

## EXPLANATORY STATEMENT

Issued by the Authority of the Minister for Health and Aged Care

*Private Health Insurance Act 2007*

*Private Health Insurance Legislation Amendment Rules (No. 5) 2023*

### Purpose

The purpose of the *Private Health Insurance Legislation Amendment Rules (No. 5) 2023* (the Amendment Rules) is to make consequential amendments to the *Private Health Insurance (Complying Product) Rules 2015* (the Complying Product Rules), and the *Private Health Insurance (Benefit Requirements) Rules 2011* (the Benefit Requirements Rules), with respect of clinical categorisation and procedure type classification of items of the Medicare Benefits Schedule (MBS) to reflect MBS changes commencing 1 July 2023.

### Authority

Subsection 333-20(1) of the *Private Health Insurance Act 2007* (the Act) authorises the Minister to, by legislative instrument, make specified Private Health Insurance Rules providing for matters required or permitted by the corresponding Chapter, Part or section to be provided; or necessary or convenient to be provided in order to carry out or give effect to that Chapter, Part or section.

Subsection 33(3) of the *Acts Interpretation Act 1901* provides that where an Act confers a power to make, grant or issue any instrument of a legislative or administrative character (including rules, regulations or by-laws), the power shall be construed as including a power exercisable in the like manner and subject to the like conditions (if any) to repeal, rescind, revoke, amend, or vary any such instrument.

### Commencement

The Amendment Rules commence on 1 July 2023.

### **Amendments**

Changes to the clinical categorisation and procedure type classification of MBS items are achieved by amending:

- Schedules 5, 6 and 7 of the Complying Product Rules for the purpose of describing hospital treatment(s) that must be covered under insurance policies, to categorise new, amended and reviewed MBS items by clinical category and remove deleted items, as appropriate. Note that new MBS Pathology Services Table (PST) items, Diagnostic Imaging Services Table (DIST) items and 3C Determination items are automatically categorised as Support Treatments under Schedule 7 of the Complying Product Rules, so do not need to be specifically listed under Schedule 7; and,
- Schedules 1 and 3 of the Benefit Requirements Rules for the purposes of minimum benefits for accommodation and, in relation to Type C procedures, access to any minimum benefits as hospital treatment unless provided as a Certified Type C procedure, to classify new, amended and reviewed MBS items against procedure type classifications, and remove deleted items.

The MBS item changes relevant to these Amendment Rules commence 1 July 2023 and are given effect by, and detailed in, the following legislative instruments and Ministerial Determinations under subsection 3C(1) of the *Health Insurance Act 1973*, and could, in 2023, be viewed on the Australian Government Federal Register of Legislation (FRL) website (<http://www.legislation.gov.au>) by title or Unique ID:

- *Health Insurance Legislation Amendment (2023 Measures No.1) Regulations 2023* - F2023L00416
- *Health Insurance Legislation Amendment (2023 Measures No. 2) Regulations 2023* - F2023L00744
- *Health Insurance Legislation Amendment (2023 Measures No. 1) Determination 2023* - F2023L00535
- *Health Insurance Legislation Amendment (2023 Measures No. 2) Determination 2023* - F2023L00731
- *Health Insurance (Pathologist-determinable Services) Amendment Determination 2023* - F2023L00536
- *Health Insurance Legislation Amendment (Indexation) Determination 2023* - F2023L00348
- *Health Insurance Amendment (Mental Health Case Conferencing Services and Indexation) Determination 2023* - F2023L00341
- *Health Insurance (Section 3C Cleft Lip and Cleft Palate Services - Indexation) Amendment Determination 2023* - F2023L00344
- *Health Insurance (Section 3C General Medical Services – Extracorporeal Photopheresis for Chronic Graft Versus Host Disease) Amendment Determination 2023* - F2023L00343
- *Health Insurance Legislation Amendment (Section 3C – Revocation of Instruments Incorporated into Tables) Determination 2023* - F2023L00347
- *Health Insurance (Section 3C General Medical Services – Removal of Single Tumour, Lipoma or Cyst) Determination 2023* - F2023L00661
- *Health Insurance (Section 3C Diagnostic Imaging – Additional Nuclear Medicine Services) Amendment Determination 2023* - F2023L00703
- *Health Insurance (Section 3C Pathology – 17p chromosomal deletion testing) Determination 2023* - F2023L00741
- *Health Insurance (Section 3C Diagnostic Imaging – Conjunctive Thallium-201 Nuclear Medicine Imaging Service) Determination 2023* - F2023L00688.

