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**Health Insurance (Amendment) Act 2013**

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ACTS REFERRED TO

Companies Acts

Health Act 1970 (No. 1)

Health Insurance Act 1994 (No. 16)

Health Insurance Acts 1994 to 2012

Stamp Duties Consolidation Act 1999 (No. 31)

Taxes Consolidation Act 1997 (No. 39)



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*Number 48 of 2013*

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## **HEALTH INSURANCE (AMENDMENT) ACT 2013**

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An Act to amend the Health Insurance Act 1994 to specify the amount of the hospital bed utilisation credit applicable from 1 March 2014; to amend that Act to specify the amount of premium to be paid from the risk equalisation fund, in respect of certain classes of insured persons, from 1 March 2014; to make certain other amendments to that Act; to make consequential amendments to the Stamp Duties Consolidation Act 1999; and to provide for related matters. [25th December, 2013]

**Be it enacted by the Oireachtas as follows:**

### **Definition**

1. In this Act “Principal Act” means the Health Insurance Act 1994.

### **Amendment of section 2 of Principal Act**

2. Section 2(1) of the Principal Act is amended, in the definition of “net premium”, in paragraphs (a) and (b), by substituting the following for subparagraph (i):
  - “(i) excluding the effect (if any) on the premium, for that year of assessment, of section 470 of the Taxes Consolidation Act 1997, and”.

### **Amendment of section 6A of Principal Act**

3. (1) Section 6A of the Principal Act is amended—
  - (a) in subsection (1), in the definition of “changed existing contract”, by substituting “section 7AB(2)” for “section 7AB(2)(a)”,
  - (b) in subsection (1), in the definition of “hospital bed utilisation credit”, by inserting “, or involving an overnight stay in a hospital bed in a publicly funded hospital where a charge is payable under section 55 of the Health Act 1970 for such stay,” after “private hospital accommodation”,
  - (c) in subsection (1), in the definition of “relevant amount”, in paragraph (a), by inserting “, or in a publicly funded hospital where a charge is payable under section 55 of the Health Act 1970 for such stay,” after “private hospital accommodation”, and
  - (d) by deleting subsection (2).

(2) Paragraphs (b) and (c) of subsection (1) comes into operation on 1 January 2014.

#### **Amendment of section 7AB of Principal Act**

4. Section 7AB(3)(a)(ii) and (b)(ii) of the Principal Act is amended by substituting “1 March” for “1 January”.

#### **Amendment of section 7F of Principal Act**

5. Section 7F of the Principal Act is amended—

(a) in subsection (1)(a), (b) and (c), by substituting “1 May” for “1 April”,

(b) in subsection (4)—

(i) by deleting paragraph (a), and

(ii) by substituting the following for paragraph (b):

“(b) The Authority shall take what would constitute a reasonable profit for a registered undertaking in respect of its relevant health insurance business in the State, in respect of the 3 year period from 1 January 2011 to the end of 2013, as being a return on equity that does not exceed 12 per cent per annum in respect of that business for that period as calculated using approved accounting standards and having regard to the European Union Framework for State aid in the form of public service compensation (2011) (2012/C8/03)<sup>1</sup> (the text of which is set out for convenience of reference in Schedule 2).”

(c) in subsection (5)(b), by deleting subparagraph (i),

(d) in subsection (6)(a), by deleting “determined under subsection (4)”,

(e) in subsection (7)—

(i) by substituting “in excess of the reasonable profit” for “in excess of the reasonable profit determined under subsection (4)”,

(ii) in paragraph (a), by deleting “determined under subsection (4)”, and

(iii) in paragraph (c), by substituting “the reasonable profit” for “such reasonable profit”,

(f) by inserting the following after subsection (13):

“(13A) For the purposes of this Act, a registered undertaking has not made a profit in excess of the reasonable profit in respect of its health insurance business in the State in respect of the 3 year period referred to in subsection (4)(b), or in respect of a relevant 3 year period, if its return on equity exceeds 12 per cent per annum in respect of that business for part of that period but not for all of that period.”

