Health Legislation Amendment Bill 1987

Date Introduced: 14 May 1987
House: House of Representatives
Presented by: Hon. Neal Blewett, M.P., Minister for Health

Digest of Bill

Purpose

To reduce the benefit payable under Medicare to private hospital in-patients to 75% of the schedule fee.

Background

The measures contained in this Bill form part of the 1987-88 initial Budget measures announced by the Treasurer on 13 May 1987 (the May Statement). The May Statement announced reductions in expenditure designed to reduce the Budget deficit for 1987-88 by $4000 million. Among the measures affecting the Health portfolio, it was decided that Medicare would bear a smaller proportion of the medical costs incurred by private hospital patients. It is estimated in the Explanatory Memorandum to this Bill that the Government's decision to reduce the benefit payable to these patients by 10% will result in savings of $80 million in 1987-88 and $105 million in a full year.

Main Provisions

Sub-section 10(2) of the Health Insurance Act 1973 (the Principal Act) provides for a Medicare rebate of 85% of the schedule fee for professional services to private in-patients of hospitals and day hospital facilities, with a limit of $20 on patient contributions. Clause 4 will substitute a new sub-section 10(2) into the Principal Act to reduce the rebate to a flat 75% of the schedule fee for these services from 1 August 1987, except as prescribed in regulations. The existing 85% rebate and $20 limit will be preserved for other schedule services.

References

2. Ibid., p.3136.
3. Explanatory Memorandum to this Bill, p.1.

For further information, if required, contact the Education and Welfare Group.

8 June 1987

Legislative Research Service