





# **Private Health Insurance Amendment (Lifetime Health Cover Loading and Other Measures) Act 2013**

**No. 105, 2013**

**An Act to amend the law relating to private health  
insurance, and for related purposes**

Note: An electronic version of this Act is available in ComLaw (<http://www.comlaw.gov.au/>)



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**An Act to amend the law relating to private health  
insurance, and for related purposes**

*[Assented to 29 June 2013]*

The Parliament of Australia enacts:

## **1 Short title**

This Act may be cited as the *Private Health Insurance Amendment  
(Lifetime Health Cover Loading and Other Measures) Act 2013*.

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## **2 Commencement**

This Act commences on 1 July 2013.

## **3 Schedule(s)**

Each Act that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.

## **Schedule 1—Lifetime health cover loading**

### **Part 1—Main amendments**

#### *Private Health Insurance Act 2007*

##### **1 Before subsection 22-15(2)**

Insert:

*Private health insurance tiers*

##### **2 At the end of section 22-15**

Add:

*Lifetime health cover loading*

- (6) For the purposes of applying paragraphs (1)(a), (b) and (c), reduce the amount of the premium, or the amount in respect of a premium, by any part of that amount that is attributable to an increase in the premium in accordance with Division 34.

## **Part 2—Consequential amendments**

### ***Income Tax Assessment Act 1936***

#### **3 After paragraph 264BB(2)(gb)**

Insert:

- (gc) whether the premium has been increased in accordance with Division 34 of the *Private Health Insurance Act 2007*, and if so, the amount of the increase;

## **Part 3—Application provision**

### **4 Application provision**

The amendment made by item 2 applies in relation to a premium, or an amount in respect of a premium, paid on or after 1 July 2013 under a complying health insurance policy, to the extent that the premium or amount relates to one or more days that are on or after 1 July 2013.

## Schedule 2—Incentive payments scheme

### Part 1—Main amendments

#### *Private Health Insurance Act 2007*

##### 1 Paragraph 3-5(b)

Repeal the paragraph.

##### 2 Section 15-1

Omit:

(b) payments in return for payments of premiums under complying health insurance policies (see Division 26);
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##### 3 Part 2-2 (heading)

Repeal the heading, substitute:

### Part 2-2—Premiums reduction scheme

##### 4 Section 20-1

Repeal the section, substitute:

##### 20-1 What this Part is about

To encourage people to take out, and continue to hold, private health insurance, this Part provides that people may reduce the premiums payable for their complying health insurance policies by participating in the premiums reduction scheme in Division 23.
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Note: The premiums reduction scheme is complemented by the private health insurance offset provided for by Subdivision 61-G of the *Income Tax Assessment Act 1997*.

##### 5 Section 20-5

Omit “and the \*incentive payments scheme”.

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**6 Division 26**

Repeal the Division.

**7 Paragraph 206-1(1)(a)**

Repeal the paragraph.

**8 Section 230-1**

Omit:

(c) deals with some general administrative matters relating to the incentives schemes in Part 2-2;

substitute:

(c) deals with some general administrative matters relating to the premiums reduction scheme in Part 2-2;

**9 Part 6-4 (heading)**

Repeal the heading, substitute:

**Part 6-4—Administration of premiums reduction scheme**

**10 Section 276-1**

Omit “and an incentives payment scheme”.

**11 Section 276-1**

Omit “schemes”, substitute “scheme”.

**12 Division 279 (heading)**

Repeal the heading, substitute:

**Division 279—Reimbursement of participating insurers and powers of Chief Executive Medicare**

**13 Division 282 (heading)**

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Repeal the heading, substitute:

**Division 282—Recovery of amounts and other matters**

**14 Paragraphs 282-1(1)(a), (b) and (c)**

Repeal the paragraphs.

**15 Paragraph 282-1(2)(a)**

Repeal the paragraph.

**16 Paragraph 282-15(1)(a)**

Repeal the paragraph, substitute:

- (a) a decision that an amount is recoverable as a debt due to the Commonwealth under paragraph 282-1(1)(h) in respect of a payment made to an individual;

**17 Subsection 282-18(1)**

Repeal the subsection, substitute:

- (1) This section applies if the amount of a premium payable during a financial year under a \*complying health insurance policy is reduced because of the operation or purported operation of Division 23.

**18 Subsection 282-18(2)**

Omit “(if any) and payment (if any)”.

**19 Section 328-5 (table item 3)**

Repeal the item.

**20 Section 328-5 (table item 40)**

Repeal the item.

**21 Clause 1 of Schedule 1 (definition of *incentive payments scheme*)**

Repeal the definition.

## **Part 2—Consequential amendments**

### ***Income Tax Assessment Act 1997***

#### **22 Section 11-15 (table item headed “social security or like payments”)**

Omit:

private health insurance ..... 52-125

#### **23 Subdivision 52-D**

Repeal the Subdivision.

#### **24 Section 61-200**

Omit “or receiving a payment under Division 26 of that Act”.

#### **25 Subsection 61-210(2)**

Repeal the subsection, substitute:

*Reduction because PHII benefit received in another form*

(2) Subsections (3), (4) and (5) apply if the amount of the premium was reduced because of the operation or purported operation of Division 23 of the *Private Health Insurance Act 2007*.

#### **26 Subsection 61-210(3)**

Omit “(if any) and payment (if any)”.

### ***Taxation Administration Act 1953***

#### **27 Subsection 355-65(2) in Schedule 1 (table item 8)**

Omit “premiums reduction and incentive payment schemes) or 6-4 (about administration of those schemes)”, substitute “premiums reduction scheme) or 6-4 (about administration of that scheme)”.

## Part 3—Saving provisions

### 28 Saving provisions

- (1) Despite the amendments made by items 6 and 19, Division 26 and section 328-5 of the *Private Health Insurance Act 2007* (as in force immediately before the commencement of those items) continue to apply on and after that commencement in relation to claims made under section 26-10 of that Act before that commencement.
- (2) Despite the amendments made by items 13 to 18 and 20, Division 282 and section 328-5 of the *Private Health Insurance Act 2007* (as in force immediately before the commencement of those items) continue to apply on and after that commencement in relation to payments made under Division 26 of that Act before, on or after that commencement.
- (3) Despite the amendments made by items 23, 25 and 26, Subdivision 52-D and section 61-210 of the *Income Tax Assessment Act 1997* (as in force immediately before the commencement of those items) continue to apply on and after that commencement in relation to payments made under Division 26 of the *Private Health Insurance Act 2007* before, on or after that commencement.
- (4) Despite the amendment made by item 27, table item 8 in subsection 355-65(2) in Schedule 1 to the *Taxation Administration Act 1953* (as in force immediately before the commencement of this item) continues to apply on and after that commencement in relation to the making of records or disclosures on or after that commencement.

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*[Minister's second reading speech made in—  
House of Representatives on 28 November 2012  
Senate on 17 June 2013]*

(211/12)

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