Date Introduced: 28 September 1978
House: House of Representatives
Presented by: Hon. R.J.D. Hunt, M.P., Minister for Health

Short Digest of Bill

Purpose

The Bill proposes to amend the National Health Act 1953 to provide for the revised health insurance provisions which were announced in the 1978 Budget Speech and related matters; and to provide for registered dentists to prescribe certain drugs for the dental treatment of their patients.

Background

The major provisions of this Bill and the Health Insurance Amendment Bill (No. 2) 1978 are the third substantial revision of health insurance arrangements made by the Liberal-NCP coalition Government since it took office in 1975. In 1976, the Medibank levy was introduced, Medibank Private established to compete with the private health insurance funds, and the rates of levy and contributions set so as to give approximately half the health insurance business each to Medibank Standard and to the private health insurance sector. In May 1978, the Government announced that the gap between schedule fee and benefits was to be doubled to a maximum of $10 or 25% of the fee, whichever was the lower, (previously $5 or 15%) for each service; private health insurance organisations were to be permitted to offer deductibles in their tables of benefits; finally, the Government announced its intention of seeking more extensive data from insurance funds for the purposes of making future changes to health insurance.

In his 1978 Budget Speech, the Treasurer gave as the reasons for further modifications to the health scheme: the confusion and complexity of the existing health insurance arrangements; the Government's view that, having provided a universal, basic level of insurance, it was up to the individual to decide about the extent and nature of any additional insurance. The new measures, together with the abolition of the levy, are expected to add an estimated $335 million to health outlays in 1978-79 and $621 million in a full year.
Provisions and Discussion

New section 73BFA empowers the Minister to direct a registered health insurance organisation (other than a restricted membership organisation) to accept a patient in an institution as a contributor where that patient has been refused membership by that organisation and the Minister is either satisfied there were no reasonable grounds for the organisation's refusal to accept the contributor or the organisation fails to furnish a statement of its general practice in relation to accepting contributors.

In 1977 registered organisations were obliged under the National Health Act 1953 to pay nursing home benefits to eligible contributors, and there have been cases where registered organisations have refused to accept as contributors such patients because they are likely to involve the organisation in the payment of substantial and long term benefits.

Proposed s.73BB permits registered organisations to transfer to the Reinsurance Account the cost of hospital benefits paid to eligible contributors in respect of hospital services received in other countries. In this way the costs of these benefits is shared between the funds and the Commonwealth Government.

Proposed s.73E permits the Minister to determine guidelines for optional hospital or medical benefits tables, to inform every registered organisation of these guidelines and for the Minister to declare that a hospital or medical benefits table is an optional table, and to inform the registered organisation of that declaration.

Proposed s.73F enables a registered medical benefits organisation to apply to the Minister to have specified professional services exempted from the medical benefits table it offers. The Minister may grant such an exemption if he is satisfied it is proper to do so.

By the use of these provisions relating to optional tables, the Government hopes to encourage organisations to offer tables which allow contributors to choose lower contribution rates in exchange for a reduced schedule of benefits, (e.g. exclusion of cosmetic surgery). It also allows organisations and contributors to avoid moral problems relating to abortions by excluding them from benefits.

Proposed s.74C and proposed new s.74D allow for regulations to be made requiring registered organisations to maintain prescribed records and to furnish these to the Permanent Head as prescribed by regulation.
Over the past 2 or 3 years it has become increasingly clear that Australia lacks essential data needed to monitor the provision and efficiency of health services delivery. Proposed s.74 will enable studies to be made of e.g. utilisation rates and trends, geographic variations in services provided, and so on.

Proposed s.84A enables a dental practitioner to notify the Permanent Head that he wishes to become a participating dental practitioner for the purposes of the Act for the prescription of certain pharmaceutical benefits, and for the Permanent Head to notify the dental practitioner of his approval. Proposed s.86 and s.87 allow participating dental practitioners to prescribe pharmaceutical benefit items for their patients according to the regulations. Proposed new s.88 authorizes participating dental practitioners to prescribe pharmaceutical benefits under the same terms and conditions as medical practitioners.

Proposed s.95 authorises the Minister to reprimand a dental practitioner or revoke or suspend a dental practitioner’s authority to prescribe pharmaceutical benefits under the same terms and conditions as currently exist for medical practitioners or approved pharmaceutical chemists.

Proposed new s.112AA establishes a Dental Services Federal Committee of Inquiry to inquire into and report to the Minister or Permanent Head on any matter referred by either of them to the Committee which arises out of the services or conduct of participating dental practitioners in the supply of pharmaceutical benefits under this Act. This Committee will operate along similar lines to the Committees of Inquiry for medical and pharmaceutical services which are provided for under the Act. In all cases, inquiries are not to be made into the conduct of an approved pharmaceutical chemist, medical practitioner or dental practitioner except where this is incidental to a report by the Committee.

Proposed s.125 sets out uniform procedures for inquiries by Committees into matters which concern the conduct of medical practitioners, participating dental practitioners or approved pharmaceutical chemists.

New s.133 provides for the Permanent Head, if he thinks fit, to suspend the authorities and/or approvals granted to medical practitioners, participating dental practitioners and approved pharmaceutical chemists under this Act if such practitioners or chemists are charged before a court with having committed an offence in connexion with the supply of pharmaceutical benefits. The Minister may at anytime remove any suspension and restore any
approval or authority revoked under this section. If acquittal follows any such charge, a suspension under this section ceases to have effect. Under new s.134, any practitioner or chemist under suspension shall not write prescriptions for pharmaceutical benefits, and no such prescription shall be supplied by an approved pharmaceutical chemist, medical practitioner or hospital authority.

Clause 43 proposes a schedule to the Act setting out the conditions of Registration of Organisations. These were previously specified in s.73BA which is proposed to be repealed by clause 8. Two new conditions of registration are included in the proposed schedule:

Paras (g) and (h) ensure that supplementary tables are available only to contributors to basic tables and that registered organisations continue to pay nursing home benefits for nursing home patients who are contributors to the organisation;

Para (n) removes waiting times (commonly 2 months where applied in the past) for people who insure for basic or optional benefits before 1 January 1978.

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