

1994

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

**HEALTH AND OTHER SERVICES (COMPENSATION) (CONSEQUENTIAL
AMENDMENTS) BILL 1994**

EXPLANATORY MEMORANDUM

(Circulated by the authority of the Minister for Human
Services and Health, the Hon. Dr Carmen Lawrence, MP)



HEALTH AND OTHER SERVICES (COMPENSATION) (CONSEQUENTIAL AMENDMENTS) BILL 1994

GENERAL OUTLINE

This Bill makes necessary consequential amendments to the *Health Insurance Act 1973*, the *Health Insurance Commission Act 1973* and the *National Health Act 1953* as a result of the new arrangements contained in the *Health and Other Services (Compensation) Bill 1994* and the *Health and Other Services (Compensation) Care Charges Bill 1994*.

FINANCIAL IMPACT STATEMENT

The annual savings arising from the package of measures to prevent double dipping in health and community services programs by compensable people are estimated to be \$40m.

Resources required to administer the measures will be offset by the administration fee to be charged to insurers and compensation payers under the *Health and Other Services (Compensation) Administration Fee Bill 1994*.

NOTES ON CLAUSES

Clause 1 - Short title

This clause is a formal provision that states that the Act will be called the *Health and Other Services (Compensation) (Consequential Amendments) Act 1994*.

Clause 2 - Commencement

This clause provides that the proposed Act will come into force on the same day as the proposed *Health and Other Services (Compensation) Act 1994*.

Clause 3 - Amendment of Acts

This clause provides for amendments to other legislation as set out in the Schedule.

Schedule

Health Insurance Act 1973

Section 18 of the *Health Insurance Act 1973* is amended so that subsection 18(4), which deals with recovery of medicare benefits paid prior to the making of a settlement, judgment or reimbursement arrangement, does not apply in cases where a settlement, judgment or reimbursement arrangement is made on or after the day on which the *Health and Other Services (Compensation) Act 1994* came into force.

This amendment does not affect the other subsections of section 18. This means that those subsections of section 18 which relate to amounts of compensation that have been awarded for future medical treatment of an injury will continue to apply after commencement of the *Health and Other Services (Compensation) Act 1994*. After commencement of the new legislation, section 18 will continue to have the effect that if an amount of compensation has been awarded to a person to cover costs relating to professional services provided in the course of the future treatment of the compensable injury, the person may be precluded from medicare benefits in respect of those services.

Health Insurance Commission Act 1973

The purpose of these amendments is to update sections 3A and 41B of the *Health Insurance Commission Act 1973* and to insert new section 8D into that Act to take account of the proposed *Health and Other Services (Compensation) Act 1994*, the proposed *Health and Other Services (Compensation) Care Charges Act 1994* and the proposed *Health and Other Services (Compensation) Administration Fee Act 1994*.

The amendment to section 3A incorporates references to offences under the proposed *Health and Other Services (Compensation) Act 1994* into the definition of "relevant offence".

New section 8D makes it clear that the functions of the Health Insurance Commission include the administration of the proposed *Health and Other Services (Compensation) Act 1994*, the proposed *Health and Other Services (Compensation) Care Charges Act 1994* and the proposed *Health and Other Services (Compensation) Administration Fee Act 1994*.

The amendments to section 41B reflect the new functions conferred on the Health Insurance Commission by the proposed *Health and Other Services (Compensation) Act 1994*, the proposed *Health and Other Services (Compensation) Care Charges Act 1994* and the proposed *Health and Other Services (Compensation) Administration Fee Act 1994*.

National Health Act 1953

Section 59 of the *National Health Act 1953* is amended so that subsection 59(4), which deals with recovery of nursing home benefits paid prior to the making of a settlement, judgment or reimbursement arrangement, does not apply in cases where a settlement, judgment or reimbursement arrangement is made on or after the day on which the *Health and Other Services (Compensation) Act 1994* came into force.

This amendment does not affect the other subsections of section 59. This means that those subsections of section 59 which relate to amounts of compensation that have been awarded for future nursing home care relating to an injury will continue to apply after commencement of the *Health and Other Services (Compensation) Act 1994*. After commencement of the new legislation, section 59 will thus continue to have the effect that if an amount of compensation has been awarded to a person to cover costs relating to nursing home care that will be needed in the future because of the compensable injury, the person may be precluded from nursing home benefits in respect of such care.