

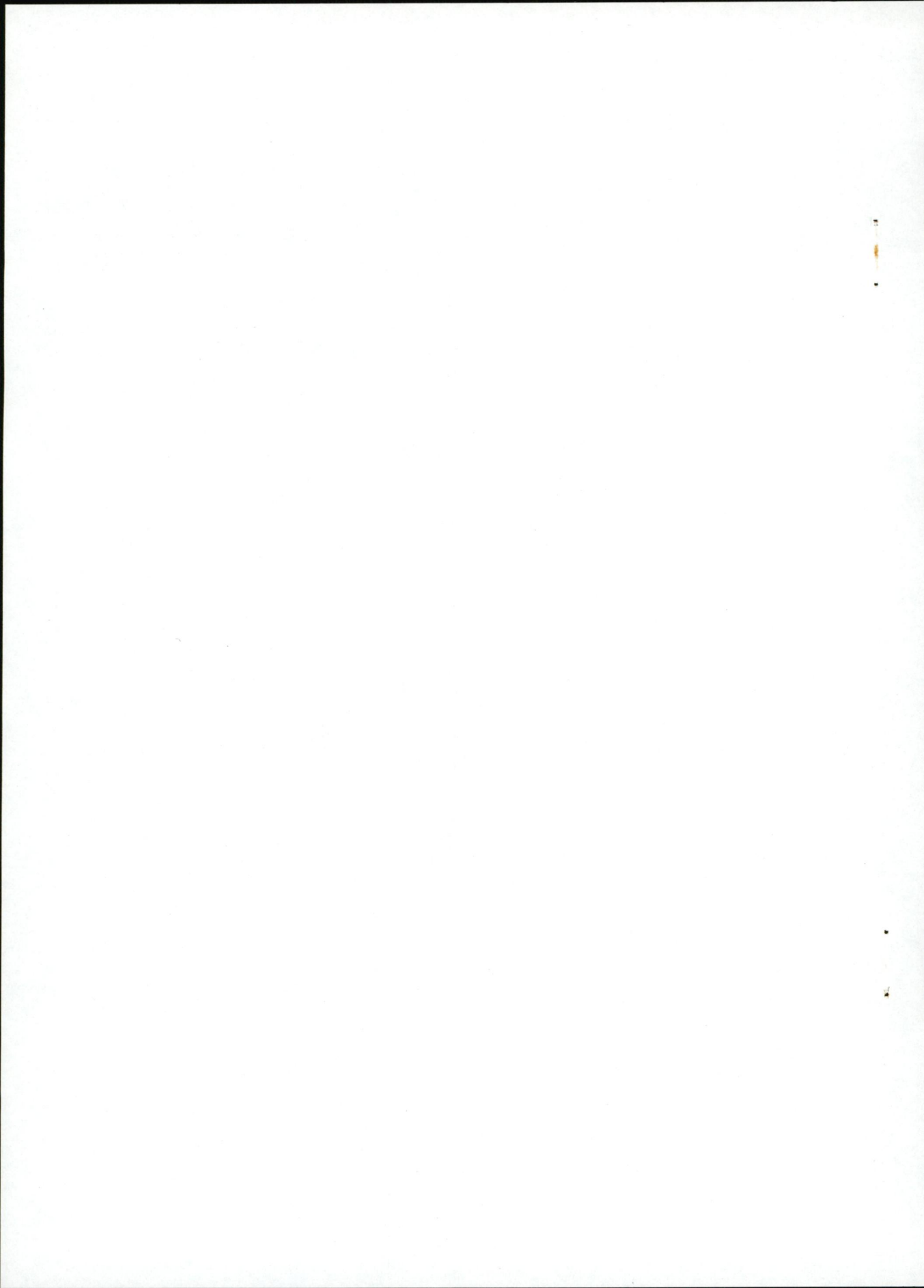
**HEALTH ADMINISTRATION (MEDICARE) AMENDMENT
ACT 1994 No. 2**

NEW SOUTH WALES



TABLE OF PROVISIONS

1. Short title
 2. Commencement
 3. Amendment of Health Administration Act 1982 No. 135
-



**HEALTH ADMINISTRATION (MEDICARE) AMENDMENT
ACT 1994 No. 2**

NEW SOUTH WALES



Act No. 2, 1994

An Act to amend the Health Administration Act 1982 to adopt the Medicare Principles and Commitments set out in the Health Insurance Act 1973 of the Commonwealth. [Assented to 2 May 1994]

The Legislature of New South Wales enacts:**Short title**

1. This Act may be cited as the Health Administration (Medicare) Amendment Act 1994.

Commencement

2. This Act commences on the date of assent.

Amendment of Health Administration Act 1982 No. 135

3. The Health Administration Act 1982 is amended by inserting after Part 3 the following Part:

PART 4—MEDICARE PRINCIPLES AND COMMITMENTS**Medicare Principles and Commitments**

35. (1) The Medicare Principles and Commitments are established as guidelines for the delivery of public hospital services to eligible persons in New South Wales.

(2) The Medicare Principles and Commitments are as follows:

MEDICARE PRINCIPLES

The Commonwealth and the States are committed to the following principles in the provision of public hospital services:

Explanatory Note: The Principles focus on the provision of public hospital services to eligible persons, but operate in an environment where eligible persons have the right to choose private health care in public and private hospitals supported by private health insurance.

Choices of services

Principle 1: Eligible persons must be given the choice to receive public hospital services free of charge as public patients

Explanatory Note 1: Hospital services include in-patient, out-patient, emergency services (including primary care where appropriate) and day patient services consistent with currently acceptable medical and health service standards.

Health Administration (Medicare) Amendment Act 1994 No. 2

Explanatory Note 2: At the time of admission to a hospital, or as soon as practicable after that, an eligible person will be required to elect or confirm whether he or she wishes to be treated as a public or private patient.

Universality of services

Principle 2: Access to public hospital services is to be on the basis of clinical need

Explanatory Note 1: None of the following factors are to be a determinant of an eligible person's priority for receiving hospital services:

- whether or not an eligible person has health insurance;
- an eligible person's financial status or place of residence;
- whether or not an eligible person intends to elect, or elects, to be treated as a public or private patient.

Explanatory Note 2: This principle applies equally to waiting times for elective surgery.

Equity in service provision

Principle 3: To the maximum practicable extent, a State will ensure the provision of public hospital services equitably to all eligible persons, regardless of their geographical location

Explanatory Note 1: This principle does not require a local hospital to be equipped to provide eligible persons with every hospital service they may need.

