

## **EXPLANATORY STATEMENT**

Issued by the Authority of the Minister for Health

*Private Health Insurance Act 2007*

*Private Health Insurance (Complying Product) Amendment Rules 2012 (No. 6)*

### **Authority**

Section 333-20 of the *Private Health Insurance Act 2007* (the Act) provides that the Minister may make *Private Health Insurance (Complying Product) Rules* providing for matters required or permitted by Chapter 3 and/or section 188-1 of the Act, or necessary or convenient in order to carry out or give effect to the Act.

The *Private Health Insurance (Complying Product) Amendment Rules 2012 (No. 6)* (the Amendment Rules) amend Rule 8A of the *Private Health Insurance (Complying Product) Rules 2010 (No. 2)* (the Principal Rules) which commenced on 14 January 2011.

### **Purpose**

The purpose of the amendment to Rule 8A is to change the patient contribution payable per night for nursing-home type patients (NHTPs) at public hospitals in the Australian Capital Territory.

### **Background**

Rule 8A of the Principal Rules sets the patient contribution for privately insured NHTPs by restricting the amount of benefit that private health insurers pay for each day of NHTP hospital treatment at a hospital. The amount of benefit is restricted to the hospital's charge less the patient contribution amount.

The Amendment Rules make a minor change to subparagraph 8A(3)(a)(i) of the Principal Rules by increasing the NHTP contribution rate at public hospitals in the Australian Capital Territory from \$49.20 to \$50.95.

Changes to the NHTP contribution rate reflect increases in the Adult Pension Basic Rate (Pension Rate) and the Maximum Daily Rate of Rental Assistance (Rental Assistance Rate), which took effect on 20 March 2012. These changes are made with the agreement of the relevant State or Territory.

### **Consultation**

On 28 February 2012, States and Territories were asked whether they would be increasing the NHTP contribution in their jurisdiction in line with increases in the Pension Rate and Rental Assistance Rate. New South Wales, Queensland, the Northern Territory, South Australia and Tasmania advised the Commonwealth of changes to their respective NHTP contribution rates. The *Private Health Insurance (Complying Product) Amendment Rules 2012 (No. 1)* took effect on 21 March 2012 to reflect these increases.

Subsequent to this amendment, on 16 May 2012, the Australian Capital Territory advised of its increase to the contribution rate to \$50.95 per day in line with the indexation applied to the Pension Rate and the Rental Assistance Rate. This patient contribution amount matches the current contribution amounts for New South Wales, Queensland, the Northern Territory, South Australia, Western Australia and Tasmania.

The Amendment Rules commence on 1 July 2012 or, if registered after 1 July 2012, on the day after registration.

The Amendment Rules are a legislative instrument for the purposes of the *Legislative Instruments Act 2003*.

Authority: Section 333-20 of the  
*Private Health Insurance Act 2007*

PRIVATE HEALTH INSURANCE BRANCH  
DEPARTMENT OF HEALTH AND AGEING  
JUNE 2012

## **Statement of Compatibility with Human Rights**

*Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011*

### **Private Health Insurance (Complying Product) Amendment Rules 2012 (No. 6)**

This Legislative Instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

### **Overview of the Legislative Instrument**

The *Private Health Insurance (Complying Product) Amendment Rules 2012 (No. 6)* (the Amendment Rules) amend Rule 8A of the *Private Health Insurance (Complying Product) Rules 2010 (No. 2)* (the Principal Rules) which commenced on 14 January 2011.

The Amendment Rules make minor changes to subparagraph 8A(3)(a)(i) of the Principal Rules by amending the nursing-home type patients (NHTP) contribution rate at public hospitals in the Australian Capital Territory. Changes to the NHTP contribution rate reflect increases in the Adult Pension Basic Rate and the Maximum Daily Rate of Rental Assistance, which took effect on 20 March 2012.

### **Human rights implications**

This Legislative Instrument does not engage any of the applicable rights or freedoms.

### **Conclusion**

This Legislative Instrument is compatible with human rights as it does not raise any human rights issues.

**Richard Magor**

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**Private Health Insurance Branch**

**Medical Benefits Division**