

NOTES ON CLAUSES

HEALTH INSURANCE AMENDMENT BILL 1978

GENERAL EXPLANATION

The Bill provides for amendments to the Health Insurance Act 1973 to :-

- . Enable people, in certain circumstances, (such as Australian residents overseas, or overseas residents in Australia, having foreign health insurance cover) to be deemed to be privately insured persons, by declaration of the Minister for Health. This action exempts them from the health insurance levy and makes them ineligible for Medibank benefits. (Cabinet Decision No. 5152 of 21 April 1978)
- . Prohibit, unless the Minister otherwise directs, the payment of medical benefits for health screening services which are not reasonably required for the management of the medical condition of a patient. (Cabinet Decision No. 4683 of 23 February 1978)
- . Empower the Minister for Health to direct that medical benefits are not payable, in respect of medical services rendered by a specified person (such as Mr Brych of the Cook Islands), to Australian residents temporarily overseas, where the Minister is satisfied that the person lacks training or proper medical or surgical facilities, or is not, for any other reason, a proper person to render such services. (Cabinet Decision No. 3829 of 14 September 1977)
- . Make the conditions and procedures for authorizing Commonwealth payments in respect of the net operating costs of the recognized hospitals in the Australian Capital Territory more comparable with those under the hospital cost-sharing agreements between the Commonwealth and the States. (With regard to the Northern Territory, a Bill has recently been introduced into the House of Representatives providing for self-government of that Territory from 1 July 1978 and it is therefore not intended to have amendments made in relation to Northern Territory Hospitals at this time). (Cabinet Decision No. 4685 of 23 February 1978)
- . Repeal Section 44 which required the Minister for Health to consult with the Hospital and Health Services Commission in relation to the making of health program grants. This follows the decision of the Government to abolish the Commission. (Cabinet Decision No. 4725 of 28 February 1978)

Provide statutory authority for the existing Government policy of excluding foreign consuls, consular staff and their families from eligibility for Medibank benefits, and to make consistent amendments to the existing exclusion provisions in the Act relating to foreign diplomats, diplomatic staff and their families. (Cabinet Decision No. 5152 of 21 April 1978)

Correct a minor error in the Act.

Rectify an anomaly resulting from the joint opinion of the Attorney-General and the Solicitor-General of May 1976 that the hospital cost-sharing agreements entered into by the Commonwealth and the States in 1975 were invalid. Section 17 and repealed section 18 of the Act prohibit the payment of medical benefits in respect of medical services provided for a patient who would have been a hospital patient or an outpatient of, or diagnostic services provided to an inpatient of, a recognized hospital. The reference in the sections to "recognized hospital" derives its meaning from the invalid hospital cost-sharing agreement. Accordingly, it has become necessary to include provisions in the Bill deeming those sections to have effect, prior to the commencement of the current agreements on 1 October 1976. However, the sections do not apply in relation to professional services where the account for such services was rendered prior to the introduction of the legislation.

Reduce the level of medical benefits payable under the Act from 85% to 75% of the schedule fee and to increase the maximum gap between the schedule fee and the medical benefits from \$5 to \$10 for each schedule service. Levels of benefits payable for eligible pensioners and their dependants to be negotiated with the Australian Medical Association and the Australian Optometrical Association. (Cabinet Decision No. 5412 of 17 May 1978)

Abolish direct billing except in respect of eligible pensioners and their dependants. The level of medical benefits is to be such level as is negotiated with the A.M.A. and the A.O.A. (Cabinet Decision No. 5412 of 17 May 1978)

Provide that persons who contribute to an optional deductibles scheme of health insurance that is conducted by a registered organization (the running of such schemes will be provided for by amendments to the National Health Act 1953) be deemed to be privately insured persons, and thus exempt from payment of the health insurance levy. (Cabinet Decision No. 5412 of 17 May 1978)