The MBS changes include implementation of the Government’s response to recommendations from the independent MBS Review Taskforce (the Taskforce) on plastic and reconstructive surgery services, and the independent Medical Services Advisory Committee’s (MSAC) recommendations relating to certain pathology and diagnostic imaging services, as well as annual fee indexation and minor administrative changes.

Detailed information on MBS items, including fact sheets and quick reference guides, could in 2023 be viewed on the Department of Health and Aged Care’s (‘the Department’s’) MBS Online website (<http://www.mbsonline.gov.au>) and in the Explanatory Statement that accompanies each set of regulatory changes. These statements also outline consultation that took place on the MBS changes. MBS items changes include the following:

- plastic and reconstructive surgery services changes to approximately 360 MBS items
- amendment to items for skin excision (including 31340, 31356, 31358, 31359, 31361, 31363, 31367, 31369) and skin flap (including 45000, 45003, 45200, 45201, 45203,

- 45206 and 45207) to include co-claiming restrictions with seven items for clinically suspected melanoma that were newly implemented from 1 November 2022
- new mental health case conferencing services items (including 930, 933, 935, 937, 943, 945, 946, 948, 959, 961, 962, 964, 969, 971, 972, 973, 975, 986)
  - amendment to GMST item 38680 for cardio-thoracic tumour excision so that tumour excision services under this item may only be performed in-hospital
  - amendment to orthopaedic item descriptor 49706 for arthrotomy of the ankle joint to allow patients to access this service where no infection is indicated
  - amendment to therapeutic nuclear medicine item 16015 for the treatment of painful bony metastases to amend patient eligibility to apply to patients with all cancer types
  - amendment to items 13761 and 13762 for extracorporeal photopheresis (ECP) for chronic graft versus host disease (cGVHD) to apply once per each treatment in a 25-session treatment cycle, rather than once per cycle
  - increased scheduled fee for therapeutic nuclear medicine items 16003, 16006, 16009, 16012 and 16018 to reflect the cost of the radiopharmaceuticals used
  - introduction of new nuclear medicine item 61466 for cerebro-spinal fluid transport studies using indium- 111
  - amendment to the descriptor for nuclear medicine item 61409 to specify use of technetium- 99m and a fee increase to reflect the cost of this radiopharmaceutical
  - amendment of MRI item 63545 to clarify claiming requirements for liver MRIs
  - new pathology services item 73429 for diagnostic somatic gene panel testing
  - new items 73434 and 73435 for single gene testing for diagnosis of heritable neuromuscular disorders
  - amendment of item 73427 to include item 73434 as a pathway for services provided under item 73427
  - new pathology services item 69505 for whole genome sequencing for antimicrobial drug susceptibility testing in patients who have an infection caused by a pathogen in the Mycobacterium tuberculosis complex
  - extension of MBS Item 32221 for removal or revision of an artificial bowel sphincter
  - amendment to the fee for item 30630 for insertion of testicular prosthesis
  - amendment to pathology item 73343 for detection of chromosomal deletions in a patient with chronic lymphocytic leukaemia
  - new item 31227 for tumour, lipoma or cyst removal
  - various other changes made under subsection 3C(1) of the *Health Insurance Act 1973*
  - other administrative and machinery changes.

The private health insurance classification and categorisation changes commencing 1 July 2023 are detailed in the Attachment to this Explanatory Statement. Further PHI clinical category and procedure type information, including announcement of changes through PHI ‘Circulars’ and the ‘Private Health Insurance Classification of MBS items’ technical document (PHI technical document) could in 2023 be viewed on the Department’s website (<http://www.health.gov.au>).

Extensions and cessations of MBS services not intended to be provided as hospital treatment, or MBS changes not resulting in changes to PHI benefit classifications are also reflected in administrative classification assignments by MBS item in the PHI technical document.

## Consultation

### **Private Health Insurance Rules classifications for MBS items**

Medical officers within the Department provide expert clinical advice to assist in determining the appropriate private health insurance clinical category and procedure type for accommodation benefits for MBS items in private health insurance rules.

