

## EXPLANATORY STATEMENT

*National Health Act 1953*

*National Health (Remote Area Aboriginal Health Services Program) Amendment Special Arrangement 2024 (No. 1)*

PB 64 of 2024

### 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 regulations 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 2024 (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 Special Arrangement provides for the supply of pharmaceutical benefits for patients of Aboriginal health services in remote areas.

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 2024, the bulk handling fee is increasing from \$3.30 to \$3.40 (rounded from \$3.402) in accordance with the Wage Cost Index (WCI9).

On and from 1 July 2024, the patient specific medicine supply fee is increasing from \$5.21 to \$5.37 (rounded from \$5.371) in accordance with the WCI9.

### Consultation

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, the Government agreed for Services Australia to implement an ongoing process for payment to approved pharmacists and approved hospital authorities of the patient specific medicine supply fee which is indexed annually in accordance with the WCI9. As such, consultation was not considered necessary as the Amendment Instrument is minor and machinery in nature.

## **Commencement**

The Amendment Instrument commences on 1 July 2024.

## **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 2024 (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 2024 (No. 1)* and may also be cited as PB 64 of 2024.

**Section 2 – Commencement**

Section 2 provides that the Amendment Instrument commences on 1 July 2024.

**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 that any other item in a Schedule has effect according to its terms.

**Schedule 1– Amendments to the National Health (Remote Area Aboriginal Health Services Program) Special Arrangement 2017**

**Item 1 – Paragraph 15(1)(c)**

Item 1 increases the bulk handling fee from \$3.30 to \$3.40 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 Aboriginal health service (AHS) and claimed on the AHS pharmaceutical supplies request form via Services Australia. Fee increases are determined and advised by The Department of Finance when they update their WCI9 and CPI tracker.

**Item 2 – Paragraph 15(1)(d)**

Item 2 increases the patient specific medicine supply fee from \$5.21 to \$5.37 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 Remote Area Aboriginal Health Services Program. Fee increases are determined and advised by The Department of Finance when they update their WCI9 and CPI tracker.

**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 2024 (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 2024 (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 Special Arrangement provides for the supply to remote Aboriginal Health Services of pharmaceutical benefits. 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 2024, the bulk handling fee is increasing from \$3.30 to \$3.40 in accordance with the Wage Cost Index (WCI9).

On and from 1 July 2024, the patient specific medicine supply fee is increasing from \$5.21 to \$5.37 in accordance with the WCI9.

#### **Human rights implications**

The Amendment Instrument engages Article 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 the 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 supply of PBS medicines under the Remote Area Aboriginal Health Services Program (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 barriers.

## **Conclusion**

This Amendment Instrument is compatible with human rights because it assists in the delivery of the RAAHS Program which advances the protection of the human right identified in Article 12 of the ICESCR through addressing geographical, cultural and financial barriers in providing access to essential medicines for Aboriginal and Torres Strait Islander people living in remote communities.

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