Explanatory Note 2: In rural and remote areas, a State should ensure provision of reasonable public access to a basic range of hospital services which are in accord with clinical practices.

COMMITMENTS

In order to achieve Principles 1 to 3, the Commonwealth and States make the following Commitments regarding public hospital services for eligible persons:

Information about service provision

Commitment 1: The Commonwealth and a State must make available information on the public hospital services eligible persons can expect to receive as public patients

Explanatory Note 1: The State development of a Public Patients' Hospital Charter in consultation with the Commonwealth will be a vehicle for the public dissemination of this information.

Explanatory Note 2: The Charter will set out the public hospital services available to public patients.

Efficiency and quality in service provision

Commitment 2: The Commonwealth and the States are committed to making improvements in the efficiency, effectiveness and quality of hospital service delivery

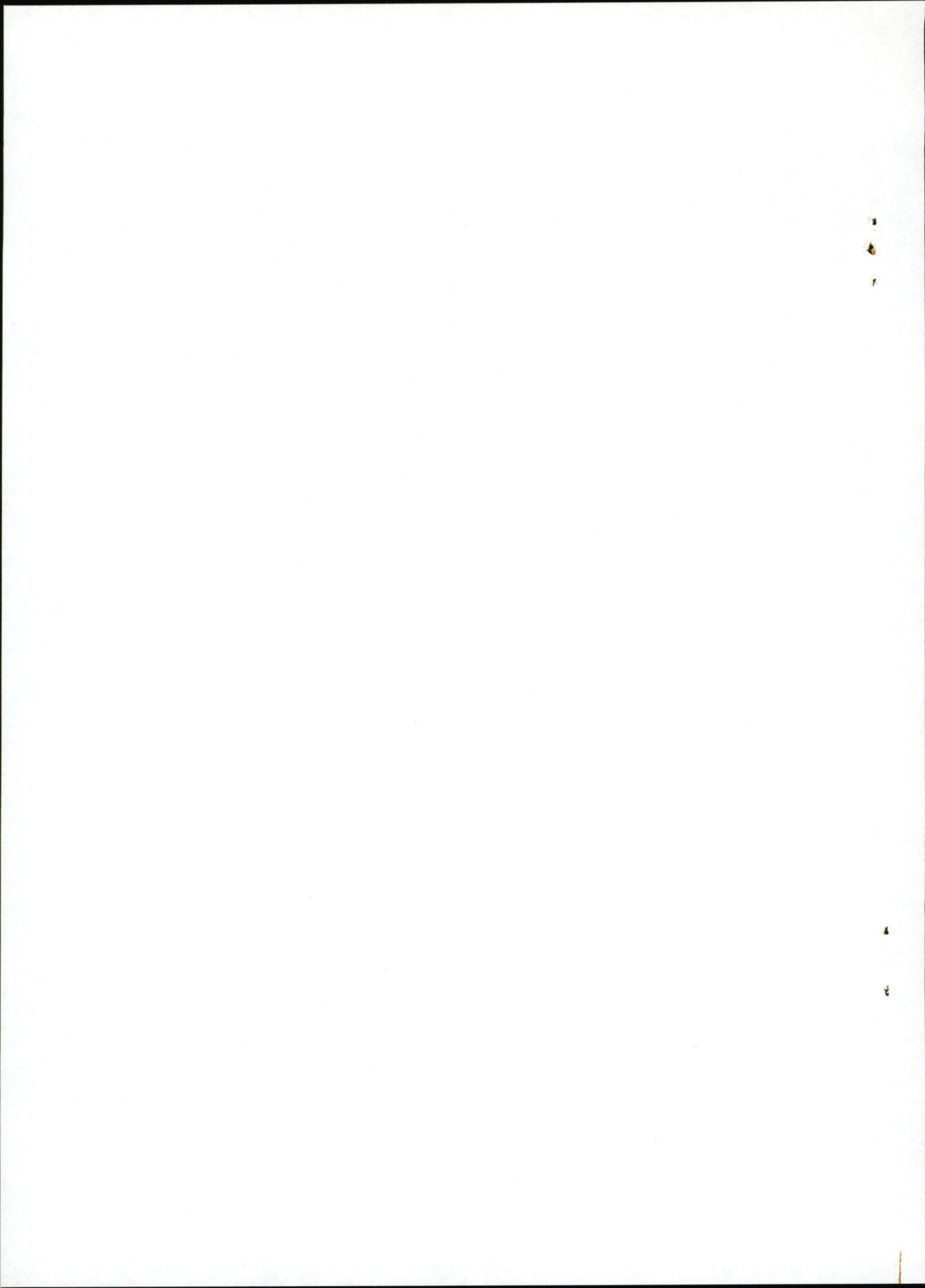
Explanatory Note: This includes a commitment to quality improvement, outcome measurement, management efficiency and effort to integrate the delivery of hospital and other health and health-related community services.

Health Administration (Medicare) Amendment Act 1994 No. 2

(3) Nothing in this Part gives rise to, or can be taken into account in, any civil cause of action, and, without limiting the generality of the foregoing, nothing in this Part operates to create in any person legal rights not in existence before the enactment of this Part.

(4) In this Part, “**eligible person**” and “**public patient**” have the same meanings as they have in the Health Insurance Act 1973 of the Commonwealth.

[Minister's second reading speech made in—
Legislative Assembly on 27 October 1993
Legislative Council on 13 April 1994]