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<sup>1</sup> OJC 8/04, 11.01.2012, p.15

and

(g) in subsection (14)—

(i) by inserting the following before the definition of “relevant health insurance business”:

“ ‘reasonable profit’ shall be construed in accordance with subsection (4);”,

(ii) by substituting the following for the definition of “relevant health insurance business in the State”:

“ ‘relevant health insurance business in the State’, in relation to a registered undertaking or former registered undertaking, means all of the undertaking’s health insurance business in the State;”,

(iii) in the definition of “relevant 3 year period”, by substituting “succeeding 3 year period;” for “succeeding 3 year period.”, and

(iv) by inserting the following after the definition of “relevant 3 year period”:

“ ‘return on equity’, in relation to a registered undertaking or former registered undertaking, not being a company established under the Companies Acts, and its relevant health insurance business in the State, includes the equivalent, as calculated using approved accounting standards, for such an undertaking, of a return on equity for a registered undertaking that is such a company.”.

#### **Amendment of section 7H of Principal Act**

6. Section 7H(ii) of the Principal Act is amended by inserting “after deducting from the net premium the deduction to which such insured person is entitled, for the year of assessment concerned, by virtue of section 470 of the Taxes Consolidation Act 1997” after “each insured person”.

#### **Amendment of section 11C of Principal Act**

7. (1) Section 11C(1)(b) of the Principal Act is amended by substituting “1 March 2014” for “31 March 2013”.

(2) *Subsection (1)* comes into operation on 1 March 2014.

#### **Amendment of section 11E of Principal Act**

8. Section 11E of the Principal Act is amended—

(a) in subsection (3), by substituting the following for paragraph (b):

“(b) second—

(i) if the Authority is satisfied that that type of relevant contract does not provide for advanced cover where regulations do not presently specify that that type of relevant contract does not

provide for advanced cover—

- (I) by regulations specify that the Authority is satisfied that that type of relevant contract does not provide for advanced cover, and
  - (II) after making such regulations, enter particulars in The Register of Health Insurance Contracts to indicate that that type of relevant contract has been so specified as not providing for advanced cover,
- (ii) if the Authority is not satisfied as referred to in paragraph (a) in respect of that type of relevant contract where regulations (‘the relevant regulations’) presently specify (‘relevant specification’) that the Authority is satisfied that that type of relevant contract does not provide for advanced cover—
- (I) by regulations amend the relevant regulations to revoke the relevant specification with effect from the date on which the change concerned in a material particular of the benefits payable under that type of relevant contract is to be first made, and
  - (II) after making such regulations, amend, with effect from the date referred to in clause (I), the particulars entered in The Register of Health Insurance Contracts in respect of the relevant specification.”,

and

(b) by inserting the following after subsection (3):

“(3A) The Authority may at any time review any evaluation and analysis referred to in subsection (1), (2) or (3) that it has carried out and, if it is satisfied, after such review, that anything that resulted from such evaluation and analysis was not, or is no longer, correct, then the Authority may carry out a further evaluation and analysis referred to in subsection (1), (2) or (3), as the case may be, and its powers to make regulations referred to in this section and to enter particulars in, or amend particulars entered in, The Register of Health Insurance Contracts shall, with all necessary modifications, apply to any such further evaluation and analysis.”.

#### **Amendment of Schedule 2 to Principal Act**

9. Schedule 2 to the Principal Act is amended by substituting “Section 7F.” for “Section 6A.”.

#### **Amendment of Schedule 3 to Principal Act**

10. (1) Schedule 3 to the Principal Act is amended by substituting “€60.00” for “€75.00”.

- (2) *Subsection (1)* comes into operation on 1 March 2014.
- (3) Schedule 3 to the Principal Act, as amended by *subsection (1)*, only applies in the case of a health insurance contract entered into or renewed on or after 1 March 2014 (and, accordingly, that Schedule, as in force immediately before that date, shall continue to apply in the case of a health insurance contract entered into or renewed before that date).

