

1991

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

SENATE

HEALTH INSURANCE (PATHOLOGY) AMENDMENT BILL 1991

SUPPLEMENTARY EXPLANATORY MEMORANDUM

Amendments and New Clauses
to be moved on behalf of the Government

(Circulated by authority of the Minister for Health, Housing
and Community Services, the Honourable Brian Howe MP)

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GENERAL OUTLINE

The purpose of these amendments is to modify the Health Insurance (Pathology) Amendment Bill in order to:

(a) change the conditions under which undertakings for approved pathology practitioners (APPs) and approved pathology authorities (APAs) are processed to ensure medicare benefits can still be paid, and

(b) make a minor correction to the amendment to the conditions relating to approvals for accredited pathology laboratories (APLs).

Amendment 1 will remove the potential for a medicare benefit to be not payable where an APP undertaking has been accepted by the Minister but the fee has not been paid. This possibility has arisen as a result of the intention of the Bill to ensure that the fee is paid before a new undertaking comes into force. Where an APP renews an undertaking, there is a need to ensure continuity of the undertaking and thereby allow for the continuation of medicare benefit payments.

This amendment also stipulates, for an APP undertaking, 14 days from acceptance of the undertaking by the Minister as the period within which the fees must be paid, or the undertaking will be revoked.

Amendment 2 makes a consequential amendment to the Principal Act, reflecting Amendment 1, in the provision in the Principal Act relating to the period of effect of the APP undertaking.

Amendment 3 will provide a remedy for the same problem identified above in Amendment 1 for APPs, with respect to APAs.

This amendment also stipulates, for an APA undertaking, 14 days from acceptance of the undertaking as the period within which the fees must be paid, or the undertaking will be revoked.

Amendment 4 makes a consequential amendment to the Principal Act, reflecting Amendment 3, in the provision in the Principal Act relating to the period of effect of the APA undertaking.

Amendment 5 corrects a reference in the Bill to pathology laboratories and Amendment 6 makes a consequential amendment to a reference to a subsection in section 23DN of the Principal Act.

FINANCIAL IMPACT STATEMENT

There is unlikely to be an identifiable financial impact from these amendments. The savings from pathology restructuring are still estimated to be \$38 million in 1991-92 increasing to \$100 million in 1994-95.

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NOTES ON NEW CLAUSES AND AMENDMENTS

Amendment 1 amends clause 4 of the Amendment Bill by substituting proposed new subsections 23DC(10A) and (10B) in the Principal Act for the new section 23DC(10A) proposed in the Amendment Bill.

The amendment requires the notice from the Minister to be provided under subsection 23DC(9) of the Principal Act, not to specify that an undertaking can come into force on a day before the day when the undertaking is accepted; and where an existing undertaking (to become the 'previous undertaking') is in force the notice from the Minister must specify as the day when the new undertaking comes into force to be the next day following the day when the previous undertaking ceased to be in force.

The amendment also inserts a new subsection 23DC(10B) which provides that where the acceptance fee by a person giving the undertaking has not been paid within 14 days of the notice of acceptance of the undertaking from the Minister, the acceptance of the undertaking is revoked and the revocation takes effect from the date of acceptance of the undertaking.

Amendment 2 inserts a new clause 4A into the Amendment Bill which makes a consequential amendment to section 23DD of the Principal Act to reflect the changes to the existing section 23DC(10) in Amendment 1. Amendment 2 also preserves the continuity of existing APP undertakings in respect of which fees have been paid.

Amendments 3 and 4 propose parallel changes for APA undertakings to those proposed in Amendments 1 and 2 for APP undertakings.

Amendment 3 amends clause 5 of the Amendment Bill by substituting new subsections 23DF(11A) and (11B) in the Principal Act for the new subsection 23DF(11A) proposed in the Amendment Bill.

The amendment requires the notice from the Minister to be provided under subsection 23DF(10) of the Principal Act, not to specify that an undertaking can come into force on a day before the day when the undertaking is accepted; and where an existing undertaking (to become the 'previous undertaking') is in force the notice from the Minister must specify as the day when the new undertaking comes into force to be the next day following the day when the previous undertaking ceased to be in force.

The amendment also inserts a new subsection 23DF(11B) which provides that where the acceptance fee by a person giving the undertaking has not been paid within 14 days of the notice of acceptance of the undertaking from the Minister, the acceptance of the undertaking is revoked and the revocation takes effect from the date of acceptance of the undertaking.

Amendment 4 inserts a new clause 5A into the Amendment Bill which makes a consequential amendment to section 23DG of the Principal Act to reflect the changes to the existing section 23DF(10) in Amendment 1. Amendment 4 also preserves the continuity of existing APA undertakings in respect of which fees have been paid.

Amendment 5 amends clause 7 of the Amendment Bill by substituting 'accredited' for 'approved' in new paragraph 23DN(1)(b) of the Principal Act.

Amendment 6 amends clause 7 of the Amendment Bill making a consequential amendment by substituting 'subsection (1)' for 'subsection 2' in subsection 23DN(4) of the Principal Act.