible location;  (c) upload the evidence specified below.  *Evidence to be uploaded:*  Evidence from the bonded participant’s employer detailing any changes to the bonded participant’s terms of work, including:  (a) commencement date;  (b) expected completion date of employment;  (c) position name;  (d) employer name;  (e) employer address;  (f) primary locations of work;  (g) number of hours employed each week. |
| 4 | (a) In relation to a person who is a bonded participant for the purposes of subsection 124ZE(1) of the Act—every 6 months from the completion date of the bonded participant’s course of study in medicine.  (b) In relation to a person who is a bonded participant for the purposes of subsections 124ZE(2) or (3) of the Act—every 6 months from the time the bonded participant opts in to the Bonded Medical Program. | The bonded participant must confirm or update the details of their return of service obligation plan. |

(2) If a bonded participant is unable to provide the evidence or information in Column 2, the bonded participant must upload a statutory declaration to the web portal that:

(a) explains why the relevant evidence or information in Column 2 cannot be obtained; and

(b) attests the relevant information in Column 2.

Part 3—Repayment obligations

17 Repayment of payments

(1) This section is made for the purposes of sections 124ZH and 124ZQ of the Act.

Bonded participants covered by subsection 124ZE(1) or (2) of the Act

(2) For the purposes of subparagraphs 124ZH(2)(a)(i) and 124ZQ(1)(a)(i) of the Act, the amount to be repaid is calculated by using the formula:

where:

***incomplete return of service obligation*** means the number of months of a bonded participant’s return of service obligation that are incomplete at the time that the bonded participant breaches the condition mentioned in paragraph 124ZG(1)(a) or (c), or withdraws from the Bonded Medical Program, as the case may be.

***total return of service obligation*** means the total number of months of a bonded participant’s return of service obligation.

***total repayment amount*** means the Commonwealth contribution amount for a place in medicine for each year of study completed, and for any parts of a year commenced, but not completed.

Note: Commonwealth contribution amount has the meaning given in section 33-10 of the *Higher Education Support Act 2003.*

Bonded participants covered by subsection 124ZE(3) of the Act

(3) For the purposes of subparagraphs 124ZH(2)(b)(i) and 124ZQ(1)(b)(i) of the Act, the amount to be repaid is calculated by using the formula:

where:

***incomplete return of service obligation*** means the number of months of a bonded participant’s return of service obligation that are incomplete at the time that the bonded participant breaches the condition mentioned in paragraph 124ZG(1)(a) or (c), or withdraws from the Bonded Medical Program, as the case may be.

***total return of service obligation*** means the total number of months of a bonded participant’s return of service obligation.

***total repayment amount*** means the total cost of the Commonwealth funded scholarship provided to the bonded participant.

18 Interest payable on overdue payments

(1) This section is made for the purposes of paragraph 124ZT(3)(f) and subsection 124ZQ(1) of the Act and applies if:

(a) an amount (the ***principal sum***) is recoverable as a debt due to the Commonwealth from a person or estate under sections 124ZH or 124ZQ of the Act; and

(b) the Commonwealth has served an invoice on the person or estate (as the case requires) claiming the principal sum as a debt due to the Commonwealth.

Interest payable

(2) Interest is payable on the amount of the principal sum that remains unpaid from time to time.

(3) Interest under subsection (2) is payable from the day after the due date of the invoice.

(4) Interest under subsection (2):

(a) is payable at a rate of 15% per annum; and

(b) is calculated on a daily basis; and

(c) is not compounded; and

(d) is recoverable as a debt due to the Commonwealth from the person or estate.