SECOND PRINT

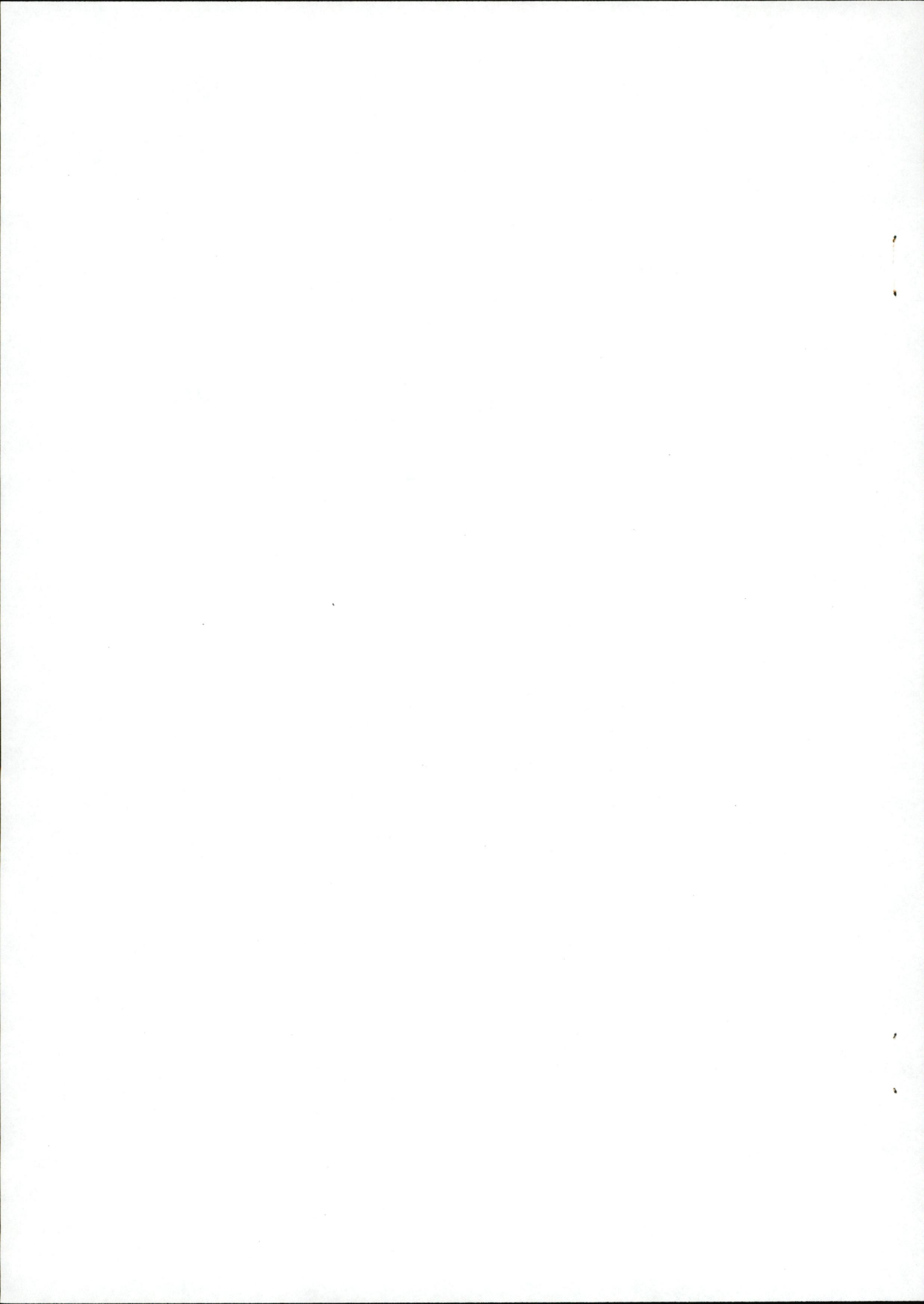
**HEALTH ADMINISTRATION (MEDICARE) AMENDMENT
BILL 1994**

NEW SOUTH WALES



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This PUBLIC BILL, originated in the LEGISLATIVE ASSEMBLY and, having this day passed, is now ready for presentation to the LEGISLATIVE COUNCIL for its concurrence.

Legislative Assembly

Clerk of the Legislative Assembly.

NEW SOUTH WALES



Act No. , 1994

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Health Administration (Medicare) Amendment 1994

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Health Administration (Medicare) Amendment 1994

