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Private Health Insurance (ACAC Review Levy) Bill 2003

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I N F O R M A T I O N A N D R E S E A R C H S E R V I C E S

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No. 142 2002-03

Private Health Insurance (ACAC Review Levy) Bill 2003

Peter Prince
Law and Bills Digest Group
30 April 2003

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Private Health Insurance (ACAC Review Levy) Bill 2003

Date Introduced: 26 March 2003

House: House of Representatives

Portfolio: Health and Ageing

Commencement: 1 July 2004

Purpose

To reimpose the Acute Care Advisory Committee ('ACAC') review levy.

Background

This is one of four Bills reimposing existing levies on private health insurers. Full background is set out in Bills Digest No. 139, 2002-03 (National Health Amendment (Private Health Insurance Levies) Bill 2003). Separate Bills are required for each levy because they could be construed as imposing taxation and the Constitution requires that such Bills 'deal with one subject of taxation only'.¹

The ACAC Review Levy

The ACAC Review Levy is imposed on each registered health benefits organization to meet the administrative costs of reviews conducted by Acute Care Advisory Committees under section 3B of the *Health Insurance Act 1973*. The levy is imposed on each organization based on the number of health fund contributors.

The Bill provides that the rate of the ACAC Review levy is to be set in regulations, within a maximum limit specified in the Bill itself.

Warning:

This Digest was prepared for debate. It reflects the legislation as introduced and does not canvass subsequent amendments.

This Digest does not have any official legal status. Other sources should be consulted to determine the subsequent official status of the Bill.

Main Provisions

Clause 6 imposes the ACAC Review levy on 'each registered health benefits organization'. The levy is imposed 'on each day specified in the Regulations as an ACAC Review levy day'. There cannot be more than four such days in a financial year, although the Minister for Health can specify up to two supplementary levy days. The Explanatory Memorandum notes that the latter provision is included to cover 'unexpected administrative costs of reviews conducted by Acute Care Advisory Committees.'²

Clause 7 sets the maximum rate of the ACAC Review levy for a financial year at:

- \$0.50 for each contributor who contributes in respect of one person, and
- \$1.00 for each contributor who contributes in respect of more than one person.

Clause 9 validates all previous ACAC Review levy payments made before the commencement of the current Bill.

Endnotes

1 Section 55.

2 Explanatory Memorandum, p. 2.

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