#### Amendment of Schedule 4 to Principal Act

11. (1) Schedule 4 to the Principal Act is amended by substituting the following for Table 2:

“TABLE 2

AMOUNTS APPLICABLE ON AND AFTER 1 MARCH 2014

<b>Class of Insured Person</b>	<b>Amount of premium to be paid from Fund</b>
Male aged 50 years and over but less than 55 years on the date the relevant contract (being a relevant contract (non-advanced cover)) is renewed or entered into, as the case may be	Nil
Male aged 50 years and over but less than 55 years on the date the relevant contract (being a relevant contract (advanced cover)) is renewed or entered into, as the case may be	Nil
Female aged 50 years and over but less than 55 years on the date the relevant contract (being a relevant contract (non-advanced cover)) is renewed or entered into, as the case may be	Nil
Female aged 50 years and over but less than 55 years on the date the relevant contract (being a relevant contract (advanced cover)) is renewed or entered into, as the case may be	Nil
Male aged 55 years and over but less than 60 years on the date the relevant contract (being a relevant contract (non-advanced cover)) is renewed or entered into, as the case may be	Nil
Male aged 55 years and over but less than 60 years on the date the relevant contract (being a relevant contract (advanced cover)) is renewed or entered into, as the case may be	Nil
Female aged 55 years and over but less than 60 years on the date the relevant contract (being a relevant contract (non-advanced cover)) is renewed or entered into, as the case may be	Nil

<b>Class of Insured Person</b>	<b>Amount of premium to be paid from Fund</b>
Female aged 55 years and over but less than 60 years on the date the relevant contract (being a relevant contract (advanced cover)) is renewed or entered into, as the case may be	Nil
Male aged 60 years and over but less than 65 years on the date the relevant contract (being a relevant contract (non-advanced cover)) is renewed or entered into, as the case may be	€250.00
Male aged 60 years and over but less than 65 years on the date the relevant contract (being a relevant contract (advanced cover)) is renewed or entered into, as the case may be	€450.00
Female aged 60 years and over but less than 65 years on the date the relevant contract (being a relevant contract (non-advanced cover)) is renewed or entered into, as the case may be	€200.00
Female aged 60 years and over but less than 65 years on the date the relevant contract (being a relevant contract (advanced cover)) is renewed or entered into, as the case may be	€325.00
Male aged 65 years and over but less than 70 years on the date the relevant contract (being a relevant contract (non-advanced cover)) is renewed or entered into, as the case may be	€575.00
Male aged 65 years and over but less than 70 years on the date the relevant contract (being a relevant contract (advanced cover)) is renewed or entered into, as the case may be	€1,150.00
Female aged 65 years and over but less than 70 years on the date the relevant contract (being a relevant contract (non-advanced cover)) is renewed or entered into, as the case may be	€400.00
Female aged 65 years and over but less than 70 years on the date the relevant contract (being a relevant contract (advanced cover)) is renewed or entered into, as the case may be	€775.00
Male aged 70 years and over but less than 75 years on the date the relevant contract (being a relevant contract (non-advanced cover)) is renewed or entered into, as the case may be	€925.00

<b>Class of Insured Person</b>	<b>Amount of premium to be paid from Fund</b>
Male aged 70 years and over but less than 75 years on the date the relevant contract (being a relevant contract (advanced cover)) is renewed or entered into, as the case may be	€1,850.00
Female aged 70 years and over but less than 75 years on the date the relevant contract (being a relevant contract (non-advanced cover)) is renewed or entered into, as the case may be	€625.00
Female aged 70 years and over but less than 75 years on the date the relevant contract (being a relevant contract (advanced cover)) is renewed or entered into, as the case may be	€1,200.00
Male aged 75 years and over but less than 80 years on the date the relevant contract (being a relevant contract (non-advanced cover)) is renewed or entered into, as the case may be	€1,200.00
Male aged 75 years and over but less than 80 years on the date the relevant contract (being a relevant contract (advanced cover)) is renewed or entered into, as the case may be	€2,500.00
Female aged 75 years and over but less than 80 years on the date the relevant contract (being a relevant contract (non-advanced cover)) is renewed or entered into, as the case may be	€950.00
Female aged 75 years and over but less than 80 years on the date the relevant contract (being a relevant contract (advanced cover)) is renewed or entered into, as the case may be	€1,925.00
Male aged 80 years and over but less than 85 years on the date the relevant contract (being a relevant contract (non-advanced cover)) is renewed or entered into, as the case may be	€1,575.00
Male aged 80 years and over but less than 85 years on the date the relevant contract (being a relevant contract (advanced cover)) is renewed or entered into, as the case may be	€3,200.00
Female aged 80 years and over but less than 85 years on the date the relevant contract (being a relevant contract (non-advanced cover)) is renewed or entered into, as the case may be	€1,150.00