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HEALTH ADMINISTRATION (MEDICARE) AMENDMENT BILL 1994

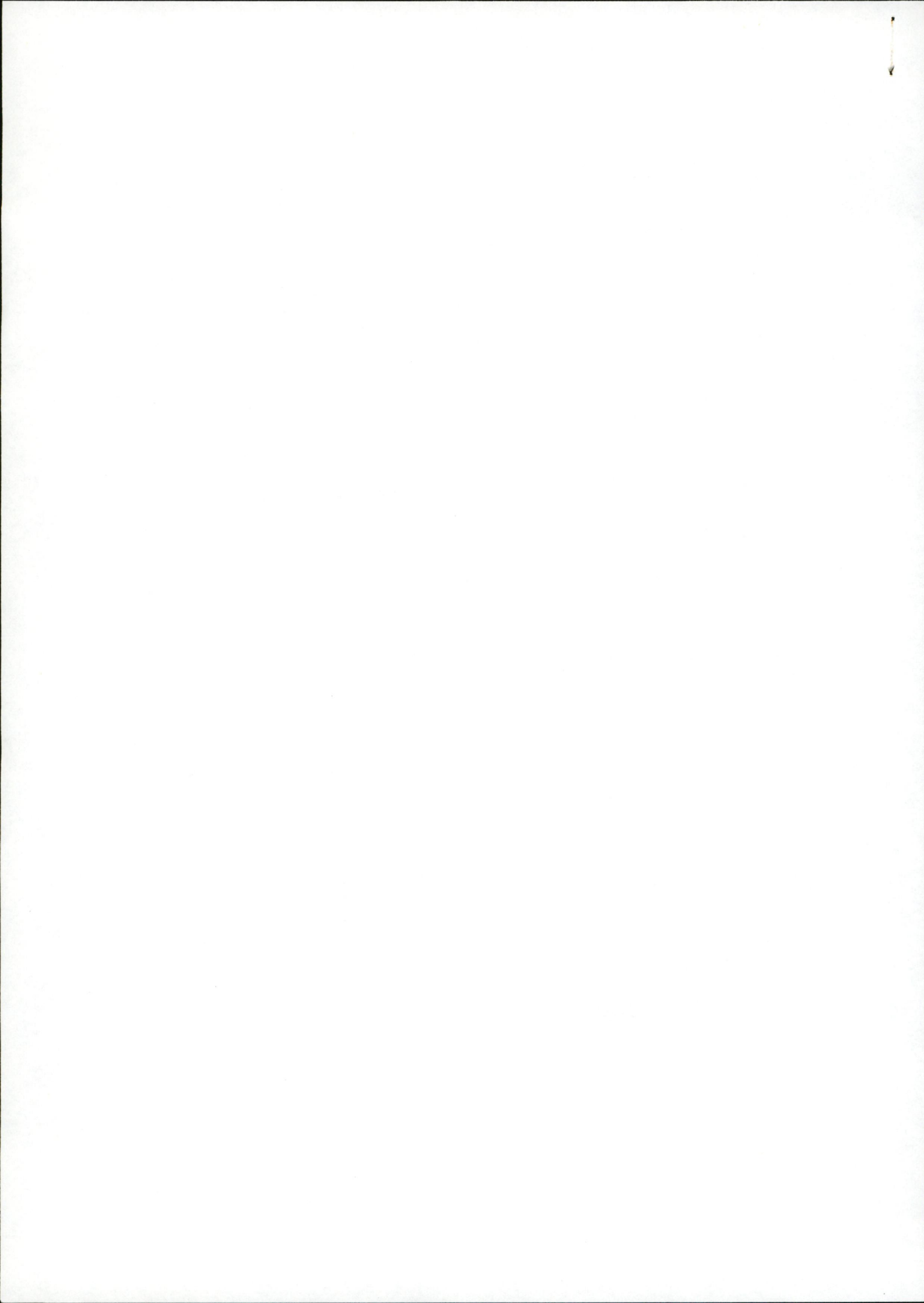
SECOND READING SPEECH

MR PRESIDENT,

IN FEBRUARY 1993 NEW SOUTH WALES ENTERED INTO A NEW FIVE YEAR MEDICARE AGREEMENT WITH THE COMMONWEALTH GOVERNMENT. THIS IS THE THIRD SUCH AGREEMENT BETWEEN NEW SOUTH WALES AND THE COMMONWEALTH. THE AGREEMENT TOOK EFFECT FROM 1 JULY 1993 AND WILL REMAIN IN FORCE UNTIL 30 JUNE 1998.

THE MEDICARE AGREEMENT SETS OUT THE ROLES AND RESPONSIBILITIES OF THE COMMONWEALTH AND NEW SOUTH WALES FOR THE DEVELOPMENT, FUNDING AND DELIVERY OF PUBLIC HOSPITAL SERVICES AND OTHER HEALTH SERVICES.

THE 1993 MEDICARE AGREEMENT ALSO CONTAINS FIVE GENERAL STATEMENTS OF PRINCIPLE ABOUT GUIDELINES FOR THE DELIVERY OF PUBLIC HOSPITAL SERVICES. THE STATEMENTS ABOUT THESE GUIDELINES ARE CALLED MEDICARE PRINCIPLES AND COMMITMENTS.



THE COMMONWEALTH GOVERNMENT HAS AMENDED ITS HEALTH INSURANCE ACT 1973, TO ESTABLISH THE FUNDING MECHANISM FOR FUTURE MEDICARE AGREEMENTS AND TO SET OUT IN LEGISLATION THE MEDICARE PRINCIPLES AND COMMITMENTS CONTAINED IN THE AGREEMENT. UNDER THE MEDICARE AGREEMENT, ALL STATES AND TERRITORIES UNDERTOOK TO ENACT COMPLEMENTARY LEGISLATION TO REFLECT THE PRINCIPLES AND COMMITMENTS SET OUT IN S.26(2) OF THE HEALTH INSURANCE ACT 1973.

MR PRESIDENT, THE HEALTH ADMINISTRATION (MEDICARE) AMENDMENT BILL FULFILLS THIS UNDERTAKING TO ADOPT THE MEDICARE PRINCIPLES AND COMMITMENTS IN NEW SOUTH WALES LEGISLATION AS GUIDELINES FOR THE DELIVERY OF PUBLIC HOSPITAL SERVICES IN THIS STATE.

THE MEDICARE PRINCIPLES AND COMMITMENTS FOCUS ON THE PROVISION OF PUBLIC HOSPITAL SERVICES TO ELIGIBLE PERSONS, WHILE ACKNOWLEDGING THAT THESE SERVICES OPERATE IN AN ENVIRONMENT WHERE INDIVIDUALS HAVE THE RIGHT TO CHOOSE PRIVATE HEALTH CARE IN PUBLIC AND PRIVATE HOSPITALS, SUPPORTED BY PRIVATE HEALTH INSURANCE.

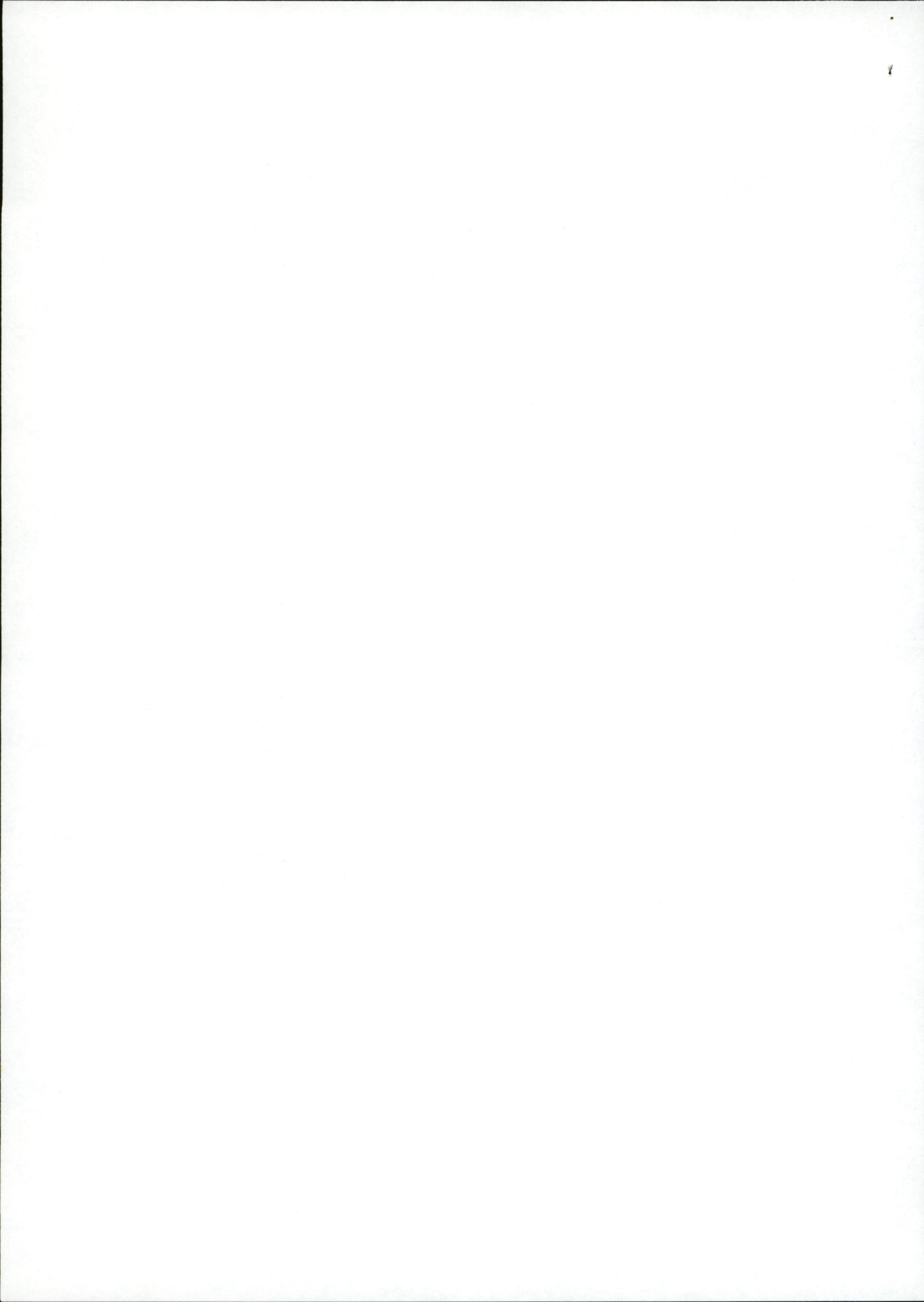
AN ELIGIBLE PERSON IS DEFINED IN THE HEALTH INSURANCE ACT 1973 OF THE COMMONWEALTH AS "AN AUSTRALIAN RESIDENT OR AN ELIGIBLE OVERSEAS REPRESENTATIVE." THIS DEFINITION IS ADOPTED IN THE BILL.

