



Direction to the Independent Hospital Pricing Authority on the performance of its functions under section 226 of the *National Health Reform Act 2011* - No. 1/2014

I, PETER DUTTON, Minister for Health, acting under subsection 226(1) of the *National Health Reform Act 2011* (the Act), having consulted with the Standing Council on Health, DIRECT that the Independent Hospital Pricing Authority make the determination set out in Item 1 of the Schedule to this instrument, and have regard to the matters set out in Item 2 of the Schedule to this instrument.

Dated: 19th December 2014

PETER DUTTON
Minister for Health

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Part 1 Preliminary

1. Name of Direction

This Instrument is the *Direction to the Independent Hospital Pricing Authority on the performance of its functions under section 226 of the National Health Reform Act 2011 - No. 1/2014*.

2. Commencement

This Direction takes effect on the day after it is registered on the Federal Register of Legislative Instruments.

3. Authority

This Direction is made under the *National Health Reform Act 2011*.

4. Definition

In this Direction:

refined list of standard items means the list provided by the Department of Health, having received it from the National Health and Medical Research Council, based on list devised in 2012 that was subsequently reviewed in 2014.

5. Schedule

The Schedule to this Instrument describes the direction given to the Independent Hospital Pricing Authority on the performance of its functions.

Schedule

1. Functions

- (i) By 30 June 2015, the Independent Hospital Pricing Authority, in relation to its function under s. 131(1)(a) of the Act must determine the costs for the refined list of items and any other items (above those costs required for standard care), as determined necessary by the Independent Hospital Pricing Authority, associated with conducting clinical trials in Australia.
- (ii) The Independent Hospital Pricing Authority must provide a report on its performance of the activity referred to in Item 1(i) of this Direction to the first meeting of the Standing Council on Health after 30 June 2015.

2. Matters the Independent Hospital Pricing Authority is to have regard to

- (i) In performing the activity described in Item 1 of this Schedule, the Independent Hospital Pricing Authority must have regard to the matters set out in subsection 131(3) of the Act.
- (ii) In addition, in relation to performing the activity described in Item 1 of this Schedule, the Independent Hospital Pricing Authority may, so far as the Act permits, have regard to the following matters:
 - (a) the actual activity of each item;
 - (b) principles of cost-recovery; and
 - (c) submissions from relevant parties, including trial sponsors and private hospitals.