

1991

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

SENATE

HEALTH LEGISLATION (PHARMACEUTICAL BENEFITS) AMENDMENT BILL 1991

SUPPLEMENTARY EXPLANATORY MEMORANDUM

Amendments to be moved on behalf of the Government

(Circulated by authority of the Honourable Mr Peter Staples MP,  
Minister for Aged, Family and Health Services.)



HEALTH LEGISLATION (PHARMACEUTICAL BENEFITS) AMENDMENT BILL 1991

NOTES ON AMENDMENTS

Clause 2: Commencement

Clause 2 of the Bill is amended by Amendments (1), (2) and (3).

Amendments (1) and (2) alter clause 2 of the Bill so that, in addition to those provisions already specified, paragraphs 7(b) and (d) will also commence on a day to be fixed by Proclamation.

Amendment (3) further amends Clause 2 of the Bill to provide that paragraph 7(a), subclauses 10(2) and (3), clauses 11 and 12 and paragraphs 15(c) and (i) will commence on 1 July 1992.

Clause 10: Limited charges for pharmaceutical benefits

Amendment (4) amends subclause 10(2) of the Bill so that there will be no limitation on the amount which an approved supplier may charge for a no-benefit prescription.

Clause 15: Unauthorised payments etc.

Amendment (5) amends the existing clause 15 of the Bill. Under the provisions of clause 12, a person who has not been able to prove eligibility to pharmaceutical benefits at the time of supply, but who subsequently demonstrates that eligibility to the Secretary, is entitled to receive from the Commonwealth a refund of the difference between the amount which the person paid and the amount which would have been payable if eligibility had been established at the time of supply. As a result of the amendment of subclause 10(2), the charge made by an approved supplier in these circumstances might be the private price, which is usually higher than the Commonwealth price, and thus the refund under clause 12 would be correspondingly greater.

New paragraph 15(i) adds provisions to section 99AA of the Principal Act so that where such a refund is made by the Commonwealth to a person who subsequently proves eligibility, the Commonwealth will be entitled to recover from the approved supplier the amount (if any) by which the price charged exceeds the Commonwealth price. Normally this will be done by means of the existing subsection 99AA(4) of the Principal Act, which allows such an amount to be deducted from any other amount which is payable to the approved supplier.

This amendment ensures that in such cases the approved supplier ultimately receives only the Commonwealth price, which is the amount which the supplier would have received had eligibility been proved at the time of supply.