I, Warren Snowdon, Minister for Veterans’ Affairs, pursuant to subsection 286(3) of the Military Rehabilitation and Compensation Act 2004, approve this instrument made by the Military Rehabilitation and Compensation Commission.

Dated this 6th day of October 2011

Warren Snowdon

WARREN SNOWDON

The Military Rehabilitation and Compensation Commission, pursuant to subsection 286(2) of the Military Rehabilitation and Compensation Act 2004, varies the MRCA Pharmaceutical Benefits Scheme (Determination No.M22 of 2004) in accordance with the Schedule.

Dated this 23rd day of September 2011

The Seal of the Military Rehabilitation and Compensation Commission was affixed hereto in the presence of:

Ian Campbell
Elizabeth (Liz) Cosson
Major General Mark Kelly

IAN CAMPBELL  ELIZABETH (LIZ) COSSON  MAJOR GENERAL MARK KELLY
PSM  AM CSC  AO DSC
CHAIR  ACTING MEMBER  MEMBER
[1] Name of Determination

This determination is the *MRCA Pharmaceutical Benefits Scheme (Veterans’ Pharmaceutical Reimbursement Scheme) Determination 2011*

[2] Commencement

This determination commences, or is taken to have commenced, on 1 January 2012.
Schedule

1. Part 1 - Interpretation - paragraph 3

insert:

“accepted disability” means a service injury or a service disease;

Note: service injury and service disease are defined in the Act.

“concessional beneficiary” has the same meaning it has in section 84 of the National Health Act 1953, in force from time to time;

“co-payment”, in respect of a pharmaceutical benefit, means that part of the price of a pharmaceutical benefit that is borne by the Eligible Person in relation to a Pharmaceutical benefit made available under the Scheme;

“general patient safety net” has the same meaning it has in section 99F of the National Health Act 1953, in force from time to time;

“concessional beneficiary safety net” has the same meaning it has in section 99F of the National Health Act 1953, in force from time to time;

“income support payment” is a service pension (defined in subsection 5Q(1) of the Veterans’ Entitlements Act 1986) or an income support supplement (referred to in Part IIIA of the Veterans’ Entitlements Act 1986).

“income support payment under the Social Security Act 1991” means a payment referred to in the definition of “income support payment” in subsection 23(1) of the Social Security Act 1991.

“member” has the meaning it has in the Act and includes a former member.

“member of a couple” has the meaning it has in subsection 5E(2) of the Veterans’ Entitlements Act 1986.

“MRCA supplement” means the compensation payable under section 300 of the Act, in force from time to time;
“pension supplement” has the same meaning it has in subsection 5Q(1) of the Veterans’ Entitlements Act 1986, in force from time to time;

“pharmaceutical allowance” means the component of the MRCA supplement or veterans supplement or pension supplement that is to assist with the purchase of Pharmaceutical benefits, the calculated value of which is referred to in paragraph 5 (pharmaceutical allowance component) of Part 5A;

“pharmaceutical reimbursement” means the financial amount described in paragraphs 1-3 of Part 5A.

“safety net”, in respect of its application to a person under this Scheme, means the concessional beneficiary safety net or general patient safety net, whichever amount first applies to the person for the purposes of section 84C of the National Health Act 1953, in force from time to time;

Note: under section 84C of the National Health Act 1953 a concession card or entitlement card is issued when a person reaches their Safety Net. The card is issued for the “relevant entitlement period”. The relevant entitlement period is the remainder of the calendar year after the card is issued.

“social security pension supplement” means a rate or amount worked out under section 20A of the Social Security Act 1991;

“Scheme” means the MRCA Pharmaceutical Benefits Scheme;

“veterans supplement” means the payment under section 118A of the Veterans’ Entitlements Act 1986;

2. Paragraph 21 (Financial responsibility)

omit, substitute:

Financial responsibility

21. (1) In respect of each Pharmaceutical benefit provided to an Eligible Person under this Scheme, the Commission will accept financial responsibility for:

(a) subject to (b) all of the dispensed price but the co-payment that would be payable by the person if the person were a concessional beneficiary; or

Note 1: (a) deems the person to be a concessional beneficiary for the purposes of working out the co-payment.
Note 2: co-payments not covered by the MRCA supplement may be reimbursed under Part 5A up to the safety net amount for a person.

(b) if the safety net applies to the person, all of the dispensed price.

