

EXPLANATORY STATEMENT

Issued by the Authority of the Minister for Health and Ageing

Health Insurance Act 1973

Health Insurance (Diabetes Testing in Aboriginal and Torres Strait Islander Primary Health Care Sites) Amendment Determination 2012 (No.1)

Subsection 3C(1) of the *Health Insurance Act 1973* (the Act) provides that the Minister may, by writing, determine that a health service not listed in the pathology services table (the Table) shall, in specified circumstance and for specified statutory provisions, be treated as if it were so listed. This Table is set out in the *Health Insurance (Pathology Services Table) Regulation* which is remade each year. The *Health Insurance (Diabetes Testing in Aboriginal and Torres Strait Islander Primary Health Care Sites) Amendment Determination 2012 (No. 1)* (the Determination) amends the *Health Insurance (Diabetes Testing in Aboriginal and Torres Strait Islander Primary Health Care Sites) Determination HS/01/06* (the Principal Determination) to reduce the fees of the diabetes monitoring pathology tests in the Principal Determination.

The Principal Determination enables Medicare benefits to be payable for two point of care pathology diagnostic tests (quantitation of glycosolated haemoglobin and urine albumin:creatinine ratio) used for the monitoring of diabetes in Aboriginal and Torres Strait Islander primary health care sites. The Principal Determination allows these tests to be provided in Aboriginal and Torres Strait Islander communities where pathology testing may otherwise may not be possible. The standard pathology provider eligibility requirements under the Act require pathology services to be provided at an accredited pathology laboratory by an approved pathology provider. As most Aboriginal Medical Services and Aboriginal Controlled Community Health Services would not meet these requirements, they have been removed for the two point of care tests.

To ensure quality of testing, the Principal Determination includes a requirement that a practitioner performing the test, or the organisation for which the practitioner works, must participate in the Quality Assurance in Aboriginal and Torres Strait Islander Medical Services Program (the QAAMS Program), an external quality assurance program.

The QAAMS Program is funded by the Australian Government Department of Health and Ageing. The aim of the QAAMS Program is to provide education, training, quality assurance, quality control, and ongoing support services for point of care testing in Aboriginal Community Controlled Health Services and Aboriginal Medical Services.

The Pathology Funding Agreement (PFA) between the Commonwealth, the Royal College of Pathologists of Australasia, the Australian Association of Pathology Practices and the National Coalition of Public Pathologists governs the Australian Government outlays for pathology services. The PFA sets out agreed maximum and minimum Government outlays for each year of the agreement.

In accordance with the PFA fees for all the items in Groups P1 to P11 of the pathology services table are being decreased to recover the amount of 2011/12 expenditure incurred over the agreed 2011/12 funding cap. The majority of decreases will be made by the *Health Insurance (Pathology Services Table) Amendment Regulation 2012 (No. 4)* which will commence 1 January 2013.

The items covered by the *Health Insurance (Diabetes Testing in Aboriginal and Torres Strait Islander Primary Care Sites) Determination HS/01/2006* are, by virtue of the Principal Determination, treated as items in the pathology services table and are not excluded from the action to be taken to achieve the outlays agreed under the PFA.

The Determination amends the Principal Determination to reflect the changes to the pathology services table and the amounts payable through Medicare for items 73840 and 73844. The fee for item 73840 will be reduced from \$17.10 to \$17.00, and the fee for item 73844 will be reduced from \$20.50 to \$20.35.

Consultation

The decrease in fees for items in Groups 1 to 11 of the PST was negotiated with the other signatories to the PFA, namely the Royal College of Pathologists of Australasia, the Australian Association of Pathology Practices and the National Coalition of Public Pathologists.

The Department of Human Services was consulted concerning the impact of the changes on their business operations. The Department of Veterans' Affairs was advised of the changes to ensure that their schedule of benefits for veterans could be amended if necessary.

This Determination commences on 1 January 2013.

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

Statement of Compatibility with Human Rights

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

Health Insurance (Diabetes Testing in Aboriginal and Torres Strait Islander Primary Health Care Sites) Amendment Determination 2012 (No.1)

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

This Legislative Instrument makes amendments to the *Health Insurance (Diabetes Testing in Aboriginal and Torres Strait Islander Primary Health Care Sites) Determination HS/01/2006* (the Principal Determination). The Principal Determination enables Medicare benefits to be payable for two types of point of care pathology diagnostic tests (quantitation of glycosolated haemoglobin and urine albumin: creatinine ratio) for monitoring of diabetes in Aboriginal and Torres Strait Islander primary health care settings. The *Health Insurance (Diabetes Testing in Aboriginal and Torres Strait Islander Primary Health Care Sites) Amendment Determination 2012 (No.1)* reduces the schedule fee for the two tests. The fee for item 73840 (quantitation of glycosolated haemoglobin) is reduced from \$17.10 to \$17.00 and the fee for item 73844 (quantitation of urine albumin: creatinine ratio) is reduced from \$20.50 to \$20.35.

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.

Mr Richard Bartlett
First Assistant Secretary
Medical Benefits Division
Department of Health and Ageing