

## EXPLANATORY STATEMENT

### *NATIONAL HEALTH ACT 1953*

#### AMENDMENT RULES UNDER SUBSECTION 99AAA(8)

NO. PB 85 OF 2008

Subsection 99AAA(8) of the *National Health Act 1953* ('the Act') provides that the Minister must by an instrument in writing, make rules in relation to claims for payment made by approved suppliers under Part VII Division 3 of the Act.

The *National Health Act 1953 – Rules under subsection 99AAA(8) (PB 49 of 2008)*, which commenced on 7 April 2008 (the Rules), specify what information needs to be supplied to the Secretary, how it is to be supplied and the procedures to be followed by approved suppliers. These Rules also specify the Secretary's requirements when processing, determining and paying claims made by approved suppliers.

The *National Health Act 1953 - Amendment Rules under subsection 99AAA(8)* (the Amending Rules) amend Schedule 2 of the Rules.

The current Fourth Community Pharmacy Agreement between the Commonwealth and the Pharmacy Guild of Australia (the Agreement) commenced on 1 December 2005. This Agreement was amended as of March 2007 and August 2007 to incorporate the pharmacy restructural adjustment package to assist pharmacists to adjust to the Pharmaceutical Benefits Scheme (PBS) reform amendments to the Act.

As part of this restructural adjustment package, the Minister for Health and Ageing and the Pharmacy Guild of Australia agreed that from 1 August 2008, a payment of \$1.50 will be paid to all approved suppliers except approved hospital authorities located at a public hospital which has implemented pharmaceutical reforms under Section 21, Part 4 of the Australian Health Care Agreements 2003-2008. However this payment will only be made where the cost of the pharmaceutical benefit to the patient is no more than the co-payment under the Act.

These amendments ensure that approved suppliers provide sufficient information in their claims for payment to enable the Medicare Australia Chief Executive Officer (CEO) to make payments agreed under the pharmacy compensation package.

Details of the Amending Rules are set out in the [Attachment](#).

#### **Consultation:**

The Department of Health and Ageing has consulted with Medicare Australia in amending the Rules under subsection 99AAA(8). Through discussions and correspondence the Department and Medicare Australia have agreed on the content and format of these amendments. Medicare Australia makes payments to approved suppliers on behalf of the Secretary to the Department of Health and Ageing for pharmaceutical benefits supplied under Part VII of the Act.

These amendments to the Rules do not require a Regulatory Impact Statement (RIS) and/or a Business Cost Calculator Figure. A preliminary assessment was complete and it confirmed that these amendments are not regulatory in nature, will not impact on business activity and will have no, or minimal impact on business, individuals and the economy.

ACCESS & SYSTEMS BRANCH  
DEPARTMENT OF HEALTH AND AGEING  
JULY 2008

## **ATTACHMENT**

### **1. Name of Rules**

Rule 1 provides that the title of the Rules is the *National Health Act 1953 – Amendment Rules under subsection 99AAA(8) No. PB 85 of 2008* (the Amending Rules).

### **2. Commencement:**

Rule 2 provides that the Amending Rules commence on 1 August 2008.

### **3 Amendment of National Health Act 1953 – Rules under subsection 99AAA(8) No. PB 49 of 2008**

Rule 3 provides that the Schedule to the Amending Rules amends the *National Health Act 1953 – Rules under subsection 99AAA(8) (No. PB 49 of 2008)*, which commenced on 7 April 2008.

## **Schedule – Amendments**

### **Schedule 2 Parts 1, 2 & 3**

**Item 1** Additional amendments have been made to all field codes specifying the valid values for each field to clarify the information required to be provided by approved suppliers.

### **Schedule 2 Part 2**

**Item 2** The Prescriber Id field has been amended to include authorised optometrists as authorised optometrists are now able to write prescriptions for the supply of certain pharmaceutical benefits under the Act.

**Item 3** The Patient Category field now includes a new code for hospital patients.

**Item 4** The Brand field has been amended to specify that approved suppliers must now identify the brand for all pharmaceutical benefits supplied, except for extemporaneously prepared items.

**Item 6** The Immediate Supply Necessary field has been amended to require approved suppliers to include the valid value of ‘S’ for pharmaceutical benefits that fall within the Safety Net 20 Day Rule.

**Item 7** The Entitlement ID field has been amended to identify the valid values for each entitlement identified in the claim for payment.

**Item 8**            The Family Name and Given Name fields have been amended to include valid symbols to clarify the information required to be provided by approved suppliers.

**Item 9**            The Pharmacy Processing Code field has been amended to remove the '03' Safety Net valid code as it is no longer an applicable code. It also amends the title for the '01' code.