The Department's *Regulatory Amendments and Consultations Calendar* regularly emailed to a broad range of private health sector stakeholders including peak insurer and hospital representative associations, private health insurers, private hospitals, clinicians and medical software service providers, includes information on anticipated changes to MBS items and consultations on proposed private health insurance classifications.

Consultation for proposed private health insurance classifications for items of the MBS proposed to be in effect from 1 July 2023 was included in the *Regulatory Amendments and Consultations Calendar*. Consultations took place on the bulk of the changes throughout February and March 2023, seeking direct feedback on draft proposed classifications from representatives of those most likely to be directly impacted, including:

- *Private Healthcare Australia (PHA);*
- *Australian Private Hospitals Association (APHA);*
- *Day Hospitals Australia;*
- *Members Health Fund Alliance;*
- *Catholic Health Australia;*
- *HAMBS (Hospital and Medical Benefits System);*
- *Australian Health Service Alliance;*
- *National Procedures Banding Committee (industry committee); and,*
- *Clinical college and professional medical association representatives.*

Feedback received from stakeholders was considered when determining the final amendments.

To assist stakeholders with implementation, advance notification of the classification of the bulk of the MBS changes was provided on the Department's website in an interim PHI technical document from 4 April 2023 through to 20 June 2023, and a final PHI technical document could, from 21 June 2023, be viewed on the Department's website (<http://www.health.gov.au>).

### **MBS item related consultation**

The Amendment Rules relating to clinical categorisations and procedure type classifications are consequential to MBS items changes. Detail on the MBS items and consultations undertaken, including by the Taskforce, MSAC and with medical professional organisations can be found in the Explanatory Statements to the MBS Regulations that in 2023 could be viewed on the FRL website (<http://www.legislation.gov.au>), and the Department's 'MBS Online' website (<http://www.mbsonline.gov.au>).

Implementation liaison groups involving professional bodies and clinical experts also inform development of MBS items. Consultation encompasses private hospital and private health insurance sector representation, including from the APHA and PHA.

## Background

MBS items with the potential to be provided to privately insured patients as hospital treatment are allocated to clinical categories under the Complying Product Rules and to hospital accommodation procedure type classifications under the Benefit Requirements Rules, to provide clarity in the administration of treatments across policy tiers by insurers and facilitate claims and minimum benefit payments.

### **Complying Product Rules**

The Complying Product Rules sets out the ‘Basic, Bronze, Silver and Gold’ product tiers for complying health insurance policies, and which clinical categories of treatment are included in each ‘Hospital Treatment Product Tier.’

#### *Schedule 5—Clinical categories*

The 38 ‘Clinical categories’ named in column one of Schedule 5 are treatments that must be covered by private health insurance products in the product tiers set out in Schedule 4, Basic, Bronze, Silver and Gold, and the treatment is delivered as hospital treatment. The ‘Scope of cover’ is described for each clinical category in column two of the table with a non-exhaustive list of MBS items in column 3. The mention of an MBS item against a particular category does not mean it is only covered under that clinical category.

MBS items that are likely to be relevant to the scope of cover for only one clinical category have been placed against that category in the table at Schedule 5 of the Complying Product Rules. MBS items that may be relevant to the scope of cover for two clinical categories are placed against the clinical category that is in the lowest product tier for which the MBS item is likely to apply.

If an MBS item is relevant to the scope of cover for three or more clinical categories it has generally be placed into the list of ‘Common treatments’ (Schedule 6).

Where an MBS item is not likely to be a reason for admission for hospital treatment it has generally been placed into the list of ‘Support treatments’ (Schedule 7) even if specific to a single body system.

#### *Schedule 6—Common treatments*

The Common treatments list (Schedule 6) consists of MBS items that are used across, and therefore common to, multiple clinical categories (generally three or more). For example, professional attendances by a medical practitioner are on the Common treatments list except where the MBS descriptor expressly prevents claims for hospital treatment or requires that treatment be delivered as other than hospital treatment.

MBS items on the list of Common treatments will generally be for treatments that may be the primary reason for admissions for hospital treatment. In some cases, they may also be associated with, or support, another treatment that is the reason for admission.

Insurers are required to cover MBS items in the list of Common treatments where the treatment falls within the scope of cover for the clinical categories included in an insurance policy, and the treatment is delivered as hospital treatment.

