



Private Health Insurance (Transitional Provisions and Consequential Amendments) Bill 2006

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Contents

Purpose.....	2
Main provisions	2
Concluding comments	4

Private Health Insurance (Transitional Provisions and Consequential Amendments) Bill 2006

Date introduced: 15 December 2006

House: House of Representatives

Portfolio: Health and Ageing

Commencement: As outlined in the following table:

Provision	Commencement
Sections 1 to 3 (and anything in this Act not elsewhere covered below):	On Royal Assent
Sections 4 to 56; Schedule 1, items 1 to 61; Schedule 2, item 1; Schedule 2, items 3 to 108; Schedule 3, items 10 to 16	1 April 2007
Schedule 3, items 1 and 2; Schedule 3, items 4 to 8	1 July 2007
Schedule 1, item 62; Schedule 2, item 2; Schedule 3, item 3; Schedule 3, item 9	1 July 2008

Purpose

This Bill provides for the transition from the current regulatory regime to the new Private Health Insurance Bill. For a detailed explanation and discussion of the new *Private Health Insurance Bill 2007*, see the Bills Digest, at <http://www.aph.gov.au/library/pubs/bd/2006-07/07bd081.pdf>.

The Bill also provides for the repeal of redundant Parts of the *National Health Act 1953* and *Health Insurance Act 1973* and makes amendments to a range of other Acts, mainly to reflect changes in the definitions of insurers and the products they offer.

Main provisions

Part 1 addresses preliminary matters such as definitions used in the Bill (Clause 4).

Part 2 provides for transitional arrangements in relation to private health insurance incentive programs. These relate to Chapter 2 of the Private Health Insurance Bill.

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The transitional arrangements include the continuation of the Private Health Insurance Rebate (Division 1) and Lifetime Health Cover arrangements (Clause 8). The Private Health Insurance Bill proposes to remove Lifetime Health Cover Loadings from people who have paid a loading for ten continuous years. Clause 9 of this Bill ensures that a person's permitted days without cover and periods when they are taken to have hospital cover under the previous regime are considered in working out periods of 10 years' continuous cover.

Part 3 provides for transitional provisions relating to complying health insurance products. These relate to Chapter 3 of the Private Health Insurance Bill.

The arrangements include:

- a transition period to ensure that private health insurance products of health insurers registered under the current regime comply with the new Act (Clause 10), and
- a provision ensuring that people who have served all or part of their waiting period for an applicable benefits arrangement or table of ancillary benefits under the current regime do not have to serve that period or part of the period again under the new Act (Clause 13)

Part 4 provides for transitional arrangements in relation to obligations on those registered to carry out private health insurance. These relate to Chapter 4 of the Private Health Insurance Bill.

The arrangements include:

- a transitional period of 15 months for hospitals to make an application to be declared a hospital under the proposed new Act (Clause 15)
- a transitional registration regime for organisations registered as insurers under the National Health Act to be taken as private health insurers under the proposed new act until 1 July 2008 (Clause 18), and
- clarification that a health benefits fund conducted by an insurer registered under the National Health Act that existed before the commencement of the proposed new Act, including all of its assets and liabilities, is taken to be a health benefits fund under the proposed new Act (Clause 21).

Part 5 provides for transitional arrangements in relation to enforcement of the Bill by the Minister and PHIAC. These relate to Chapter 5 of the Private Health Insurance Bill.

The arrangements include:

- provision that existing enforcement provisions continue to apply despite the repeal of the relevant Division of the National Health Act in respect of any breach of that Act and any enforcement action initiated under that Act (Clause 23), and

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- provision that investigations into affairs of registered organisations can continue despite the repeal of the relevant sections of the National Health Act (Clause 24).

Part 6 provides for transitional provisions in relation to administrative matters. These relate to Chapter 6 of the Private Health Insurance Bill and include transitional arrangements for the Private Health Insurance Ombudsman (Division 1), Private Health Insurance Administration Council (Division 2) and administration of the Private Health Insurance Rebate (Division 3).

Part 7 provides for the Minister for Health and Ageing to make Private Health Insurance (Transition) Rules providing for matters identified in the Bill or to give effect to the Bill (Clause 55). This Part also provides for the Governor General to make rules for the purposes of the Bill (Clause 56).

Schedule 1 repeals redundant provisions (Part 1) and Acts (Part 2) in order to provide for transition to the new Private Health Insurance Bill.

Schedules 2 and 3 amend various Acts in order to provide for transition to the new Private Health Insurance Bill.

Concluding comments

As noted above, this Bill provides for arrangements related to the transition from the current regulatory regime to the new one.

As might be expected, most of the debate about the new regulatory regime for private health insurance has focused on the main Bill (the Private Health Insurance Bill), rather than the transitional arrangements in this Bill. Nevertheless, as discussed in the Bills Digest for the Private Health Insurance Bill, some commentators have argued that more attention should be given to interim safety and quality arrangements in the new regime (see page 11 of the Bills Digest). Any such arrangements could require amendments to part 4 of this Bill.

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