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THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

***HEALTH INSURANCE (APPROVED PATHOLOGY SPECIMEN
COLLECTION CENTRES) TAX BILL 1999***

SUPPLEMENTARY EXPLANATORY MEMORANDUM

Amendment to be Moved on Behalf of the Government

(Circulated by the authority of the Minister for Health and Aged Care,
the Hon Dr Wooldridge MP)

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AMENDMENTS TO THE HEALTH INSURANCE (APPROVED PATHOLOGY SPECIMEN COLLECTION CENTRES) TAX BILL 1999

OUTLINE

This amendment will amend the *Health Insurance (Approved Pathology Specimen Collection Centres) Tax Bill 1999* (the Bill).

The Bill imposes a tax on the grant of an approval for an approved collection centre under new arrangements for pathology specimen collection centres under the *Health Insurance Act 1973* (the Act) as it would be amended by the *Health Insurance Legislation Amendment Bill (No.4) 1999*. The Bill replicates the annual tax of \$1000 payable under the to be repealed *Health Insurance (Pathology) (Licence Fee) Act 1991* in respect of the grant of licences for licensed collection centres under the present provisions of the Act.

The effect of the amendment is to exclude grants of approval for approved collection centres located on the same premises as a category GX or GY accredited pathology laboratory from the tax.

This measure will promote equity between specimen collection arrangements in the public and private sectors. Category GX and GY laboratories are principal laboratories under the full-time supervision of an expert pathologist or senior scientist. Most public sector category GX and GY laboratories are on recognised hospital premises where pathology specimen collections are permitted for Medicare purposes under the Act without separate approval as an approved collection centre. Most private sector category GX and GY laboratories are not on recognised hospital premises and require an approval for collection centres on those premises. The exclusion of these collection centres from the requirement to pay the annual tax is considered to be a fairer and more uniform approach between the public and private sectors.

FINANCIAL IMPACT STATEMENT

The Tax Bill replaces equivalent measures under the *Health Insurance (Pathology)(Licence Fee) Act 1991*, with no significant financial impact.

NOTES ON CLAUSES

Amendment (1)

The amendment substitutes a new definition of "approval" in the Bill. The existing definition refers only to an approval for a specimen collection centre under new section 23DNBA of the Act. The new definition excludes approvals for specimen collection centres which are on the same premises as a Category GX or GY pathology laboratory. Tax consequently will not be payable in respect of approvals for such centres as approved collection centres. Categories of accreditation of accredited pathology laboratories are provided for in principles under section 23DNA of the Act. Categories GX and GY are the categories relating to major laboratories. New section 23DBA of the Act, as mentioned in the note to the new definition, will permit the determination of categories of accredited pathology laboratories for the purposes of the new definition of "eligible pathology laboratory" in subsection 23DA(1) of the Act. It is intended that this determination will by reference incorporate categories GX and GY.