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THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

**HOUSE OF REPRESENTATIVES**

**HEALTH INSURANCE AMENDMENT (PRESCRIBED FEES) BILL 2021**

EXPLANATORY MEMORANDUM

Circulated by authority of the Minister for Health and Aged Care, the Hon Greg Hunt  
(MP)



## **HEALTH INSURANCE AMENDMENT (PRESCRIBED FEES) BILL 2021**

### **OUTLINE**

The Health Insurance Amendment (Prescribed Fees) Bill 2021 (the Bill) simplifies administrative processes for recognition of specialists and consultant physicians for Medicare purposes under the *Health Insurance Act 1973* (the Act) by removing the requirement to pay a \$30.00 prescribed fee to gain recognition by Medicare.

The current Commonwealth legislative framework to recognise specialists and consultant physicians for Medicare purposes is implemented in legislation that includes the following:

- the Act, and
- *Health Insurance Regulations 2018* (Regulations).

The Act provides a pathway for recognising specialists and consultant physicians for Medicare purposes.

The current pathway in the Act to recognise a specialist or a consultant physician requires a medical practitioner who has gained fellowship with a specialist medical college to apply to Services Australia for access to higher Medicare rebates. As part of this process the medical practitioner is required to pay a prescribed fee of \$30, via cheque or money order, to have their application processed.

During the COVID-19 crisis it became evident that this outdated method of payment was impacting specialist and consultant physician recognition for the purpose of Medicare, as neither method of payment was efficient or practical during movement restrictions and in-person service closures. As a result, patients of new specialists or consultant physicians may not have been able to receive higher Medicare rebates when they were entitled to. This requirement has delayed recognition for Medicare purposes for these key stakeholders.

Amendments in the Bill mean a prescribed fee will no longer be required to accompany an application form for higher Medicare rebates for new specialists and consultant physicians. This removes the cost to specialists and consultant physicians and the administrative burden to Services Australia of processing the fee.

### **Financial Impact Statement**

The Government has agreed that the amendment will result in a loss in revenue of \$0.2 million over four years. The cost of upgrading the method of accepting payment was assessed as being far in excess of the revenue generated by the application fee.

## **Statement of Compatibility with Human Rights**

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

### **HEALTH INSURANCE AMENDMENT (PRESCRIBED FEES) BILL 2021**

The Health Insurance Amendment (Prescribed Fees) Bill 2021 (the Bill) 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 Bill**

The Bill removes references to the prescribed fee from the *Health Insurance Act 1973* (the Act) to simplify recognition of specialists and consultant physicians for access to Medicare Benefit Schedule items.

#### **Human rights implications**

This Bill promotes the following articles of the International Covenant on Economic, Social and Cultural Rights (ICESCR):

- The right of individuals to the enjoyment of the highest attainable standard of physical and mental health (Article 12);
- The right to work, including the right of everyone to the opportunity to gain a living by work which he/she freely chooses or accepts, and will take appropriate steps to safeguard this right (Article 6)
- The right of everyone to the enjoyment of just and favourable conditions of work, including equal opportunity for everyone to be promoted in his/her employment to an appropriate higher level, subject to no considerations other than those of seniority and competence (Article 7(c)).

#### **Article 12 of the ICESCR**

The right to health includes the obligation to provide timely and appropriate health care, which is ‘available, accessible, acceptable and of a high quality’. Furthermore, accessibility includes both physical accessibility to health services and economic accessibility, namely the provision of health services which are affordable to all.

The Bill amends the Act to remove administrative processes that may impede or delay specialist and consultant physician access to higher Medicare rebates, which in turn limits patients’ accessibility to full Medicare benefits for health services available under the Act. By removing the additional administrative process for the prescribed fee for recognition as a specialist or consultant physician, these practitioners can be registered for higher Medicare more efficiently. This means that specialists or consultant physicians anywhere in Australia can access higher Medicare rebates more simply.

Access to higher Medicare rebates assists in reducing the out of pocket costs for patients by maximising the patient rebate available through Medicare.

**Articles 6 and 7 of the ICESCR**

The Bill supports the right to work under Articles 6 and 7(c) of the ICESCR by supporting the rights of specialists and consultant physicians to gain equitable and timely access to Medicare rebates, which directly affects their employability in private practice.

The Bill streamlines access to higher Medicare rebates for all specialists and consultant physicians by removing the prescribed fee. The Bill also provides simplified and clearer administrative arrangements for medical practitioners who wish to pursue higher qualifications, specifically the attainment of Fellowship, and to access Medicare rebates commensurate to this additional qualification.

**Conclusion**

This Bill promotes Articles 6, 7(c) and 12 of the ICESCR and limits the rights in Article 17(2) of the ICCPR. The Bill is compatible with human rights.

**The Hon Greg Hunt MP, Minister for Health and Aged Care**

## HEALTH INSURANCE AMENDMENT (PRESCRIBED FEES) BILL 2021

### NOTES ON CLAUSES

#### **Clause 1 – Short Title**

This clause provides that the Bill once enacted may be cited as the *Health Insurance Amendment (Prescribed Fees) Act 2021*.

#### **Clause 2 – Commencement**

Sections 1 to 3 commence on 1 July 2021.

### **Schedule 1**

#### **Item 1 – Subsection 3DB(3) - Alternative method of recognition as a specialist or consultant physician**

Item 2 repeals the subsection and replaces it with an ‘An application under subsection (1) or (2) must be in writing’, removing the reference to the prescribed fee.

#### **Item 2 – Subsection 3E(2) - Recognition as consultant physicians etc. of certain medical practitioners**

Item 2 removes ‘and on payment of the prescribed fee’ to remove the requirement for consultant physicians to pay a prescribed fee.