



OVERSEAS STUDENT HEALTH COVER

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Independent Schools Australia broadly supports the proposed changes to the Deed.

Independent Schools Australia (ISA) is the national peak body representing the Independent school sector. ISA comprises the eight state and territory Associations of Independent Schools (AIS). ISA's major role is to bring the unique needs of Independent schools to the attention of the Australian Government and to represent the sector on national issues.

ISA consulted with the Associations in the development of the feedback in this response.

1. PROPOSED CHANGES TO THE DEED

Overall, ISA supports many of the proposed changes to the Deed, with a particular focus on under 18-year-old rights and obligations, at-risk students with mental illnesses and students that develop other health conditions post-enrolment.

1. ARE THE CURRENT SETTINGS FOR ADMINISTERING OSHC APPROPRIATE AND EFFECTIVE?

The current settings for administering OSHC are not appropriate to meeting the needs of overseas school students. Meeting the needs of at-risk groups such as students with mental illnesses, is not adequately addressed in the current administration of OSHC. Level of cover and administration of preventative and reactive support for students with mental illness must be at the forefront of any changes to the Deed. Protecting students in the process of seeking help in cases of acute illness, particularly mental illness, reduces the burden on the Australian health care system. ISA is concerned that high fees for mental illness health care may be a deterrent for students to seek medical attention. Focus on at-risk students, particularly under 18-year-olds, in the administrative process should be considered.

2. IN RELATION TO THE DEFINITIONS OF 'INSURED GROUPS', SHOULD THE DEED SPECIFY THAT INTERNATIONAL STUDENTS AND THEIR DEPENDENTS MUST PURCHASE A POLICY (SINGLE, COUPLE, FAMILY, ETC.) EQUIVALENT TO THEIR APPROVED STUDENT VISA?

ISA agrees that the Deed should specify that international school students and their dependents must purchase a policy equivalent to their approved student visa. This is to ensure that all members of the party are adequately covered for the duration of their visa. Further clarity regarding application is required for the under 18-year-old category and that more appropriate terminology is used rather than "adult", to allow for inclusion of under 18-year-old students. The proposal excludes under 18-year-olds from changing OSHC policy from single to "couple" or "family" - some unique scenarios should

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also be taken into consideration, such as teenage pregnancy, or a parent joins under-18-year-old students on a guardian visa later in the student's enrolment.

3. SHOULD OUT OF HOSPITAL SERVICES ALL BE PAID AT 85% OR 100% OF THE MBS FEE?

In the best interest of the school students to minimise out of pocket expenses living away from home, 100 per cent coverage of the Medicare Schedule Fee would be preferred. As a suggestion, the specific MBS regulations, which outline the MBS item numbers, descriptors, and other rules, could also be detailed in the clause for clarity and certainty.

Some providers already pay 100 per cent of in-hospital costs and 85 per cent of pathology, X-rays, etc. If there is a push for this to decrease to 85 per cent or less would have a negative impact on under 18-year-old students.

4. IN RELATION TO COMMUNITY RATING, SHOULD OSHC INSURERS BE ALLOWED TO RISK RATE? TO WHAT EXTENT SHOULD RISK RATING BE PERMITTED AND WHAT OTHER CONDITIONS SHOULD THIS CLAUSE INCLUDE TO ENSURE STUDENTS ARE NOT DISADVANTAGED?

All characteristics such as health conditions, age, gender, background or religion should be excluded from the risk rating. For example, with health conditions it is difficult to ascertain the degree to which a person is afflicted by said condition. Protecting the health and wellbeing of under 18-year-olds is of paramount concern to ISA. Risk rating may also be a deterrent for some students to access health care. Leaving illness until the acute stage would place the Australian health care system under additional pressure and would be discriminatory for students applying for OSHC.

5. HOW DO INSURERS ADDRESS FRAUDULENT BEHAVIOURS AND NON-COMPLIANCE? WHAT ARE THE ALTERNATIVES TO EXISTING ARRANGEMENTS?

The terms and conditions of any standing arrangement must take into consideration the student's right to privacy and the appropriate data sharing system between the agency and the insurance provider. It is necessary that the data-sharing mechanism between agencies and OSHC insurers comply with Australian laws and international regulations.

6. WHICH OUT OF HOSPITAL OR HOSPITAL-SUBSTITUTE SERVICES (THAT ARE CURRENTLY NOT COVERED) SHOULD BE PART OF THE MINIMUM BENEFIT REQUIREMENTS OF THE DEED?

The Deed should further elaborate on the coverage and benefits payable for out-of-hospital services. Access to mental health support and ongoing treatment is highly recommended for students, particularly for the under 18-year-old students who often come under the welfare arrangements of the education provider.

