



Defence Determination 2008/39

I, BRIAN GARY PAULE, Director General Personnel Policy and Employment Conditions, make this Determination under section 58B of the *Defence Act 1903*.

Dated 31 August 2008

B G PAULE
Director General
Personnel Policy and Employment Conditions
People Strategies and Policy Group

1 Citation

This Determination is Defence Determination 2008/39, Pharmaceutical costs – amendment.

2 Commencement

This Determination commences on the day it is signed.

3 Amendment

Defence Determination 2005/15, Conditions of Service, as amended,¹ is amended as set out in this Determination.

4 Clause 15.5.9 (Pharmaceutical costs)

substitute

1. A member is to be reimbursed costs for pharmaceutical products for an eligible person. The following conditions apply.
 - a. The pharmaceutical product must be a drug or medicinal preparation prescribed by a doctor.
 - b. The amount payable is any amount by which an item exceeds AUD 31.30.

Example: A member and dependant are posted to the UK. The dependant is an eligible person and suffers from asthma. The asthma medications cost AUD 35.50 each. The member is reimbursed AUD 4.20 for each item.

2. During a calendar year, a member may pay repeated threshold costs outlined in paragraph 1.b for an eligible person. After the total threshold payments exceed AUD 1,141.80 for the calendar year, the member is to be reimbursed the amount by which an item exceeds AUD 5.00.

Example: A member paid AUD 35 on a weekly basis for pharmaceutical products in this calendar year for an eligible person. After 37 weeks, they had paid the AUD 31.30 threshold enough times to total AUD 1,158.10. The weekly products now have a threshold of AUD 5 per item and the member is reimbursed AUD 30 to make up the difference to AUD 35.

3. If a member is accompanied at the post by the eligible person for part of the calendar year, the first threshold total in subclause 2 is reduced in proportion.

Example: A member only performed duty at the posting location for six months in the calendar year. The total threshold in subclause 2 is halved to AUD 570.90.

4. A member may incur a cost during a calendar year for an eligible person's pharmaceutical products **supplied in Australia** during the period of the posting. In this case, the first threshold total in subclause 2 must be reduced by that cost.

Example: During a visit to Australia, a member pays AUD 31.30 for a pharmaceutical product. The total threshold of AUD 1,141.80 is reduced to AUD 1,110.50.

5. This clause does not apply to any item provided at the posting location at Commonwealth expense. This includes the Medical Equipment Set Individual Foreign Service.

5 Clause 15.5.9A (Pharmaceutical costs – health care card)

substitute subclauses 2 to 5

2. The amount reimbursed is the difference paid above the Pharmaceutical Benefits Scheme threshold of AUD 5 for each item.
3. During a calendar year, a member may pay repeated threshold costs outlined in subclause 2 for a Health Care Card holder. After the total threshold payments reach AUD 290, the member is then entitled to full reimbursement for each item, for the rest of the year.
4. If a member is accompanied at the post by the eligible person for part of the calendar year, the threshold totals in subclause 3 are reduced in proportion.

Example: A member was only accompanied by their dependant at the posting location for six months in the calendar year. The total threshold in subclause 2 is halved to AUD 145.

5. A member may incur a cost during a calendar year for an eligible person's pharmaceutical products **supplied in Australia** during the period of the posting. In this case, the total threshold amounts in subclause 3 must be reduced by that cost.

Example: During a visit to Australia, a member pays AUD 25 for five pharmaceutical products. The total threshold of AUD 290 is reduced to AUD 265.

NOTE

1. Defence Determination 2005/15 commenced on 31 May 2005. For previous amendments see Note to Defence Determination 2008/1 and see also Defence Determinations 2008/2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37 and 38.

EXPLANATORY STATEMENT

Defence Determination 2008/39

This Determination amends Defence Determination 2005/15, Conditions of Service (the Principal Determination), made under section 58B of the *Defence Act 1903* (the Act). Chapter 15 of the Principal Determination sets out provisions for long term overseas postings for members of the Australian Defence Force (ADF).

The purpose of this Determination is to adjust the rates of reimbursement of pharmaceutical costs for members on overseas posting.

Clause 1 of this Determination sets out the manner in which this Determination may be cited.

Clause 2 of this Determination provides that the Determination commences on the day on which it is made, as provided by subsection 58B(4) of the Act.

Clause 3 specifies that the amendment is made to the Principal Determination, as amended.

Clause 4 substitutes clause 15.5.9 of the Principal Determination to update the rates of pharmaceutical costs. These rates are based on benefits provided to Australians under the Pharmaceutical Benefits Scheme.

Clause 5 amends clause 15.5.9A into the Principal Determination to update the rates of pharmaceutical costs for an eligible person who had a valid health care card immediately prior to travelling to an overseas posting location. The rates are based on benefits provided to Australians who hold a health care card under the Pharmaceutical Benefits Scheme.

Criteria are provided for the exercise of discretions under the Principal Determination, as amended by this Determination. Adverse decisions are subject to merits review under the ADF redress of grievance system, including an appeal to the Defence Force Ombudsman.

Authority: Section 58B of the
Defence Act 1903