

# **Health Insurance Regulations (Amendment) 1991 No. 365**

## **EXPLANATORY STATEMENT**

### **STATUTORY RULES 1991 No. 365**

Issued by the authority of the Minister for Health, Housing and Community Services

#### Health Insurance Act 1973

#### Health Insurance Regulations (Amendment)

The Health Insurance Act 1973 (the Act) provides in part for the payment of medicare benefits for professional services rendered by medical practitioners and certain professional services rendered by dental practitioners and optometrists.

Section 133 of the Act provides that the Governor-General may make regulations for the purposes of the Act.

The Health Insurance Amendment Bill 1991 and the Health Insurance Amendment Bill No.2 1991 contain the legislative changes necessary to implement the Medicare reforms announced in the 1991-1992 Budget. These Bills have passed both Houses of Parliament and have been submitted for Royal Assent. As a result of the reforms, amendments have been made to the Health Insurance Regulations (the Regulations). These changes involve the introduction of a new regulation, (regulation 2AC) to prescribe those general practitioner services (prescribed GP services) which are subject to the \$3.50 reduction in benefits and the \$2.50 copayment arrangement. A definition of 'prescribed GP service' is provided for in the new subsection 8(1A) of the Health Insurance Amendment Bill 1991.

The Regulations also required amendment to facilitate the provision of additional information on accounts, receipts and Medicare assignment forms to identify concessional beneficiaries and also details of the amount of any copayment that patients are charged. This information is necessary to establish the patient's right not to be subjected to the reduction in benefits and, secondly, to evaluate whether better targeting of health outlays is being achieved.

Other consequential amendments to the Regulations have been made following the Government's acceptance of recommendations by the Australian National Audit Office (Report No. 32) that the General Medical Services Table, the Pathology Services Table and the Diagnostic Imaging Services Table be restructured to present a more logical sequence of services. As part of this restructure the segregation of the tables into 'Parts and Divisions' has been replaced by 'Groups and Subgroups'. The item numbering system has also been increased to five digits to allow more flexibility in allocating items for new services.

Changes to the current Participating Optometrist arrangements have been made following a Departmental review. The major change is the amendment to the definition of 'provider number' so as to require that each optometrist should bill using an individual provider number. Billing under company or corporate provider number by any number of optometrists is no longer permitted.

The amendments to the Regulations also introduce new arrangements for the referral of patients to specialists and consultant physicians. These changes follow extensive negotiations with the medical profession, and include:

- the onus of proof that a valid referral exists is on the specialist claiming benefits, rather than on the referring practitioner;
- referring practitioners have the option of indicating that a referral is valid for a longer period than 12 months, indefinitely if they so wish; and
- new arrangements are introduced for referrals generated within hospitals.

Details of changes to specific Regulations are set out in the ATTACHMENT.

The new Regulations are to commence on 1 December 1991.

## **ATTACHMENT**

### DETAILS OF THE HEALTH INSURANCE REGULATIONS (AMENDMENT) (THE PROPOSED REGULATIONS)

Regulation 2 of the current Health Insurance Regulations has been amended to reflect the new optometrical arrangements and includes the following definitions:

- concessional beneficiary;
- patient contribution;
- prescribed GP service;
- provider number;
- referring practitioner;
- requester number; and
- safety-net concession card.

With the restructure of the General Medical Services Table (Schedule 1 to the Act), those services which may be rendered by approved dentists have been grouped into one section rather than being scattered throughout the Table as before. Regulation 2AB has been amended to reflect these changes as it is now more appropriate to identify such services by the relevant item numbers rather than by the symbol 'D'.

New Regulation 2AC prescribes those services for which Medicare benefits are reduced by \$3.50 (\$5.00 from 1 November 1992, and indexed annually thereafter) for a patient who is not a concessional beneficiary or a concessional beneficiary's dependant.

Regulations 2ADAAA, 2ADAAAB and 2ADAAAC have been amended to reflect the restructure of the General Medical Services Table into groups and subgroups rather than parts and divisions.

Subregulation 2ADA(1) has been deleted as the definition of 'referring medical practitioner' is now included in regulation 2.

Regulation 2ADA prescribes particulars to be included on accounts or receipts for professional services rendered. Subregulation 2ADA(1A) provides for additional information to be shown on patients' accounts, receipts or assignment forms where prescribed general practitioner services are rendered to concessional card holders. The amendment also provides for the provision of the amount of copayment raised for non concessional card holders where the doctor direct bills.

Subregulation 2ADA(1B) and Subregulation 2ADA(1D) have been amended by deleting references to 'medical' as certain referrals are made by dental practitioners and optometrists. A new paragraph (paragraph(d)) has been added to 2ADA(1B) to prescribe details of the period of validity of a referral to be recorded on patients' accounts, receipts, etc.

Subregulation 2ADA(1C) has been omitted and substituted to facilitate referrals within hospitals.

Paragraph 2ADA(1D)(b) has been amended to eliminate the words 'special circumstances' in the context of the phrase 'special circumstances - lost referral'. Where a referral has been lost, it is sufficient for the practitioner to show 'lost referral' on the account or receipt, etc.

Subregulation 2ADA(1E) has been amended to achieve greater clarity in instances of an 'emergency' referral.

Subregulations 2ADA(2), (4), (4A) and (5) have been amended to reflect the restructure of the General Medical Services Table.

As optometrists will have individual provider numbers the word 'participating' has been deleted from Subregulation 2ADA(2) and Subparagraphs (5)(a)(i)(ii) and (iii). For the same reason paragraph 2ADA(5)(b) has been deleted. Notwithstanding these changes, the optometrical scheme is still 'participating' in nature as optometrists are required to sign an undertaking under the provisions of Section 23A of the Act.

Regulation 10 has been amended to reflect the new arrangements for referral of patients to specialists and consultant physicians. New Regulations 11 and 12 provide for the making of referrals in special circumstances (such as a referral in a hospital or an emergency referral), and the period of validity of referrals, respectively. New Regulation 12 extends the period of a referral beyond 12 months, indefinitely if the referring practitioner wishes.