

EXPLANATORY STATEMENT

National Health Act 1953

National Health (Remote Area Aboriginal Health Services Program) Amendment Special Arrangement 2023 (No. 1)

PB 63 of 2023

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 *National Health (Remote Area Aboriginal Health Services Program) Amendment Special Arrangement 2023 (No. 1)* (the Amendment Instrument) amends the *National Health (Remote Area Aboriginal Health Services Program) Special Arrangement 2017* (PB 107 of 2017) (the Special Arrangement). The Amendment Instrument increases the bulk handling fee and the patient specific medicine supply fee 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 2023, the bulk handling fee is increasing from \$3.20 to \$3.30 (rounded from \$3.305) in accordance with the Wage Cost Index (WCI9).

On and from 1 July 2023, the patient specific medicine supply fee is increasing from \$5.04 to \$5.21 (rounded from \$5.206) in accordance with the WCI9.

This instrument makes a special arrangement for the supply of pharmaceutical benefits for patients of Aboriginal health services in remote areas.

Consultation

No consultation was required as the 2023-24 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 Services Australia (formerly 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 in accordance with the WCI9. Therefore, the Amendment Instrument is minor and machinery in nature.

Commencement

The Amendment Instrument commences on 1 July 2023.

General

The Amendment Instrument is a legislative instrument for the purposes of the *Legislation Act 2003*.

Details of the Amendment instrument are set out in **Attachment A**.

The Amendment Instrument is compatible with the human rights and freedoms recognised or declared under section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*. A full statement of compatibility is set out in **Attachment B**.

Details of the National Health (Remote Area Aboriginal Health Services Program) Amendment Special Arrangement 2023 (No. 1)

Section 1 – Name

Section 1 provides that the name of the Amendment Instrument is the *National Health (Remote Area Aboriginal Health Services Program) Amendment Special Arrangement 2023 (No. 1)* and may also be cited as PB 63 of 2023.

Section 2 – Commencement

Section 2 provides that the Amendment Instrument commences on 1 July 2023.

Section 3 – Authority

Section 3 provides that the Amendment Instrument is made under section 100 of the *National Health Act 1953*.

Section 4 - Schedules

Section 4 provides details on the operation of the Amendment Instrument and any other item in that Schedule has effect according to its terms.

Schedule 1– Amendments

Item 1 – Paragraph 15(1)(c)

Item 1 increases the bulk handling fee from \$3.20 to \$3.30 in accordance with the Wage Cost Index (WC19). The bulk handling fee is paid to approved suppliers for the bulk supply of each pharmaceutical benefit item to an approved AHS and claimed on the AHS pharmaceutical supplies request form via Services Australia. Fee increases are agreed upon in the annual Pharmaceutical Benefits Remuneration Tribunal (PBRT) meeting in which the fees are increase by WC19 to reflect the indexation.

Item 2 – Paragraph 15(1)(d)

Item 2 increases the specific medicine supply fee from \$5.04 to \$5.21 in accordance with the WC19. The Patient specific medicine supply fee is paid to approved suppliers for supplying pharmaceutical benefit items to an approved AHS for an individual patient under the RAAHS program. Fee increases are agreed upon in the annual PBRT meeting in which the fees are increase by WC19 to reflect the indexation.

Item 3 – Subsection 15(1) (note)

Item 3 repeals the note in subsection 15(1) and substitutes it with an updated note to reflect the current year and the updated PB number of the instrument to reflect the annual WC19 increase to the PSMSF and bulk handling fee.

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) Amendment Special Arrangement 2023 (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 *National Health (Remote Area Aboriginal Health Services Program) Amendment Special Arrangement 2023 (No. 1)* (the Amendment Instrument) amends the *National Health (Remote Area Aboriginal Health Services Program) Special Arrangement* (PB 107 of 2017) (the Special Arrangement). The Amendment Instrument increases the patient specific medicine supply fee 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 2023 the bulk handling fee is increasing from \$3.20 to \$3.30 in accordance with the Wage Cost Index (WCI9).

On and from 1 July 2023 the patient specific medicine supply fee is increasing from \$5.04 to \$5.21 in accordance with the WCI9.

The Special Arrangement provides for the supply to remote Aboriginal Health Services of pharmaceutical benefits.

Human rights implications

The Amendment Instrument engages Article 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.

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. The Special Arrangement ensures more ready and equitable access to PBS medicines for Aboriginal and Torres Strait Islander people through the section 100 arrangement under the *National Health Act 1953* (the 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 assists in the delivery of the Remote Area Aboriginal Health Services (RAAHS) program and advances the protection of human rights.

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