Class of Insured Person	Amount of premium to be paid from Fund
Female aged 80 years and over but less than 85 years on the date the relevant contract (being a relevant contract (advanced cover)) is renewed or entered into, as the case may be	€2,250.00
Male aged 85 years and over on the date the relevant contract (being a relevant contract (non-advanced cover)) is renewed or entered into, as the case may be	€1,975.00
Male aged 85 years and over on the date the relevant contract (being a relevant contract (advanced cover)) is renewed or entered into, as the case may be	€4,000.00
Female aged 85 years and over on the date the relevant contract (being a relevant contract (non-advanced cover)) is renewed or entered into, as the case may be	€1,325.00
Female aged 85 years and over on the date the relevant contract (being a relevant contract (advanced cover)) is renewed or entered into, as the case may be	€2,725.00

(2) *Subsection (1)* comes into operation on 1 March 2014.

### Amendment of section 125A of Stamp Duties Consolidation Act 1999

12. (1) Section 125A of the Stamp Duties Consolidation Act 1999 is amended—

(a) in subsection (1)—

(i) by substituting the following for the definition of “accounting period”:

“ ‘accounting period’ means a period of 3 consecutive months beginning on 1 January, 1 April, 1 July or 1 October;”,

(ii) by substituting the following for the definition of “due date”:

“ ‘due date’, in relation to an accounting period, means the 21st day of the second next month following the end of that accounting period;”,

(iii) by deleting the definitions of “first accounting period” and “subsequent accounting period”, and

(iv) by substituting the following for the definition of “specified rate”:

“ ‘specified rate’ means—

(a) in respect of relevant contracts renewed or entered into on or after 1 January 2014 and on or before 28 February 2014—

(i) €100.00 in respect of an insured person aged less than 18 years insured under a relevant contract which provides for non-advanced cover,

- (ii) €120.00 in respect of an insured person aged less than 18 years insured under a relevant contract which provides for advanced cover,
- (iii) €290.00 in respect of an insured person aged 18 years or over insured under a relevant contract which provides for non-advanced cover, and
- (iv) €350.00 in respect of an insured person aged 18 years or over insured under a relevant contract which provides for advanced cover,

and

- (b) in respect of relevant contracts renewed or entered into on or after 1 March 2014—
  - (i) €100.00 in respect of an insured person aged less than 18 years insured under a relevant contract which provides for non-advanced cover,
  - (ii) €135.00 in respect of an insured person aged less than 18 years insured under a relevant contract which provides for advanced cover,
  - (iii) €290.00 in respect of an insured person aged 18 years or over insured under a relevant contract which provides for non-advanced cover, and
  - (iv) €399.00 in respect of an insured person aged 18 years or over insured under a relevant contract which provides for advanced cover.”,

(b) by substituting the following for subsection (2):

- “(2) Subject to subsections (7), (10) and (11), an authorised insurer shall, in respect of each accounting period and not later than the due date, deliver to the Commissioners a statement in writing showing the number of insured persons—
  - (a) aged less than 18 years on the first day of the accounting period insured under a relevant contract which provides for non-advanced cover,
  - (b) aged less than 18 years on the first day of the accounting period insured under a relevant contract which provides for advanced cover,
  - (c) aged 18 years or over on the first day of the accounting period insured under a relevant contract which provides for non-advanced cover, and
  - (d) aged 18 years or over on the first day of the accounting period insured under a relevant contract which provides for advanced

cover,

in respect of whom a relevant contract between the authorised insurer and the insured person, being the individual referred to in the definition of ‘insured person’ in subsection (1), is renewed, or entered into, during the accounting period concerned.”,

(c) by deleting subsection (2A), and

(d) by deleting “or (2A)” in each place where it occurs.

(2) *Subsection (1)* comes into operation on 1 January 2014.

**Short title, collective citation and construction**

**13.** (1) This Act may be cited as the Health Insurance (Amendment) Act 2013.

(2) The Health Insurance Acts 1994 to 2012 and this Act (except *section 12*) may be cited together as the Health Insurance Acts 1994 to 2013 and shall be construed together as one.