### *Schedule 7—Support treatments*

The Support treatments list (Schedule 7) consists of MBS items, such as pathology tests and diagnostic tests, generally used to support the provision of a primary treatment in one of the clinical categories, or in the Common treatments list. Items in the Support treatments list are unlikely to be the primary reason for treatment in hospital.

MBS items of the DIST, PST and 3C Determination items are automatically categorised as Support Treatments under Schedule 7 of the Complying Product Rules, so are not individually listed in the Rules. Support list PST and DIST items are listed in the PHI technical document.

Insurers are required to cover MBS items in the list of Support treatments where the treatment falls within the scope of cover for a clinical category included in a patient's private health insurance policy, and is provided as hospital treatment.

'Type C' procedures under the *Private Health Insurance (Benefit Requirements) Rules 2011* are also listed in the clinical categories or the Common or Support treatments list. Type C services do not normally require, but may be provided as, hospital treatment with the appropriate certification.

Inclusion of an MBS item against a clinical category or in the Common or Support treatments lists has no bearing on whether that service requires a hospital admission and does not imply these services necessarily require admission.

MBS items which cannot be claimed for services provided as hospital treatment are not intended to be listed in the clinical categories, Common treatment or Support treatment lists; but are identified in the PHI technical document.

### **Benefit Requirements Rules**

The Benefit Requirements Rules provide for minimum benefit requirements for psychiatric care, rehabilitation, palliative care, and other hospital treatments. Schedules 1 to 5 of the Benefit Requirements Rules set out the minimum levels of accommodation benefits payable by private health insurers associated with private patients' hospital treatment: benefits for overnight accommodation (Schedules 1 and 2); same-day accommodation (Schedule 3); Nursing-Home Type Patients (NHTP) (Schedule 4) and second-tier default benefits (Schedule 5).

### *Schedule 1 and 2— Type A procedures*

Schedule 1 of the Benefit Requirements Rules provides for benefits for different patient categories by categorising MBS item numbers into patient classifications for accommodation benefits. Procedures requiring hospital treatment that includes part of an overnight stay ('Type A procedures') comprise 'Advanced surgical patient', 'Obstetric patient', 'Surgical patient', 'Psychiatric patient', 'Rehabilitation patient' and 'Other patients.'

Against these patient classifications, Schedule 1 sets out the minimum accommodation benefit payable by insurers per night for overnight accommodation for private patients at private hospitals in all states and territories, and for private patients in overnight shared ward accommodation at public hospitals in Victoria and Tasmania.

Schedule 2 of the Benefit Requirements Rules states the minimum accommodation benefit payable by insurers per night, for private patients in overnight shared ward accommodation at all other State and Territory public hospitals. For each jurisdiction listed in Schedule 2, the minimum benefit payable by insurers per night is averaged across all patients, rather than being specific to patient classification as for Schedule 1.

#### *Schedule 3— Type B procedures*

Schedule 3 of the Benefit Requirements Rules sets out minimum same-day hospital accommodation benefits payable by insurers for procedures that normally require hospital treatment that does not include part of an overnight stay ('Type B procedures').

Part 2 of Schedule 3 identifies MBS items against Type B procedure Band 1, or the Non-band specific Type B day procedure classification. Treatment Bands 1 to 4 are described based on anaesthesia and/or theatre time.

The treatment band applicable to a Non-band specific Type B day procedure item is that relevant to the circumstances of the hospital treatment provided to a patient.

The Benefit Requirements Rules also sets out circumstances in which benefits for accommodation including part of an overnight stay may be payable for patients receiving a Certified Type B Procedure (at Part 3 Schedule 1).

#### *Schedule 3— Type C procedures*

'Type C procedures' are those services that do not normally require hospital treatment. Schedule 3 Part 3 of the Benefit Requirements Rules identifies Type C procedures by MBS item.

The Benefit Requirements Rules, together with the *Private Health Insurance (Health Insurance Business) Rules 2018*, establish that Type C procedures do not normally qualify for minimum benefits for hospital treatment, including for accommodation, except in circumstances where a patient may receive as hospital treatment a Certified Type C Procedure (at Part 2 Schedule 3) or a Certified Overnight Type C procedure.

### **The Amendment Rules**

The consequential amendments in these Amendment Rules are administrative in nature and do not substantively alter existing arrangements established under the Act.

