

Health Insurance Amendment Regulations 2001 (No. 5) 2001 No. 290

EXPLANATORY STATEMENT

STATUTORY RULES 2001 No. 290

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

Health Insurance Act 1973

Health Insurance Commission Amendment Regulations 2001 (No. 1)

Health Insurance Amendment Regulations 2001 (No. 5)

Section 133 of the *Health Insurance Act 1973* (the HI Act) provides that the Governor-General may make regulations prescribing matters for the purpose of the HI Act. Section 44 of the *Health Insurance Commission Act 1973* (the Commission Act) provides that the Governor-General may make regulations prescribing matters for the purpose of the Commission Act.

Divisions 4 and 4A of Part IIA of the HI Act relate to provisions which deal with the collection of pathology specimens for Medicare purposes.

The purpose of the Regulations is to amend the *Health Insurance Regulations 1975* and the *Health Insurance Commission Regulations 1975* to put in place new arrangements for approved collection centres, replacing the Licensed Collection Centre Scheme.

The *Health Legislation Amendment (Medical Practitioners' Qualifications and Other Measures) Act 2001* received Royal Assent on 20 July 2001. That Act amended the *Health Insurance Act 1973* to establish new arrangements for pathology specimen collection centres, replacing the existing Licensed Collection Centre Scheme.

The changes to the *Health Insurance Commission Regulations 1975* enable the Health Insurance Commission to grant or not grant an approval to a collection centre, collect the appropriate approval tax and refuse or revoke an approval if required. The changes to the *Health Insurance Regulations 1975* enable the allocation of an appropriate specimen collection centre identification number to an approved collection centre as well as several other points of specimen collection ie a Recognised Hospital.

The replacement of the licensed collection centres with simplified arrangements for approved collection centres represents a move from a regulated licensing arrangement based on an entitlement pool to a less regulated arrangement with a stronger quality focus based on individual activity levels.

The changes to the HI Act and to the Regulations 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 Consultative Committee (PCC).

Details of the Regulations are set out in the attachments.

ATTACHMENT A

Health Insurance Commission Amendment Regulations 2001(No. 1)

Regulation 1 cites the regulations as the *Health Insurance Commission Amendment Regulations 2001 (No. 1)*.

Regulation 2 provides that the regulations commenced as follows:

(a) on gazettal - regulations 1 to 3 and Schedule 1;

(b) on the commencement of item 5 of Schedule 1 to the *Health Legislation Amendment (Medical Practitioners' Qualifications and Other Measures) Act 2001* Schedule 2. Subject to approval of a separate proposal, item 5 will commence on 1 December 2001.

Regulation 3 provides for the *Health Insurance Commission Regulations 1975* to be amended as set out in Schedules 1 and 2.

The effect of amendments are that the current functions under the Licensed Collection Centres Scheme in relation to the granting of a licence, and allocation of an identification number, will be performed in relation to the granting, not granting, or revocation of an approval for a collection centre and allocation of an appropriate collection centre identification number. The amendments will also allow for a partial refund of the approval tax if an approval of a collection centre is cancelled part way through the approval year. This is consistent with and replaced the former licensing arrangements.

ATTACHMENT B

Health Insurance Amendment Regulations 2001 (No. 5)

Regulation 1 cites the regulations as the Health Insurance Amendment Regulations 2001 (No. 5).

Regulation 2 provides that the regulations would commence on gazettal.

Regulation 3 provides for the *Health Insurance Regulations 1975* to be amended as set out in Schedule 1.

The changes under Regulation 3, Schedule 1 provide that the definition of an approved collection centre is the same as that in Part IIA of the Act, and omits the definition of a licensed collection centre, as the approved collection centre arrangements replace the Licensed Collection Centre Scheme.

Further, the amendments allow for the substitution of the term approved collection centre identification number where the current reference is to an identification number for a Licensed Collection Centre. This is consistent with and replaces the former licensing arrangements. The amendments also allow for the allocation of specific specimen collection point identification numbers when specimens are collected at a Recognised Hospital and from a patient that is participating in a Hospital-in-the-home Initiative. In addition to the three identification numbers specified here the proposed regulations identify a fourth number that will be allocated to cover all other points of collection of specimens for pathology testing.