



Consultation on expanding the list of health professionals eligible for risk equalisation of private health insurance benefits under chronic disease management programs

Introduction

Private health insurers (insurers) are permitted to pay benefits for general treatment services. Allied health services, such as those provided by a physiotherapist or psychologist, are examples of services funded under general treatment products. General treatment services may also be eligible for the risk equalisation pool if they meet the requirements of chronic disease management plans (CDMPs) as specified in Rule 12 of the [Private Health Insurance \(Health Insurance Business\) Rules 2018](#) (PHI Business Rules).

In this consultation paper, the Australian Government Department of Health and Aged Care (the department) is proposing to expand the list of health professionals for which insurer benefits under CDMPs will be eligible for risk equalisation across health insurers. Furthermore, the department is also seeking information to better understand insurers' approaches to planning and executing CDMPs.

A consultation paper was previously published which included a proposal concerning chronic disease management plans. More information can be found at: [Private health insurance reforms – second wave – December 2020](#).

Regulatory framework

In accordance with Rule 12(1) of the PHI Business Rules, the purpose of CDMPs is to reduce complications in a person with a diagnosed chronic disease to either prevent or delay the onset of chronic disease for a person with identified multiple risk factors.

Accordingly, the requirements of CDMPs to be eligible for the PHI benefits and inclusion to the risk equalisation pool under the PHI Business Rules and other related regulations are:

- a written plan for a patient that specifies the allied health services to be provided, the frequency and duration of service provision, the date of plan review, and consent of the patient – Rule 12(1)(b);
- coordination of the plan is undertaken by a person who will ensure the services are provided according to the plan, and monitoring the patient's progress – Rule 12(1)(c);
and
- allied health services are provided by a Medicare-eligible allied health professional specified in the list – Rule 12(2).

In accordance with Rule 81(1) of the [Private Health Insurance Act 2007](#) (Act), insurers can only pay for benefits for a treatment that meets the standards set out in the [Private Health Insurance \(Accreditation\) Rules 2011](#) (Accreditation Rules). Only health care providers who meet the criteria set out in the Accreditation Rules can be considered for inclusion in the list of health professionals eligible for PHI-funded CDMPs.

Proposal

The department is proposing to expand the list of health professionals eligible for PHI benefits under CDMPs to a wider range of professional groups. Stakeholders indicated that there are existing health professional groups who are already assisting with treatment for patients with chronic disease, particularly mental health care.

The proposed expansion aims to address existing gaps in mental health care accessibility and encourage comprehensive coverage for individuals seeking support within the PHI system. As practice nurses and nurse practitioners are already eligible for Medicare benefits to treat a person with a chronic disease in recognition of their qualifications, experience, and expertise. This proposal aims to reflect this eligibility in PHI-funded CDMPs. This will facilitate increased access to mental health service and greater incentive for private health insurers to fund out of hospital service that are eligible for the risk equalisation pool.

The following health providers, eligible under the Accreditation Rules, are proposed to be included in the list of health professionals in Rule 12(2) of the PHI Business Rules:

- **Practice Nurse:** a registered or enrolled nurse who is employed by, or whose services are otherwise retained by, a general practice or by a health service that has an exemption to claim Medicare benefits under sub-section 19(2) of the [Health Insurance Act 1973](#). Some MBS items for services provided by a practice nurse include: 10997, 93200, 93201, 93202, 93203.
- **Nurse practitioner:** a registered nurse with the experience, expertise, and authority to diagnose and treat people of all ages with a variety of acute or chronic health conditions. Nurse practitioners have completed additional university study at master's degree level and are endorsed by the Nursing and Midwifery Board of Australia as a nurse practitioner. Some MBS items for services provided by a nurse practitioner include: 82200, 82205, 82210, 82215.
- **Mental health nurse:** a registered nurse who holds a recognised specialist qualification in mental health nursing. To become a Credentialed Mental Health Nurse (CMHN), they must meet specific criteria related to registration, education, practice experience, professional development, and professional integrity. Some MBS items for services provided by a mental health nurse include: 81010, 93026 and 93029.

Regulation changes

- Proposed amendment to Rule 12(2) of the PHI Business Rules to amend the term 'allied health service' to 'health service' and 'allied health professionals' to 'health professionals' to better reflect the inclusion of certain nurse providers.
- Addition to the list in Rule 12(2) of the PHI Business Rules of practice nurses, nurse practitioners, and mental health nurses.
- Consequential amendments to related legislation to update references to 'allied health services', such as the [Private Health Insurance \(Risk Equalisation Policy\) Rules 2015](#).

Questions

The department seeks feedback on the proposal and invites stakeholders to provide input by responding to the following questions as relevant:

- Do you agree that practice nurses, mental health nurses and/or nurse practitioners should be added to the list of health professionals eligible for benefits under CDMPs?
- What is the process for identifying a patient to participate in a chronic disease management program?
- How is it determined which health care professionals are eligible under insurer CDMP framework?
- What information is considered in developing the written plan?
- What is the process to ensure the person is provided with a copy of the plan and their consent to the plan is obtained?
- How does coordination, monitoring, review of the plan, and provision of relevant services occur?
- Are there any other aspects of chronic disease management programs which should be considered?

The Department welcomes all feedback, including additional measures or proposals to address the issues outlined in this paper.

How to respond

Please submit your response via email to PHIconsultation@health.gov.au by **2 August 2024**.

To support stakeholder engagement, the department intends to publish responses. Respondents are asked to clearly identify specific elements of the response which are considered confidential and not for publication, as well as the reasons the specific elements are considered confidential. Confidential feedback may still be subject to access under freedom of information laws. The freedom of information process includes consultation with a respondent prior to a decision about the release of information.