THE BILL STATES THAT THE COMMONWEALTH AND NEW SOUTH WALES ARE COMMITTED TO THREE PRINCIPLES IN THE PROVISION OF PUBLIC HOSPITAL SERVICES.

THE FIRST PRINCIPLE RELATES TO CHOICES OF SERVICES. IT PROVIDES THAT ELIGIBLE PERSONS MUST BE GIVEN THE CHOICE TO RECEIVE PUBLIC HOSPITAL SERVICES FREE OF CHARGE AS PUBLIC PATIENTS.

THE SECOND PRINCIPLE PROVIDES A GUIDELINE ON UNIVERSALITY OF SERVICES. IT STATES THAT ACCESS TO PUBLIC HOSPITAL SERVICES IS ON THE BASIS OF CLINICAL NEED.

THE THIRD MEDICARE PRINCIPLE RELATES TO EQUITY IN SERVICE PROVISION. IT PROVIDES THAT, TO THE MAXIMUM PRACTICABLE EXTENT, NEW SOUTH WALES WILL ENSURE THE PROVISION OF PUBLIC HOSPITAL SERVICES EQUITABLY TO ALL ELIGIBLE PERSONS, REGARDLESS OF GEOGRAPHICAL LOCATION.

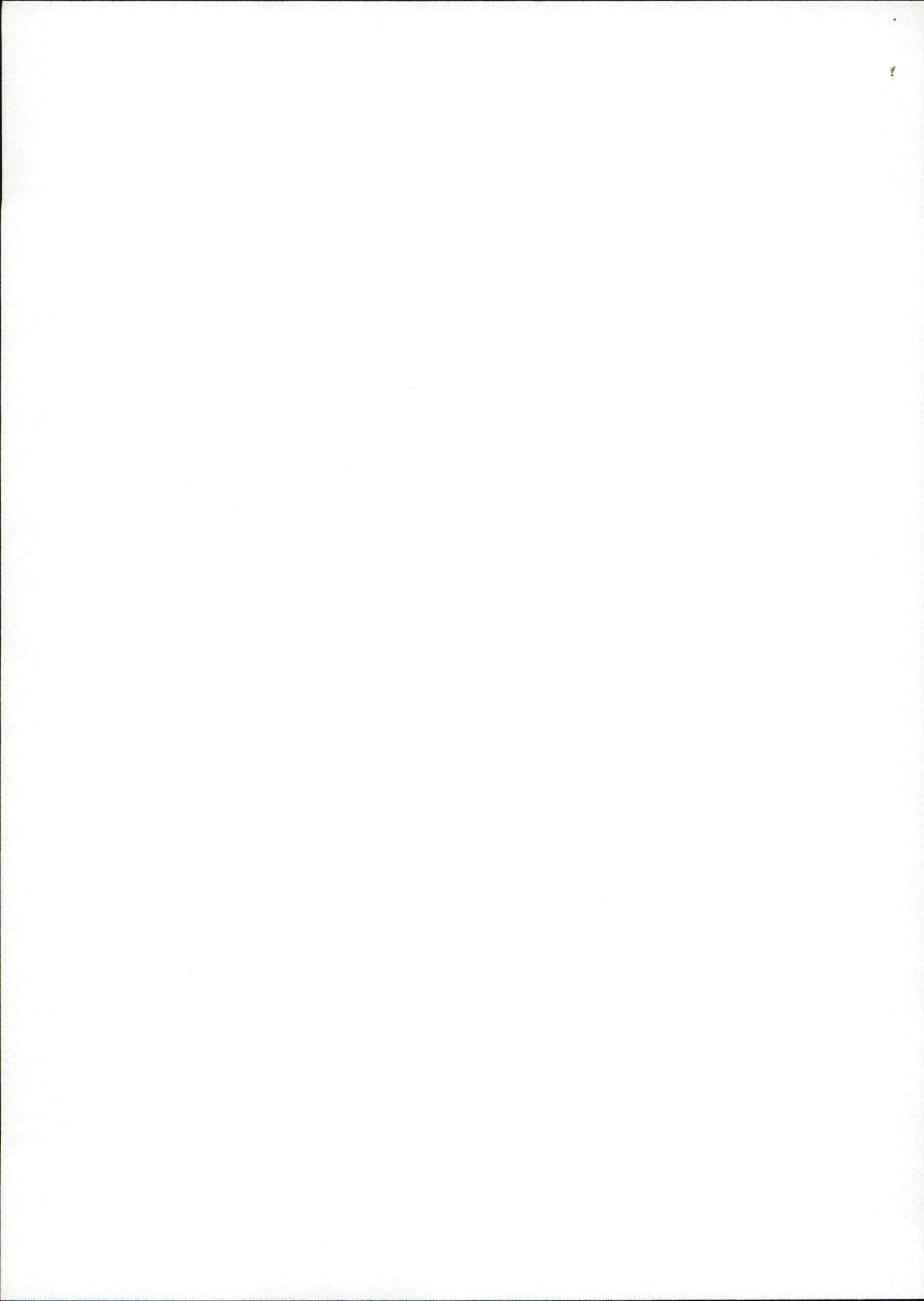


MR PRESIDENT, IN ADDITION TO THESE THREE PRINCIPLES, THE BILL SETS OUT TWO COMMITMENTS REGARDING PUBLIC HOSPITAL SERVICES FOR ELIGIBLE PERSONS. THE COMMITMENTS ASSIST THE MEDICARE PRINCIPLES TO BE ACHIEVED.

