



## Health Insurance Amendment (Medical Specialists) Bill 2005

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## Health Insurance Amendment (Medical Specialists) Bill 2005

**Date Introduced:** 23 June 2005

**House:** House of Representatives

**Portfolio:** Health and Ageing

**Commencement:** Sections 1 to 3 will take effect on Royal Assent. Schedule 1 will take effect on the 28th day after Royal Assent.

### Purpose

This Bill proposes to amend the *Health Insurance Act 1973* to streamline procedures under which certain medical specialists and consultant physicians are recognised as eligible to provide services that attract a Medicare rebate.

### Background

Medical practitioners can apply to the Health Insurance Commission (HIC) for recognition as a specialist or consultant physician under the *Health Insurance Act 1973* (the Act) for the purpose of attracting Medicare benefits.<sup>1</sup> Currently there are three pathways for such applications. The pathway chosen will depend upon the particular circumstances of each applicant.

Applicants may seek **automatic recognition** if they are domiciled in Australia, a Fellow of a specialist medical college and have a relevant qualification from a specialist medical college. Recognition is provided by the Managing Director of HIC following advice from a relevant specialist medical college that the applicant has met these criteria (Section 3D).

Applicants who have been trained in Australia but do not meet the above criteria are eligible for an **alternative method of recognition** through the Specialist Recognition Advisory Committees (SRACs) process. This is the *only* pathway for recognition of consultant physicians (a subgroup of specialists that includes physicians, rehabilitation specialists and psychiatrists). SRACs for each state and territory are established under the Act and meet every two months. Committee members are appointed by the Minister for Health and Ageing (Section 3DB).

Finally, medical practitioners not domiciled in Australia at the time of application may seek recognition through a **determination of the Minister** (Section 3E).

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## Basis of policy commitment

This Bill will affect the second of the above pathways—the SRACs process. The amendments proposed in the Bill will have the effect of disbanding the SRACs. The Government proposes to do this because it regards these Committees as having effectively been made redundant. Historically, the SRACs have relied on the assessment advice of specialist medical colleges and Medical Registration Boards in making decisions on applications for specialist recognition. Now, however, they have come to use the same assessment processes as those used by specialist medical colleges and Medical Registration Boards.

As a result, the SRACs are now regarded by the Government as adding a redundant administrative layer to the processing of applications. The time between registration of specialists and when they provide services under Medicare is thus unnecessarily extended. Following passage of the Bill it is intended that the decision-making powers of the SRACs will pass to the Delegate of the Minister for Health and Ageing in HIC. This has the potential to streamline application processes for specialist recognition by avoiding the necessity to meet the cut-off dates for applications to the SRACs and wait for up to two months for SRACs meetings.

The amendments proposed in the Bill include the recognition of consultant physicians domiciled in Australia in the second (alternative) pathway following disbanding of the SRACs. This is necessary because, as mentioned above, the SRACs pathway had been the only means by which medical practitioners domiciled in Australia could be recognised as consultant physicians for the purposes of Medicare—disbanding the SRACs would have left consultant physicians without any vehicle for applying for recognition.

## Main provisions

### Schedule 1—Amendment of the *Health Insurance Act 1973*

The Bill proposes to make the following changes to the *Health Insurance Act 1973*:

- **items 1 and 2** amend the definitions of consultant physician and specialists so that they refer to the relevant sections of the amended Act
- **item 10** disbands the Specialist Recognition Advisory Committees (SRACs) and removes reference to them in the Act, while **item 3** repeals the definition of SRACs (no longer be needed after the SRACs have been disbanded)
- **items 4, 5 and 7** include consultant physicians in the new recognition pathway created by this Bill

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- **item 6** provides for the Minister to assume the role previously held by the SRACs in determining that a medical practitioner may be recognised for the purposes of Medicare as a specialist or consultant physician
- **items 8 and 9** make certain technical amendments made necessary by other items in this Bill
- **items 11 and 12** provide for transitional arrangements to ensure that medical practitioners previously recognised by the SRACs will continue to be recognised after these Committees are disbanded, and that applications awaiting consideration by the SRACs at the time they are disbanded will be assessed under the new arrangements following passage of this Bill.

## Concluding comments

This Bill involves minor changes to existing procedures and has not been the subject of significant commentary by opposition/minor parties or interest groups. The fact that it will remove the necessity to meet the cut-off dates for applications to the SRACs and to wait for up to two months for SRAC meetings means that the proposed changes are likely to streamline processes under which certain medical practitioners are recognised as specialists or consultant physicians for Medicare rebate purposes.

## Endnotes

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1 Note that a Bill currently before the Parliament, the *Human Services Legislation Amendment Bill 2005*, proposes to replace HIC (an authority with separate legal personality to the Commonwealth) with Medicare Australia (a body which, from a legal point of view, will be part of the Commonwealth).

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