



12 September 1997

Office: Melbourne
Contact: Richard Leder
Direct Line: (03) 9672 3424
Our Ref: ROMA5455-001/RAL

Professor R Ball
Carelink
1st Floor
163 Victoria Parade
FITZROY VIC 3065

Dear Sir

MEDICARE

We refer to our discussions concerning the relationship between Carelink and Medicare.

As you know, it is our view that where someone using Carelink services obtains external medical treatment, they should claim on Medicare. If there is a gap between the Medicare rebate and the actual cost of the service, that gap will be covered by Carelink.

Concern was expressed that if Carelink represented a "reimbursement arrangement" or "compensation" within the meaning of the *Health & Other Services (Compensation) Act 1995*, then it might be inappropriate to make a claim on Medicare. We formed the view that Carelink fell outside the Act. Out of caution, advice was sought from the Health Insurance Commission as to whether they agreed with our views.

By a letter dated 29 August 1997, the Health Insurance Commission has advised that Carelink is not subject to the provisions of the Act. That being the case, and in accordance with our instructions from the Archdiocese, we confirm the following:

- 1 patients who receive medical treatment from service providers external to Carelink should make a claim for those services on Medicare;
- 2 in accordance with advice received from the Health Insurance Commission, patients can and should answer "no" to the question on the Medicare claim form as to whether their claim is subject to compensation; and

BOURKE PLACE 600 BOURKE STREET MELBOURNE VIC 3000
GPO BOX 9923 VIC 3001
TELEPHONE (03) 9672 3000 INT +613 9672 3000 FAX (03) 9602 5344
DX 336 MELBOURNE

SYDNEY

MELBOURNE

BRISBANE

PERTH

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LONDON



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- 3 where there is a gap between the Medicare rebate and the actual cost of the service, that gap will be met or refunded by Carelink.

If you have any queries, please contact the writer.

Yours faithfully
CORR CHAMBERS WESTGARTH

Richard Leder
Partner