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THE PRIVATE HEALTH CARE FACILITIES BILL 2014 (VIC): RED-TAPE RELIEF FOR MANY, NEW BURDENS FOR SOME.

4 JULY 2014

The *Private Health Care Facilities Bill 2014* was introduced to the Victorian Parliament on 27 May 2014 and is set to deliver a much desired reduction in red tape and regulation to the private healthcare industry in this state.

Private healthcare providers comprise a substantial industry sector in Victoria, with 164 hospitals and day procedure centres treating around 400,000 patients annually and employing over 12,000 people. Private healthcare facilities are also prominent providers of surgical services in the state, carrying out over 60% of all elective surgery each year.

The Victorian government's proposed reforms to the sector are part of its broader RTR (Red Tape Reduction) policy which aims to reduce the regulatory burden across the entire Victorian economy by 25% in the coming years. The proposed regime, however, also expands the definition of "private day procedure centre" to include private healthcare facilities that were not previously required to be registered. The types of facilities which will be affected by this change are those in which invasive treatments are not frequently provided by the business, such as cosmetic facilities which occasionally perform liposuction or sclerotherapy and private medical imaging facilities that occasionally perform services involving general anaesthesia.

KEY CHANGES

- The period of registration for private healthcare facilities will be increased from two years to three years.
- There will be a single registration fee payable on initial registration and then once every three years on renewal of the registration. This will replace the current system in which registration fees are payable every two years and there is also a separate annual fee.
- Facilities will no longer be required to seek departmental approval to be able to allocate beds according to demand for services. The current requirement to obtain departmental approval to vary the registration to reflect changed bed allocations will be removed.
- The government will remove the requirement for a provider to demonstrate financial capacity to operate a facility and provide evidence of tenure of the site.
- It will be possible for a facility to be registered to provide services both at the registered address and in other locations.

- The requirement for an applicant to apply for an approval in principle (AIP) to build or alter a private health-care facility will no longer be mandatory. The system allows for new or risk-averse providers to elect to obtain AIP to construct a facility to ensure they comply with the requirements of the Act before outlaying capital for construction (before undergoing final assessment once the facility is complete), and experienced providers to elect for new facilities to undergo assessment only once, immediately prior to the facility being registered to operate.
- A new risk-based reporting regime, requiring providers to report only:
 - whether the private health-care facility was granted or refused accreditation under their quality assurance scheme, and
 - any findings of significant patient risk in private health-care facilities that are identified by independent surveyors as part of the quality assurance scheme assessment.
- The Minister for Health will be provided with the power to exempt a private healthcare facility from any or all of the requirements of the bill where for example, a private healthcare facility delivers public health services.

If passed, the new regulatory regime will be a relief from red tape for the majority of private healthcare providers in Victoria. For those who were previously unregulated, the new requirements will be a burden that must be planned for and diligently managed.

In either event, Victorian private healthcare providers should reassess their registration and compliance policies in light of the proposed changes to ensure they comply with the requirements in the most efficient manner possible.

We will keep you informed of the progress of this Bill through parliament.

WRITTEN BY:

Lucinda Smith | Partner | +61 2 9020 5748 | lsmith@tglaw.com.au
Ruth Hood | Senior Associate | +61 2 8248 3459 | rhood@tglaw.com.au
Ben Cosentino | Lawyer | +61 2 8248 3457 | bcosentino@tglaw.com.au

For further information, please [click here](#) to contact our national Health, Aged Care & Retirement Villages team or contact our office directly:

SYDNEY

Level 25
1 O'Connell Street
Sydney NSW 2000
+61 2 8248 5800

MELBOURNE

Level 39
Rialto South Tower
525 Collins Street
Melbourne VIC 3000
+61 3 8080 3500

MELBOURNE

Level 20
385 Bourke Street
Melbourne VIC 3000
+61 3 9670 6123

BRISBANE

Level 16
Waterfront Place,
1 Eagle Street
Brisbane QLD 4000
+61 7 3338 7500

ADELAIDE

Level 7
19 Gouger Street
Adelaide SA 5000
+61 8 8236 1300

www.tglaw.com.au