

1996

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

SENATE

HEALTH AND OTHER SERVICES (COMPENSATION) AMENDMENT BILL 1996

SUPPLEMENTARY EXPLANATORY MEMORANDUM

(Amendments to be moved on behalf of the Government)

(Circulated by the authority of the Minister for Health and Family Services,  
the Hon. Dr Michael Wooldridge)



## HEALTH AND OTHER SERVICES (COMPENSATION ) AMENDMENT BILL 1996

### OUTLINE

The Government amendments to the Bill propose to make the advance payment process provided for in the Bill available where a settlement or judgment has occurred before the Amendment Act commences, but a notice of charge under section 24 has not been issued by the Health Insurance Commission.

These measures will further alleviate the implementation problems that have caused hardship for claimants and created complaints about the unacceptable delays in producing relevant notices in a timely manner.

### FINANCIAL IMPACT

The amendments in this Bill have no financial impact for the Commonwealth.

## NOTES ON AMENDMENTS

Amendment 1 inserts, in the commencement provision in clause 2 of the Bill, a reference to a new subsection (2).

Amendment 2 inserts a new subsection (2) in the commencement provision of the Bill. New subsection (2) provides for Item 4 of Schedule 1 to commence immediately after the principal Act. This amendment, together with that in Item 4 of Schedule 1, will remove the requirement that the Health Insurance Commission be notified of reimbursement arrangements entered into before the Act commenced.

Amendment 3 inserts a new subsection 23(5A) into the principal Act. New subsection 23(5A) enables the new advance payment process to apply to judgments or settlements that were made before the amending Act comes into effect, and where a notice of the judgment or settlement had already been given to the Health Insurance Commission under subsection 23(1), but has not been finalised by the Commission. The notifiable person will be able to give a further notice to the Commission indicating that it is intended to make an advance payment, and that the compensable person has been notified of the proposed advance payment. These notifications are required before an advance payment can be made under new section 33B, which is inserted by the Bill.

Amendment 4 removes a reference to judgments or settlements that is to be incorporated in Amendment 5.

Amendment 5 inserts an additional subsection in new section 33A in the Bill. New subsection 33A(3) provides for the time within which the compensation payer or insurer must notify the compensable person of an intention to make an advance payment. If the judgment or settlement is made after the amending Act commences, the notice must be given before the judgment or settlement is made. If the judgment or settlement was made before the amending Act commences, the notice must be given before the advance payment is made and within 28 days of the commencement of the amending Act.

Amendment 6 replaces subsection 33B(3) in the Bill. New subsection 33B(3) provides that, if the judgment or settlement is made after the commencement of the amending Act, the advance payment must be made within 28 days of the judgment or settlement. If the judgment or settlement was made before the commencement, the advance payment must be made within 28 days of that date.

