

1989

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

NATIONAL HEALTH AMENDMENT BILL 1989

EXPLANATORY MEMORANDUM

(Circulated by authority of the Honourable Dr Neal Blewett
MP, Minister for Community Services and Health.)

NATIONAL HEALTH AMENDMENT BILL 1989

GENERAL OUTLINE

The purpose of the Bill is to give effect to the Government's decision that, with effect from 1 October 1989, the general patient contribution paid under the Pharmaceutical Benefits Scheme will be increased from \$11.00 to \$12.00 per prescription, and to index this payment by the March "All Groups Consumer Price Index" from 1 August 1990.

FINANCIAL IMPACT STATEMENT

The increase in the general patient contribution from \$11 to \$12 is estimated to achieve savings of \$10 million in 1989/90.

With indexation of the patient contribution estimated savings in 1990/91 are \$35 million, \$55 million in 1991/92 and \$78 million in 1992/93.

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NOTES ON CLAUSES

Clause 1 : Short Title

This clause provides that the amendment Act may be cited as the National Health Amendment Act 1989 and identifies the Principle Act as the National Health Act 1953.

Clause 2 : Commencement

This clause provides that the amendment Act will come into operation on 1 October 1989.

Clause 3 : Indexation

This clause provides for the inclusion of a new section 84AB in the Principal Act which will allow for the indexation of the maximum general patient contribution payable for a pharmaceutical benefit supplied under Part VII of the Principle Act. The index number used is the March "All Groups Consumer Price Index" which is the weighted average of the 8 capital cities. This index number is applied to the general patient contribution commencing on 1 August in 1990 and subsequent years.

Proposed new subsections (2) and (3) allow for possible variations in the method of calculating the index number by the Australian Statistician. Subsection (4) provides for the factor calculated in subsection (5) to be applied to the then current patient contribution.

Subsection (5) determines the manner of calculating the factor for the indexation using the March quarter figure. Subsection (6) allows for the rounding of the factor ascertained in sub-clause (5).

Finally subsection (7) allows for the rounding of the figure ascertained in subsection (4) to the next upward 10 cents.

Clause 4: Amendments of Principal Act

This clause provides that the Principal Act is amended in accordance with the Schedule.

The current general patient contribution of \$11 is specifically referred to in a number of provisions in the Principal Act. The amendments in the Schedule amend these provisions so that the general patient contribution is shown as \$12.

Clause 5 : Application

This amendment will preserve the existing rights of persons to record supplies of pharmaceutical benefits obtained prior to this amendment for the purpose of eligibility for a pharmaceutical benefit entitlement card.

Section 84C of the Principal Act provides that a person (or his or her family) who has been supplied with pharmaceutical benefits on at least 25 occasions during a calendar year is eligible for a pharmaceutical benefit entitlement card, entitling that person or his/her family to free pharmaceutical benefits for the remainder of that calendar year.