



Second-tier default benefits eligibility – Application form

July 2024

Second-tier default benefits eligibility provides access to higher benefits than would otherwise be payable, in some cases, where a private hospital does not have a negotiated agreement with a patient's insurer. Applying for second-tier default benefits eligibility is optional for private hospitals and requires hospitals to meet the assessment criteria in Schedule 5 of the Private Health Insurance (Benefit Requirements) Rules 2011.

Schedules 1, 2 and 3 of the Private Health Insurance (Benefit Requirements) Rules 2011 provide that private health insurers must pay minimum accommodation benefits for most episodes of hospital treatment. These minimum benefits are sometimes referred to as the basic default benefit.

Schedule 5 of the Private Health Insurance (Benefit Requirements) Rules 2011 requires private health insurers to pay second-tier default benefits for most episodes of hospital treatment where the insurer does not have a negotiated agreement with a private hospital that is eligible for second-tier default benefits. Second-tier default benefits are calculated as not less than 85 per cent of the average charge for the equivalent episode of hospital treatment under that insurer's negotiated agreements with comparable private hospitals in the state in which the second-tier eligible hospital is located.

Completing this form will provide the Minister for Health and Aged Care or the minister's delegate with the necessary details for determining whether to place a hospital in the second-tier eligible hospitals class, pursuant to section 121-8A of the Private Health Insurance Act 2007 and

Part 2A of the Private Health Insurance (Health Insurance Business) Rules 2018.

Before completing this form, hospitals should seek their own advice about the value of being eligible for second-tier default benefits and the hospital's ability to meet the assessment criteria.

The second-tier default benefit guidelines provide information about how to apply for second-tier default benefits eligibility, including what evidence is required in support of an application.

Complete the form by entering the information in the fields provided. Email the completed form to phi.hospitals@health.gov.au together with all required attachments.

Application fee

- The current application fee is **\$985**. GST is not applicable to the fee.
- Upon receiving a complete application, the department will issue an invoice for the application fee, usually within three business days.
- The application fee must be paid within seven days of receiving the invoice and may be paid by electronic funds transfer, credit card, cheque or BPAY.
- The department may not commence any part of application assessment until the application fee has been paid in full.

The fee covers the cost of assessing an application for one hospital. Hospital groups seeking eligibility for multiple hospitals must pay one application fee per hospital. There is no provision to waive the application fee. Upon receipt of payment, the application becomes valid and application assessment can then commence.

Hospital details

Declared Hospital and re-applying (currently hold second-tier eligibility)

Declared Hospital (currently do not hold second-tier eligibility)

Hospital awaiting declaration outcome

Hospital name (should match licence/registration/ASIC):

Legal entity (should match licence/registratio/ASIC):

ABN:

Trust (if applicable):

Commonwealth Provider Number:

Hospital physical address

Street:

Suburb/Town:

Sate/Territory:

Postcode:

Address for correspondence

Street/Post box number:

Suburb/Town:

Sate/Territory:

Postcode:

Contact details for this application

Name:

Position:

Phone:

Email:

Hospital details

Administration/General email address for hospital:

Disclaimer: Please note contact details collected will be visible to the Department of Health and Aged Care only.

Assessment criteria

Be a private hospital

This hospital is declared as a private hospital under section 121-5(6) of the *Private Health Insurance Act 2007*.

This hospital is awaiting the outcome of an application for declaration as a private hospital under section 121-5(6) of the *Private Health Insurance Act 2007*.

Date application submitted:

Be accredited

This hospital has current accreditation or interim accreditation from an authorised accrediting agency.

National Safety and Quality Health Service Standards (NSQHS) – contact details for [authorised accreditation agencies](#).

Not bill patients directly for the minimum benefit payable by the patient's insurer

This hospital will claim second-tier default benefits directly from the patient's health insurer and only bill the patient for any charges over and above the benefit, including any excess payable under the patient's health insurance policy.

Make provision for informed financial consent

This is only required if accreditation is first edition.

The hospital is accredited against the second edition of the National Safety and Quality Health Service Standards (NSQHS). Go to [Submit HCP data section](#).

The hospital is accredited against the first edition, please provide:

a document outlining internal procedures the hospital has in place to provide informed financial consent to patients or nominees. (see page 5 of Guidelines);
and

a de-identified sample informed financial consent form, for treatment at the hospital as per the criterion in the [Second-tier default benefit guidelines](#).

Note: an example of an informed financial consent form can be found at the Australian Commission on Safety and Quality in Health Care in [Advisory 18/10 Informed financial consent](#).

Submit Hospital Casemix Protocol (HCP) data to health insurers electronically with every claim for second-tier default benefits

Hospital Casemix Protocol (HCP) data will be submitted to health insurers electronically with every claim.

If the hospital has not provided HCP data with any claims for second-tier default benefits in the past 12 months, please outline the reason.

Reason:

Second-tier hospital category

Hospital bed numbers:

Hospital chair numbers:

Hospital trolley numbers:

Category

Which **one** of the following categories best describes the hospital?

- a. Private hospitals that provide psychiatric care, including treatment of addictions, for at least 50% of the episodes of hospital treatment, and do not fall into category (g).
- b. Private hospitals that provide rehabilitation care for at least 50% of the episodes of hospital treatment, and do not fall into categories (a) or (g).
- c. Private hospitals that do not fall into categories (a), (b) or (g), with up to and including 50 licensed beds.
- d. Private hospitals that do not fall into categories (a), (b) or (g), with more than 50 licensed beds and up to and including 100 licensed beds.
- e. Private hospitals that do not fall into categories (a), (b) or (g), with more than 100 licensed beds, without an accident and emergency unit or a specialised cardiac care unit or an intensive care unit.
- f. Private hospitals that do not fall into categories (a), (b) or (g), with more than 100 licensed beds, with either (or any combination of) an accident and emergency unit or a specialised cardiac care unit or an intensive care unit.
- g. Private hospitals that provide episodes of hospital treatment only for periods of not more than 24 hours.

Attachments

The following mandatory documents have been attached to this application:

Current hospital state licence noting individual hospital name; or

if the state or territory does not issue a licence that shows bed numbers -
Alternative evidence of the number of beds and bed equivalents the hospital
operates.

Current hospital accreditation certificate or interim certificate noting individual hospital
name

if accredited against the first edition of the NSQHS – Sample informed
financial consent (IFC) document and hospital internal IFC procedures.

Declaration

I declare that the information provided in this form is accurate and complete and that I have the
authority to lodge this application on behalf of the hospital.

Signature:

Name

Position:

Date:

Email the completed form to phi.hospitals@health.gov.au together with all required attachments.