THE FIRST COMMITMENT IS A GENERAL GUIDELINE FOR INFORMATION ABOUT SERVICE PROVISION IN PUBLIC HOSPITALS. IT PROVIDES THAT THE COMMONWEALTH AND NEW SOUTH WALES MUST MAKE AVAILABLE INFORMATION ON THE PUBLIC HOSPITAL SERVICES WHICH ELIGIBLE PERSONS CAN EXPECT TO RECEIVE AS PUBLIC PATIENTS.

THE SECOND COMMITMENT COVERS EFFICIENCY AND QUALITY IN SERVICE PROVISION. IT PROVIDES THAT THE COMMONWEALTH AND NEW SOUTH WALES ARE COMMITTED TO MAKING IMPROVEMENTS IN EFFICIENCY, EFFECTIVENESS AND QUALITY OF HOSPITAL SERVICE DELIVERY.

THE GUIDELINES REFLECTED IN THE PRINCIPLES AND COMMITMENTS ARE CLARIFIED BY EXPLANATORY NOTES TO EACH OF THE PRINCIPLES AND COMMITMENTS.



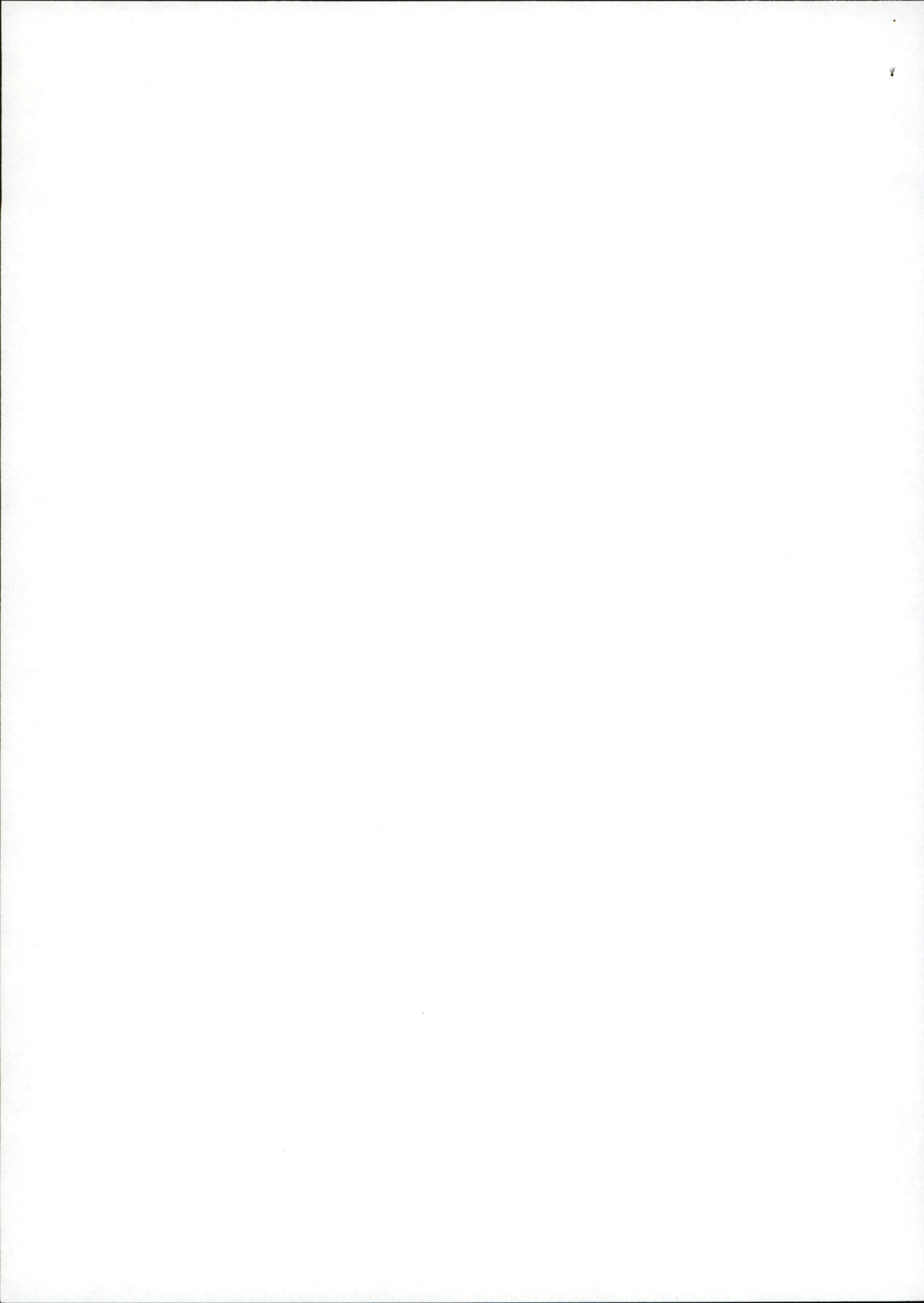
MR PRESIDENT, THE BILL ALSO PROVIDES THAT THE AMENDMENTS WILL NOT CREATE NEW RIGHTS THAT DO NOT OTHERWISE EXIST AT LAW. THIS PROVISION REFLECTS THE FACT THAT THE GUIDELINES ESPOUSED IN THE PRINCIPLES AND COMMITMENTS ARE STATEMENTS OF PRINCIPLE ONLY.

THE INTRODUCTION OF LEGISLATION IN NEW SOUTH WALES WHICH REFLECTS THE WORDING OF THE PRINCIPLES AND COMMITMENTS WILL NOT REQUIRE ANY CHANGES TO CURRENT PUBLIC HOSPITAL SERVICE DELIVERY ARRANGEMENTS IN THIS STATE, PROVISION TO THE COMMONWEALTH OF ADDITIONAL DATA ON SERVICE DELIVERY OR ADDITIONAL STANDARDS MONITORING REQUIREMENTS.