3. Part 5 — Payments to Community Pharmacists

after this Part, insert:

Part 5A — Pharmaceutical Reimbursement

1. The Commission may, subject to this Part, accept financial responsibility for the pharmaceutical reimbursement.

Note: if the Commission accepts financial responsibility for a cost in relation to the provision of a Pharmaceutical benefit to an Eligible Person, the Commonwealth pays that cost.

2. The pharmaceutical reimbursement is a financial amount that would compensate an Eligible Person for out-of-pocket expenses the person incurred in respect of a Pharmaceutical benefit provided under this Scheme.

Note: under the Acts Interpretation Act 1901 words in the singular number (e.g. Pharmaceutical benefit) include the plural and words in the plural number include the singular.

3. The amount of pharmaceutical reimbursement is worked out under 7.

Eligibility for Payment of Pharmaceutical Reimbursement

4. (1) To be eligible for payment of the pharmaceutical reimbursement an Eligible Person must:

(a) have rendered warlike service; and

(b) be entitled to compensation under section 68 or section 75 of the Act.

Note (1): warlike service is defined in subsection 6(1) of the Act.

Note (2): section 68 is about compensation for a service injury or disease that has resulted in an impairment likely to continue indefinitely and section 75 (interim compensation) is about
compensation under section 68 or section 71 where an impairment has not stabilised.

Note (3): section 69 of the Act generally requires the degree of impairment to be at least 10 impairment points before compensation is payable under s.68 but in certain cases it can be 5.

**Calculation of annual value of pharmaceutical allowance component of MRCA supplement, pension supplement, veterans supplement**

5. The annual value of the pharmaceutical allowance is calculated as follows:

(a) for a member in receipt of the MRCA supplement or veterans supplement at different times throughout the year, the amount of $6 per fortnight, indexed (as if the amount is veterans supplement) according to section 198F of the Veterans’ Entitlements Act 1986 since September 2009 (i.e. once annually since 1 January 2010), calculated at a daily rate and valued according to the number of days in the calendar year the MRCA supplement or veterans supplement was payable.

(b) Subject to 5(c), for a member in receipt of pension supplement, the amount of $6 per fortnight, indexed according to Division 18 of Part IIIB of the Veterans’ Entitlements Act 1986 since September 2009 (i.e. each 20 March and 20 September commencing 20 March 2010), calculated at a daily rate and valued according to the number of days in the calendar year pension supplement was payable;

(c) for a member in receipt of pension supplement who is a member of a couple and whose partner does not receive an income support payment or an income support payment under the Social Security Act 1991 that attracts a social security pension supplement greater than the basic amount of pension supplement — 50% of the amount in 5(b).

Note: “partner” is defined in section 5 of the Act.

**Payment of Pharmaceutical Reimbursement**

6 (1) On and after 1 January 2013 the pharmaceutical reimbursement is payable to a person eligible for it under this Part.
(2) The *pharmaceutical reimbursement* is payable in the first quarter in each calendar year in respect of *co-payments* the person made for a *Pharmaceutical benefit* under this *Scheme* in the previous calendar year - not being a calendar year before 1 January 2012.

Note 1: calendar year is defined in section 2B of the *Acts Interpretation Act 1901*.

**Pharmaceutical Reimbursement Calculator**

7. The pharmaceutical reimbursement for an *Eligible Person* is worked out as follows:

   *Step 1* add the *co-payments* for the *Pharmaceutical benefits* incurred by the person in the previous calendar year (sum of *co-payments*) up to the threshold of payments according to the *safety net* and disregarding any uncounted *co-payment*.

   *Step 2* compare the sum of *co-payments* with the sum of the pharmaceutical allowance component of the *MRCA supplement, pension supplement* and *veterans supplement* payable to the person in respect of the previous calendar year.

   *Step 3* if the sum of *co-payments* (amount 1) exceeds the sum of the pharmaceutical allowance component of the *MRCA supplement, pension supplement* and *veterans supplement* payable (amount 2), the amount by which amount 1 exceeds amount 2 is the *pharmaceutical reimbursement* for the person.

Note: the amount of any of these supplements may be zero.

8. For the Pharmaceutical Reimbursement Calculator an uncounted *co-payment* is a *co-payment* for a *Pharmaceutical benefit* where the *co-payment* is not counted for the purposes of the *safety net* applying to the person.

Note: included here are co-payments for *Pharmaceutical benefits* dispensed under the “Safety Net 20 Day Rule” (subsection 84C(4AA)) of the *National Health Act 1953*.

4. **The Scheme**

   Renumber provisions consecutively.