#### Details

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

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

## **Details of the *Private Health Insurance Legislation Amendment Rules (No. 5) 2023***

### **Section 1 – Name**

Section 1 provides that the name of the instrument is the *Private Health Insurance Legislation Amendment Rules (No. 5) 2023* (the Amendment Rules).

### **Section 2 – Commencement**

Section 2 provides that the instrument commences on 1 July 2023.

### **Section 3 – Authority**

Section 3 provides that the Amendment Rules are made under subsection 333-20(1) of the *Private Health Insurance Act 2007*.

### **Section 4 – Schedules**

Section 4 provides that each instrument that is specified in a Schedule to the instrument is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to the instrument has effect according to its terms.

All Schedule changes commence 1 July 2023.

### **Schedule 1—Amendments—Clinical Categories, Common treatments and Support treatments**

*Private Health Insurance (Complying Product) Rules 2015* (Complying Product Rules)

Schedule 1 of the Amendment Rules repeals the existing MBS items in the Clinical categories, Common treatments and Support treatments tables of MBS items in the Complying Product Rules, and substitutes amended tables.

Items added to the table may be new MBS items, or due to recategorisation following item amendments. Similarly, MBS items deleted may be due to deletion from the MBS, or recategorisation.

Changes are detailed in the private health insurance clinical category and procedure type information and PHI technical document that could in 2023 be viewed on the Department’s website (<http://www.health.gov.au/>).

**Item 1** provides for an amended list of MBS items categorised against Clinical category (Schedule 5) to include new items, and remove items deleted from the MBS from 1 July 2023. Additions and deletions may also reflect review of item categorisation. The amended list reflects the amendments made to the following categories:

- ‘Bone, joint and muscle’
  - Deletions: Number = 19 (45859, 45861, 45863, 45867, 45869, 45875, 45945, 45978, 45981, 45987, 45993, 45996, 47756, 47768, 47771, 47774, 47777,



- 47780, 47783)
  - Additions: Number = 0
- ‘Brain and nervous system’
  - Deletions: Number = 0 (39333)
  - Additions: Number = 14 (46172, 46173, 46174, 46175, 46176, 46177, 46178, 46179, 46180, 46181, 46182, 46183, 46184, 46185)
- ‘Breast surgery (medically necessary)’
  - Deletions: number = 5 (30300, 30302, 30303, 31524, 45533, 45536)
  - Additions: number = 25 (30305, 31513, 31514, 31520, 31522, 31523, 31526, 31528, 31529, 45529, 45531, 45532, 45537, 45538, 45540, 45541, 45547, 46080, 46082, 46084, 46086, 46088, 46090, 46092, 46094)
- ‘Plastic and reconstructive surgery (medically necessary)’
  - Deletions: number = 92 (30017, 30020, 45024, 45039, 45042, 45215, 45218, 45236, 45240, 45400, 45403, 45406, 45409, 45412, 45415, 45418, 45439, 45442, 45445, 45448, 45460, 45461, 45462, 45464, 45465, 45466, 45468, 45469, 45471, 45472, 45474, 45475, 45477, 45478, 45480, 45481, 45483, 45484, 45485, 45486, 45487, 45488, 45489, 45490, 45491, 45492, 45493, 45494, 45498, 45499, 45506, 45519, 45569, 45570, 45593, 45647, 45662, 45720, 45723, 45726, 45729, 45731, 45732, 45735, 45738, 45741, 45744, 45747, 45752, 45753, 45754, 45755, 45758, 45770, 45799, 45803, 45805, 45817, 45819, 45821, 45833, 45835, 45839, 45843, 45853, 45877, 45879, 45885, 45897, 45900, 45975, 45984, 45990)
  - Additions: number = 77 (30007, 30015, 30016, 45440, 45443, 45507, 45510, 45567, 45571, 45592, 45594, 45609, 45717, 45718, 45874, 46050, 46052, 46060, 46062, 46064, 46066, 46068, 46070, 46072, 46101, 46102, 46103, 46104, 46105, 46106, 46107, 46108, 46109, 46110, 46111, 46112, 46113, 46114, 46115, 46116, 46117, 46118, 46119, 46120, 46121, 46122, 46123, 46124, 46125, 46126, 46127, 46128, 46129, 46130, 46131, 46132, 46133, 46134, 46135, 46136, 46140, 46141, 46142, 46143, 46150, 46151, 46152, 46153, 46154, 46155, 46156, 46157, 46158, 46159, 46160, 46161, 47766)
- ‘Skin’
  - Deletions: number = 0
  - Additions: number = 5 (31227, 31344, 31386, 31387, 31388)
- ‘Weight loss surgery’
  - Deletions: number = 4 (30165, 30168, 30171, 30172)
  - Additions: number = 2 (30166, 30169)

**Item 2** provides for an amended list of MBS items categorised in the Common treatments list (Schedule 6), from 1 July 2023.