PUBLIC HOSPITAL SERVICE DELIVERY IN THIS STATE IS ALREADY REQUIRED TO BE PROVIDED IN LINE WITH THE GUIDELINES SET OUT IN THE PRINCIPLES AND COMMITMENTS. THE BILL CLEARLY ENUNCIATES THE GUIDELINES AGREED BY NEW SOUTH WALES IN A SIMPLE FORMAT.

THE NEW SOUTH WALES HEALTH SYSTEM USES A RANGE OF MECHANISMS FOR MONITORING AND ENSURING THE QUALITY AND EFFECTIVENESS OF PUBLIC HOSPITAL SERVICES. FOR EXAMPLE:

- THE AUSTRALIAN COUNCIL OF HEALTH CARE STANDARDS ACCREDITS NEW SOUTH WALES PUBLIC HOSPITALS;

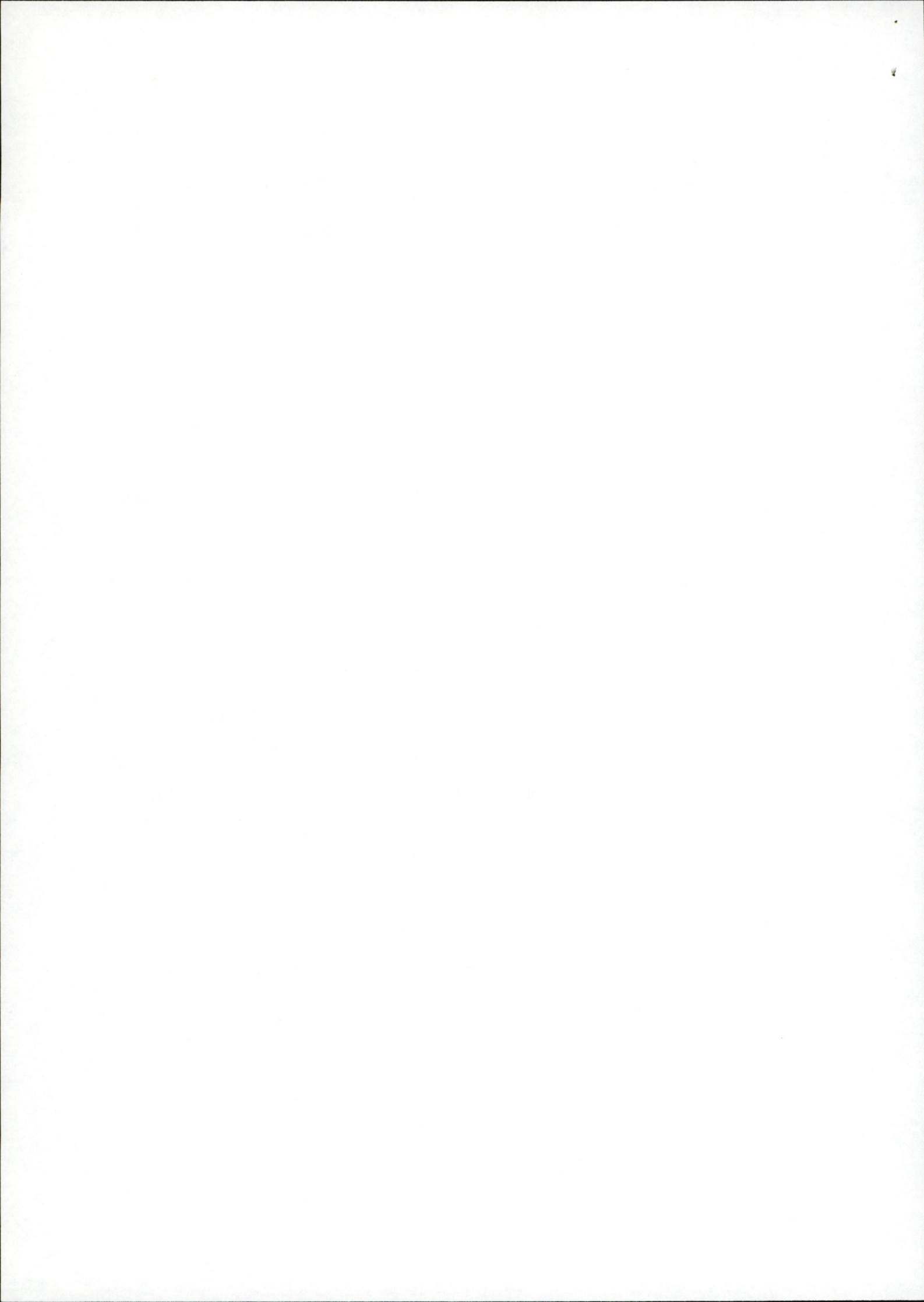


- THE NEW SOUTH WALES DEPARTMENT OF HEALTH'S GUIDE TO ROLE DELINEATION SETS OUT THE MINIMUM SERVICES NECESSARY TO SUPPORT HOSPITAL CORE SERVICES SUCH AS MEDICINE, SURGERY AND OBSTETRICS;

- NEW SOUTH WALES AREA HEALTH SERVICES, RURAL HEALTH DISTRICTS AND PUBLIC HOSPITALS ARE REQUIRED TO HAVE COMPREHENSIVE QUALITY ASSURANCE AND UTILISATION REVIEW PROGRAMS;

- MORBIDITY AND MORTALITY DATA COLLECTIONS ARE MAINTAINED AND ARE ABLE TO BE UTILISED FOR MONITORING THE QUALITY AND EFFECTIVENESS OF CARE FOR SPECIFIC DISEASES AND FOR DIFFERENT SERVICES. THESE INCLUDE PERINATAL MORBIDITY COLLECTION, INPATIENT STATISTICS COLLECTION AND THE CANCER REGISTRY;

- THE NEW SOUTH WALES HEALTH OUTCOMES PROGRAM IS SPECIFICALLY ADDRESSING MEASURES TO IMPROVE OUTCOMES BASED ACCOUNTABILITY IN THE NEW SOUTH WALES PUBLIC HEALTH SYSTEM;

