

EXPLANATORY STATEMENT

Issued by the Authority of the Minister for Health and Ageing

Private Health Insurance Act 2007

Private Health Insurance (Benefit Requirements) Amendment Rules 2009 (No. 4)

Section 333-20 of the *Private Health Insurance Act 2007* (the Act) provides that the Minister may make *Private Health Insurance (Benefit Requirements) Rules* providing for matters required or permitted by Part 3-3 of the Act, or necessary or convenient to be provided in order to carry out or give effect to Part 3-3 of the Act.

The *Private Health Insurance (Benefit Requirements) Rules 2009 (No. 2)*, which commenced on 30 July 2009 (the Rules), provide for the minimum benefit requirements for psychiatric, rehabilitation and palliative care and other hospital treatment. Schedules 1 to 5 of the Rules set out the minimum levels of benefit which are payable for hospital treatment. Namely, benefits for overnight accommodation (Schedules 1 and 2), same day accommodation (Schedule 3), nursing-home type patients (Schedule 4), and second tier default benefits (Schedule 5).

The *Private Health Insurance (Benefit Requirements) Amendment Rules 2009 (No. 4)* (the Amendment Rules) amend Schedule 5 of the Rules. The purpose of the amendment is to reinstate a facility that was inadvertently removed from the table at clause 4 of Schedule 5 of the Rules. The facility is inserted into the table, increasing the table from 286 facilities to 287 facilities. No change has been made to the previously listed facilities.

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

Consultation

No additional consultation was undertaken for this amendment as the consultation occurred in November 2008 with the Second Tier Advisory Committee (STAC) which has equal representation from the health insurance and private hospital sectors. The affected facility had already been approved by the STAC and Minister's delegate to receive Second Tier Default Benefits until 30 June 2010.

The reinstatement of the facility would rectify the unintentional removal of the facility and re-confirm the facility's eligibility to receive second tier benefits. The facility was informed that appropriate action would be taken to amend this oversight. Other facilities included in Schedule 5 of the Rules are not affected by this reinstatement.

PRIVATE HEALTH INSURANCE BRANCH
DEPARTMENT OF HEALTH AND AGEING
AUGUST 2009

ATTACHMENT

DETAILS OF THE *PRIVATE HEALTH INSURANCE (BENEFIT REQUIREMENTS) AMENDMENT RULES 2009 (No. 4)***1. Name of Rules**

Rule 1 provides that the title of the Rules is the *Private Health Insurance (Benefit Requirements) Amendment Rules 2009 (No. 4)* (the Amendment Rules).

2. Commencement

Rule 2 provides that the Amendment Rules are to commence on the day after registration.

3. Amendment of *Private Health Insurance (Benefit Requirements) Rules 2009 (No. 2)*

Rule 3 provides that the Schedule to the Amendment Rules amends the *Private Health Insurance (Benefit Requirements) Rules 2009 (No. 2)* (the Rules) which commenced on 30 July 2009.

Schedule – Amendment**Item 1 – Schedule 5, Clause 4**

Schedule 5 of the Rules requires a health insurer to pay second tier default benefits for most episodes of hospital treatment provided in private hospital facilities that are specified in Schedule 5 with which the health insurer does not have a negotiated agreement. Schedule 5 sets a higher minimum level of benefit (for overnight treatment and day only treatment provided in specified facilities) than the minimum benefit set for such treatment by Schedules 1, 2 and 3 of the Rules.

Item 1 of the Schedule to the Amendment Rules amends clause 4 of Schedule 5 of the Rules to reinstate a facility that was inadvertently removed from the table of facilities and is entitled to second tier default benefits.

The reinstated facility is:

1.	Southcoast Digestive Diseases Centre	86 Ashmore Road, CAIRNS QLD 4870
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DEPARTMENT OF HEALTH AND AGEING
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