

## **EXPLANATORY STATEMENT**

### ***Health Insurance Act 1973***

#### **Health Insurance (Diagnostic Imaging Accreditation – Approved Accreditors) Instrument 2010**

Issued by the authority of the Minister for Health and Ageing

### **AUTHORITY**

The instrument to which this explanatory statement relates is made under subsection 23DZZIAA(1) of the *Health Insurance Act 1973* (the Act).

The instrument is a legislative instrument for the purposes of the *Legislative Instruments Act 2003*.

### **PURPOSE AND OPERATION**

The purpose of the instrument is to approve and name the accreditors who are to receive and make decisions on applications by proprietors seeking accreditation of diagnostic imaging premises and bases for mobile diagnostic imaging equipment (diagnostic imaging practices) in accordance with the *Health Insurance (Diagnostic Imaging Accreditation) Instrument 2010*.

The Act provides a legislative framework for the introduction and operation of an accreditation scheme for practices providing diagnostic imaging services under medicare. Subsection 23DZZIAA(1) provides that the Minister may, by one or more legislative instruments, establish one or more schemes for the accreditation of diagnostic imaging practices, and may approve one or more persons (approved accreditors) to accredit premises and bases under the scheme(s).

Pursuant to subsection 16EA(1) of the Act, and unless the Minister otherwise directs, diagnostic imaging practices rendering diagnostic imaging services must be accredited for the service to be eligible for medicare benefits.

The scheme is being implemented in stages to ensure diagnostic imaging practices are accredited incrementally and have continued access to medicare benefits. The first stage of the scheme was established by the Minister under the *Health Insurance (Diagnostic Imaging Accreditation) Determination 2008* (Stage I Scheme). It commenced on 1 July 2008 and covers all radiology services in the Diagnostic Imaging Services Table (DIST) of the Medicare Benefits Scheme (MBS). The Stage I Scheme does not cover cardiac ultrasound, cardiac angiography, obstetric and gynaecological ultrasound, and nuclear medicine imaging (non-radiology services). The Stage I Scheme will conclude on 30 June 2010.

The second stage of the Scheme (Stage II Scheme) will be established by a separate legislative instrument made under subsection 23DZZIAA(1) of the Act, the *Health Insurance (Diagnostic Imaging Accreditation) Instrument 2010*. From 1 July 2010, scheme coverage will be extended to all diagnostic imaging services as a consequence of the repeal of Regulation 12AA of the *Health Insurance Regulations 1975* (which is to have effect from this date). This means that both radiology and non-radiology services will be subject to the same

accreditation standards. All diagnostic imaging practices will need to be accredited for diagnostic imaging procedures by an approved accreditor in order to retain medicare eligibility.

This instrument specifies the approved accreditors who can receive and make decisions on applications from proprietors seeking accreditation of diagnostic imaging practices.

It is intended that deemed accreditation arrangements under the *Health Insurance Amendment (Diagnostic Imaging Accreditation) Act 2010* (the 2010 Act) will apply in relation to diagnostic imaging practices that provide non-radiology services and are not covered by the Stage I Scheme.

## **Consultation**

Since the commencement of the Stage I Scheme on 1 July 2008, the Department of Health and Ageing (Department) has continued its consultative approach for developing ongoing accreditation arrangements for diagnostic imaging practices. Two consultation papers seeking feedback on proposals for implementing the Stage II Scheme were released for comment in early 2009. A consultant was also engaged to evaluate the impacts of the Stage I Scheme and to gather feedback on expectations for the future. Key findings from the research and feedback from submitters indicate broad support for including all diagnostic imaging services in the Stage II Scheme and the proposed arrangements for implementing the Stage II Scheme. Diagnostic imaging practices providing diagnostic imaging services will be advised of the new arrangements when the arrangements are approved.

Organisations were invited to apply for approval as a potential accreditor and designated person through an Invitation to Apply (ITA) process conducted by the Department in late October 2009. Applications received by the Department were assessed to identify preferred accreditors that were submitted to the Minister for her consideration.

## **Commencement**

The instrument commences on the earlier of:

- immediately after the commencement of Schedule 1 to the 2010 Act; or
- the start of the day on 1 July 2010.

This is to align with the commencement of relevant provisions of the *Health Insurance (Diagnostic Imaging Accreditation) Instrument 2010*.