The amended Common treatments list reflects the following amendments:

- Deletions: number = 1 (30335)
- Additions: number = 20 (930, 933, 935, 937, 943, 945, 946, 948, 959, 961, 962, 964, 969, 971, 972, 973, 975, 986, 46170, 46171)

**Item 3** provides for an amended list of MBS items categorised in the Support treatments list (Schedule 7), from 1 July 2023.

MBS items of the DIST, PST and 3C Determination items are automatically categorised as Support Treatments under Schedule 7 of the Complying Product Rules, so are not individually listed in the Rules. Support list PST and DIST items are listed in PHI technical document.

The amended Support treatments list in the Amendment Rules reflects the following amendments:

- Deletions: number = 0
- Additions: number = 1 (46100)

## **Schedule 2—Amendments—Procedure types**

*Private Health Insurance (Benefit Requirements) Rules 2011* (Benefit Requirements Rules)

Schedule 2 of the Amendment Rules repeals the existing MBS items listed as a Type A Advanced Surgical, Type A Surgical, Type B non-band specific day procedures, and Type C procedures in the Benefit Requirements Rules, and substitutes amended tables.

- Type A procedures normally involve hospital treatment that includes part of an overnight stay.
- Type B procedures normally involve hospital treatment that does not include any part of an overnight stay.
- Type C procedures normally do not require hospital treatment.

Items added to the lists of procedure types may be new MBS items, extended or renumbered items or due to procedure type reclassification. Similarly, MBS items deleted from lists may be due to deletion from the MBS, renumbering or procedure type reclassification.

Procedure type reclassification of existing items may occur for a number of reasons including, MBS item changes, review of classifications for consistency, alignment with MBS indexed monetary qualifiers for Type A items, to align with current clinical practice, or as a result of the review to simplify ‘dual-classification’ to single classification where appropriate.

**Item 1** provides for an amended list of MBS items classified as Type A Advanced Surgical patient procedures, from 1 July 2023. The amended list of MBS items reflects the following item changes:

- Additions: number = 83 (31514, 31520, 31522, 31523, 31526, 31528, 31529, 45507, 45529, 45531, 45538, 45540, 45541, 45567, 45571, 45717, 45718, 45874, 46060, 46062, 46064, 46066, 46068, 46070, 46072, 46080, 46082, 46084, 46086, 46088, 46090, 46104, 46105, 46106, 46107, 46108, 46109, 46110, 46111, 46112, 46116, 46117, 46118, 46119, 46120, 46121, 46122, 46123, 46124, 46128, 46129, 46133, 46134, 46135, 46136, 46150, 46151, 46152, 46153, 46154, 46155, 46156, 46157, 46158, 46159, 46160, 46161, 46170, 46171, 46172, 46173, 46174, 46175, 46176, 46177, 46178, 46179, 46180, 46181, 46182, 46183, 46184, 46185)
- Deletions: number = 50 (30335, 31524, 45215, 45415, 45418, 45460, 45461, 45464, 45465, 45466, 45468, 45469, 45471, 45472, 45474, 45475, 45477, 45478,

45480, 45481, 45483, 45484, 45490, 45491, 45492, 45494, 45533, 45569, 45570, 45647, 45720, 45723, 45726, 45729, 45731, 45732, 45735, 45738, 45741, 45744, 45747, 45752, 45753, 45754, 45770, 45853, 45861, 45863, 45869, 45897)

- Additions following reclassification of existing items: number = 18 (30175, 30176, 30177, 30179, 30619, 31005, 37822, 39610, 45527, 47558, 47983, 47984, 48433, 49778, 49781, 49789, 49790, 49815)

**Item 2** provides for an amended list of MBS items classified as Type A procedures Surgical patient, from 1 July 2023. The amended list of MBS items reflects the following item changes:

- Deletions: number = 62 (30017, 30020, 30165, 30168, 30171, 30172, 30300, 30302, 30303, 39333, 45024, 45042, 45218, 45236, 45240, 45403, 45406, 45409, 45412, 45439, 45442, 45445, 45448, 45462, 45485, 45486, 45487, 45488, 45489, 45493, 45498, 45519, 45536, 45593, 45662, 45755, 45758, 45803, 45817, 45819, 45821, 45833, 45835, 45839, 45843, 45859, 45867, 45875, 45877, 45879, 45885, 45984, 45987, 45990, 45993, 47756, 47768, 47771, 47774, 47777, 47780, 47783)
- Additions -new items: number = 24 (30016, 30166, 30169, 30305, 31513, 45440, 45443, 45532, 45537, 45547, 45592, 45594, 45609, 46050, 46052, 46092, 46094, 46103, 46115, 46127, 46132, 46142, 46143, 47766)
- Additions following reclassification of existing items: number = 1 (45054)

**Item 3** provides for an amended list of MBS items classified as Non-band specific Type B day procedures. The amended list of MBS items reflects the following item changes:

- Deletions: number = 2 (45039, 45506)
- Additions: number = 16 (31227, 31344, 31386, 31387, 31388, 45510, 46101, 46102, 46113, 46114, 46125, 46126, 46130, 46131, 46140, 46141)
- Additions following reclassification of existing items: number = 9 (31225, 45027, 45212, 45239, 45665, 45674, 45851, 45855, 45857)

**Item 4** provides for an amended list of MBS items classified as Type C procedures. The amended list of MBS items reflects the following item changes:

- Deletions: number = 2 (45799, 45805)
- Additions: number = 24 (930, 933, 935, 937, 943, 945, 946, 948, 959, 961, 962, 964, 969, 971, 972, 973, 975, 986, 30007, 61466, 69505, 73429, 73434, 73435)
- Additions following reclassification of existing items: number = 14 (230, 233, 235, 236, 237, 238, 239, 240, 735, 739, 743, 747, 750, 758)

## Statement of Compatibility with Human Rights

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

### ***Private Health Insurance Legislation Amendment Rules (No. 5) 2023***

This disallowable 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 disallowable legislative instrument**

The purpose of the *Private Health Insurance Legislation Amendment Rules (No. 5) 2023* (the Amendment Rules) is to amend the following instruments:

- *Private Health Insurance (Complying Product) Rules 2015* (the Complying Product Rules); and,
- *Private Health Insurance (Benefit Requirements) Rules 2011* (the Benefit Requirements Rules).

The Amendment Rules make consequential amendments to the:

- Complying Product Rules to categorise new, amended and reviewed items of the Medicare Benefits Schedule (MBS) into the appropriate Clinical category for the purpose of describing hospital treatment(s) that must be covered under health insurance policies;
- Benefit Requirements Rules to classify new, amended and reviewed MBS items by procedure-type for the purposes of minimum benefits for accommodation and, in relation to Type C procedures, access to any minimum benefits as hospital treatment unless provided as a Certified Type C procedure; and,
- remove deleted MBS items from the above Rules.

#### **Human rights implications**

The Amendment Rules engage the right to health by facilitating the payment of private health insurance benefits for health care services, encouraging access to, and choice in, health care services. Under Article 12 of the International Covenant on Economic, Social and Cultural Rights, specifically the right to health, the Amendment Rules assist 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, and to improve information provided to consumers of private health services to allow consumers to make more informed choices when purchasing services. Private health insurance regulation also requires that insurers do not differentiate the premiums they charge according to individual health characteristics such as poor health.

The amendments relating to omission or insertion of MBS items in the Benefit Requirements Rules and the Complying Product Rules, and under definitions of hospital treatment are as a consequence of the changes to the MBS that take effect on 1 July 2023.

The addition of new MBS items to accommodation benefit classifications, and specified clinical categories, allows for the specified treatments under those items and the related minimum benefit amounts to be claimed by patients who have the relevant private health insurance policies.

### **Conclusion**

This disallowable legislative instrument only engages human rights to the extent that it maintains current arrangements with respect to the regulation of private health insurance. Therefore, this instrument is compatible with human rights because these changes continue to ensure that existing arrangements advancing the protection of human rights are maintained.

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**Benefits Integrity Division**  
**Health Resourcing Group**  
**Department of Health and Aged Care**