

# **Health Insurance (1999-2000 Pathology Services Table) Amendment Regulations 2000 (No. 2) 2000 No. 85**

## **EXPLANATORY STATEMENT**

### **STATUTORY RULES 2000 No. 85**

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

*Health Insurance Act 1973*

Health Insurance (1999-2000 Pathology Services Table) Amendment Regulations 2000 (No. 2)

Section 133 of the *Health Insurance Act 1973* (the Act) provides that the Governor-General may make regulations prescribing matters for the purpose of the Act.

The Act provides for the payment of professional services through Medicare benefits to all eligible persons.

Section 9 of the Act provides that Medicare benefits shall be calculated by reference to the fees for medical services (including pathology services) set out in the table.

Section 4A of the Act provides that a table of pathology services may be prescribed. The Health Insurance (1999-2000 Pathology Services Table) Regulations 1999, which commenced on 1 November 1999, prescribe such a table.

The Regulations implement a number of fee decreases for selected Medicare items to enable expenditure targets under the Pathology Quality and Outlays Agreement (the Agreement) to be met. The growth trend in outlays for the first year of the Agreement has risen to around 8%, considerably higher than the growth rate of 5.25% allowed. Under the terms of the Agreement with the pathology industry, any overexpenditure can be brought back into line through Medicare item fee decreases.

The items targeted for a fee decrease are the high volume common tests including full blood examination, simple chemistry, cholesterol, ferritin/iron studies and thyroid function. The collection fee items have also been targeted for a fee decrease. In all, 25 items have been targeted.

The changes to the 1999-2000 Pathology Services Table have been developed in cooperation with the two peak pathology professional bodies, the Royal College of Pathologists of Australasia and the Australian Association of Pathology Practices, through the Pathology Services Table Committee (PSTC).

Details of the Regulations are set out in the attachment.

The Regulations commenced on 1 June 2000.

## ATTACHMENT

Regulation 1 cites the regulations as the Health Insurance (1999-2000 Pathology Services Table) Amendment Regulations 2000 (No. 2).

Regulation 2 prescribes a commencement date of 1 June 2000.

Regulation 3 provides for the Health Insurance (1999-2000 Pathology Services Table) Regulations 1999 to be amended as set out in Schedule 1.

Schedule 1 inserts a new fee for a range of Medicare items.