

Is the charge for the ongoing monitoring of a 'medical alert device' GST-free? -

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⚠ This publication is extracted from the Health Industry Partnership - issues register. See issue 4.a.9 of that register.

This publication should be read in conjunction with the related content of that register where further context is required.



Health Industry Partnership

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If you rely on this ruling, the Commissioner must apply the law to you in the way set out in the ruling (unless the Commissioner is satisfied that the ruling is incorrect and disadvantages you, in which case the law may be applied to you in a way that is more favourable for you – provided the Commissioner is not prevented from doing so by a time limit imposed by the law). You will be protected from having to pay any underpaid tax, penalty or interest in respect of the matters covered by this ruling if it turns out that it does not correctly state how the relevant provision applies to you.

Is the charge for the ongoing monitoring of a 'medical alert device' GST-free?

1. Monitoring is not a supply of a medical aid or appliance under section 38-45.
2. Monitoring of a 'medical alert device' may be GST-free in certain specific circumstances.
3. If a nurse is monitoring the 'medical alert device' and provides advice, it may be GST-free as a 'nursing service' if it is necessary for the appropriate treatment of the recipient of the service (section 38-10(1)).
4. Section 38-10(5) provides that a supply is GST-free if it is provided by an ambulance service in the course of treatment of the *recipient of the supply. Where monitoring of the 'medical alert device' is provided by an ambulance service and it is in the course of treatment of the recipient of the supply, it will be GST-free. The monitoring must be connected with the provision of transportation by an ambulance. This will require the activation of the device to cause an ambulance to be sent to the recipient. Also, the monitoring must be in the course of treatment of the recipient of the supply. Where a patient is receiving ongoing medical treatment and as part of that treatment it is considered necessary for the patient to be monitored by means of a 'medical alert device', this requirement will be satisfied. If the recipient of the supply is not the person receiving treatment, the monitoring will not be GST-free under section 38-10(5).
5. Monitoring of a 'medical alert device' may also be GST-free where:
 - The supplier receives a community care subsidy under Part 3-2 of the *Aged Care Act 1997* in connection with the supply of monitoring (section 38-30(1)), or
 - The supplier receives funding under the *Home and Community Care Act 1985* in connection with the supply of monitoring (section 38-30(2)), or

- The supplier receives funding from the Commonwealth, a State or a Territory in connection with the supply of monitoring to a targeted person as defined in the GST-free Supply (Care) Determination 2000 (section 38-30(4)). A targeted person is one who is a frail, older or younger person who has a moderate, profound or severe disability (including addiction to a drug) who lives at home and would be at risk of prematurely or inappropriately needing long term care in a hospital or other institution or would require residential care within the meaning of the *Aged Care Act 1997*, or
- The supplier receives funding under the *Disability Services Act 1986* (or a complementary State law or Territory law) for the supply of specialist disability services and supplies monitoring as part of those funded services (section 38-40).