

**Senate Community Affairs Committee**

**ANSWERS TO ESTIMATES QUESTIONS ON NOTICE**

**HEALTH PORTFOLIO**

**Supplementary Budget Estimates 2015 - 2016, 21 October 2015**

**Ref No:** SQ15-000708

**OUTCOME:** 3 - Access to Medical and Dental Services

**Topic:** Pathology

**Type of Question:** Written Question on Notice

**Senator:** Di Natale, Richard

**Question:**

- a) Pathology - with regards the new Part 11BA required the passing of Regulations to define acceptable market rents for co-located collection centres - can you explain where that has got to?
- i) I understand the government has agreed to rectify this matter via a clarification of the existing intent of the regulation. Is that right?
- ii) Does the solution require clearer and more effective regulation requiring proposed rents payable to be compared to a robust database of rents in the surrounding area (presently +/- 20% which is in the existing regulations)?

**Answer:**

Part 11BA of the *Health Insurance Act 1973* (the Act), which deals with certain prohibited practices in relation to pathology and diagnostic imaging, was amended in 2008 to more clearly express the government's intention to prevent inducement and other inappropriate arrangements between providers and requestors and to create an enforcement framework that could be effectively applied. The prohibited practices provisions under the Act prohibit providers of pathology or diagnostic imaging services from offering or making a payment, or other benefit, for property, goods or services to a requester of those services where the payment is substantially different (+20 per cent) from the market value of a similar property.

Rents charged for co-located Approved Collection Centres are a function of market forces. No changes are being considered to the current regulatory framework as it relates to prohibited practices and market rent.

The Minister for Health, the Hon Sussan Ley MP, has asked the Department of Health to continue to work with stakeholders on improving transparency and strengthening compliance under the existing regulatory framework.