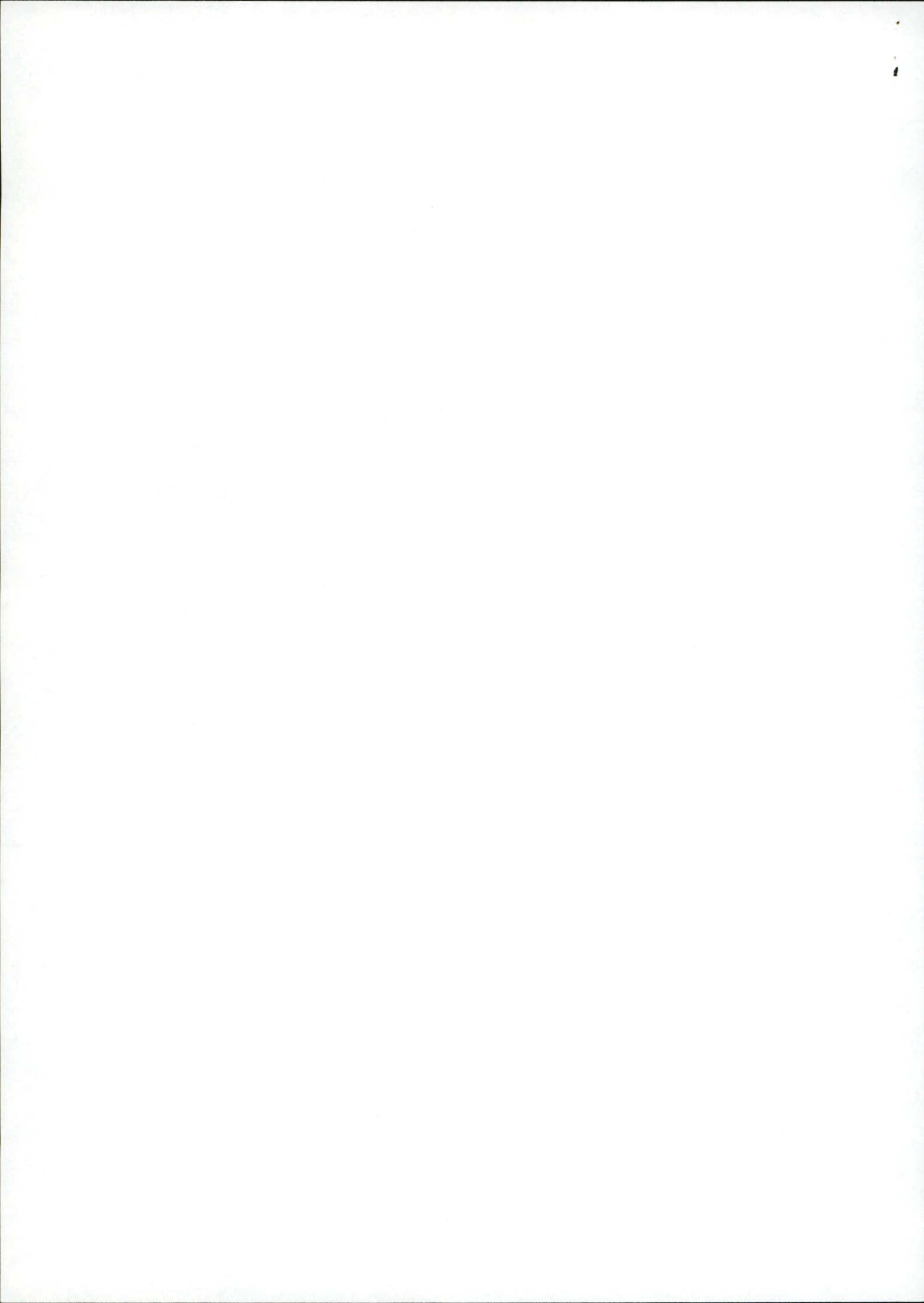


- PUBLIC HEALTH UNITS AND HEALTH PROMOTION UNITS IN AREA HEALTH SERVICES ARE RESPONSIBLE FOR MONITORING THE EFFECTIVENESS OF POPULATION HEALTH MEASURES;

- THE ROLE OF THE CUSTOMER FOCUS UNIT, WHICH WAS ESTABLISHED IN THE NEW SOUTH WALES DEPARTMENT OF HEALTH IN MAY 1993, IS TO COORDINATE ALL THE ELEMENTS OF CUSTOMER SERVICE INCLUDING INFORMATION AND QUALITY IN MANAGEMENT. MONITORING CONTINUES VIA ANNUAL STATEWIDE CUSTOMER SATISFACTION SURVEYS, WITH IMPROVEMENTS ENSURED BY THE ESTABLISHMENT OF KEY OBJECTIVES TO BE ACHIEVED BY ALL HEALTH SERVICES.

MR PRESIDENT, AN IMPORTANT MECHANISM FOR THE DISSEMINATION OF INFORMATION TO CONSUMERS ABOUT PUBLIC HOSPITAL SERVICES AVAILABLE TO PUBLIC PATIENTS WILL BE IN THE FORM OF A PUBLIC PATIENTS' HOSPITAL CHARTER.

THIS CHARTER IS MENTIONED IN THE EXPLANATORY NOTES TO THE FIRST MEDICARE COMMITMENT.



THE PUBLIC PATIENTS' HOSPITAL CHARTER IS BEING DEVELOPED SEPARATELY BY THE NEW SOUTH WALES DEPARTMENT OF HEALTH, IN CONJUNCTION WITH THE COMMONWEALTH. THE WORDING OF THE PUBLIC PATIENTS' HOSPITAL CHARTER IS NOT REQUIRED TO BE PLACED IN LEGISLATION.

MR PRESIDENT, THE MEDICARE PRINCIPLES AND COMMITMENTS, AS GUIDELINES FOR THE PROVISION OF PUBLIC HOSPITAL SERVICES, REFLECT THE COMMITMENT OF THE NEW SOUTH WALES GOVERNMENT TO CONTINUE TO PROVIDE HIGH QUALITY PUBLIC HOSPITAL FACILITIES AND TREATMENT FOR THE PEOPLE OF THIS STATE. THE HEALTH ADMINISTRATION (MEDICARE) AMENDMENT BILL 1994 PROVIDES A CLEAR SET OF STATEMENTS OF PRINCIPLE ABOUT THE NEW SOUTH WALES GOVERNMENT'S COMMITMENT TO THE PUBLIC HOSPITAL SYSTEM.

I COMMEND THE BILL TO THE HOUSE.