7. SHOULD EMERGENCY OR MEDICALLY NECESSARY OUT OF HOSPITAL DENTAL TREATMENT BE COVERED UNDER OSHC?

Currently, Australian citizens under the age of 17-years-old are covered under the Child Dental Benefits Schedule. This schedule covers the part or full cost of some basic dental services for children if the parent receives certain payments from the Commonwealth. Given this coverage, emergency dental treatment should be covered by OSHC, and this should be made clear in the Deed. Further elaboration on what constitutes emergency or medically necessary and proof of treatment requirements should also be considered.

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9. SHOULD THERE BE WAITING PERIODS FOR GP SERVICES?

ISA strongly supports a no wait period for student visa holders to visit a GP. This is particularly important for the mental health of school aged children. Some students may arrive in Australia with pre-existing mental health conditions.¹ Furthermore, studies have shown that international students are at increased risk of experiencing poor mental health, with isolation from families and culture, language barriers, financial stress and academic pressures among the key drivers.² Protecting visa holders who are vulnerable is imperative to providing suitable health insurance.

The ability to see a GP is basic health care, and all barriers should be removed so that as a vulnerable population, international students can access this service. Immediate access to GP is a preventative health measure - it may provide protection to the insurers from long term health claims due to delayed medical support.

10. IF INSURERS ARE ALLOWED TO OFFER REPATRIATION COVER, SHOULD THE CONDITIONS BE SPECIFIED IN THE DEED OR SHOULD IT BE AT THE INSURER'S DISCRETION?

Transport to a student's home country in cases of acute mental health and physical or life-threatening illness is vital and should be offered perhaps as an optional extra. For school students, being able to be near family, receive local care at home and be in culture is vital to holistic healing and returning to wellness. The conditions of repatriation cover should be specified in the Deed. Without Commonwealth guidance, repatriation conditions are the domain of the insurers, which may lead to variability. Irregularity leaves under 18-year-olds vulnerable to not knowing their rights regarding returning home in cases of acute illness or emergency situations. Variability also means that insurers may be able to exploit certain risk ratings to gatekeep access to this type of cover.

11. IN ADDITION TO THE PROPOSED DEED AMENDMENTS IDENTIFIED, ARE THERE ANY OTHER CHANGES TO THE DEED THAT SHOULD BE CONSIDERED?

There are further considerations in the Deed including insured groups, membership cards, insurance policy changes, data sharing mechanisms and pharmaceutical items. These changes were outlined in the discussion paper, however not explicitly addressed in the stakeholder questions.

Provide clarity around the definition of 'insured group'

ISA advocates for a reconsideration of the terminology so that it responds to the needs of the under 18-year-old student cohort. As it stands, the terminology focuses on familial connections, however for some student's member/s of their insured group may be a guardian. ISA suggests removing the word 'family' when referring to 'single parent family' and 'family group' and using more inclusive terminology such as 'single adult group' and 'group'.

¹ Dr Helen Forbes-Mewett, "Mental Health and International Students: Issues, Challenges & Effective Practice," 2019, <https://www.ieaa.org.au/documents/item/1616>.

² "International Students and Their Mental Health and Physical Safety," 2020, <https://internationaleducation.gov.au/International-network/Australia/InternationalStrategy/EGIPProjects/Documents/ORYGEN%20-%20International%20Student%20Mental%20Health%20and%20Physical%20Safety%20June%202020.pdf>.

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Digital membership cards

Digital membership cards are suitable for some under 18-year-olds who are accompanied by a guardian. However, a hard copy option should also be allowed for accessibility for guardians who may have low digital literacy. Schools take on the responsibility under the *Migration Regulations* for approving the accommodation, support and general welfare arrangements (but not including guardianship, which is a legal relationship not able to be created or entered into by a registered provider) care of the student.³ A digital card would be more convenient for schools to manage, as they are often dealing with multiple students. As such, ISA suggests that both the hard copy and digital card options be mandated to be available from all providers.

Changes to insurance policies

Given COVID-19 and other extenuating circumstances, flexibility for changing their insurance policy is important. It protects the student from being 'locked in' to arrangements, which may not meet their needs for a duration. In addition, there should be an integrated process or system for health care providers to verify students' eligibility, so that students are not denied treatment or need to make an upfront payment.

Pharmaceutical items

Given that overseas school students are at increased risk of adverse health conditions,⁴ benefits payable to access pharmaceutical items is of concern. The PBS safety net for Australian residents is approximately \$1,500 per calendar year per individual and/or family. ISA suggests a minimum of \$500 for single and \$1,000 per family for the pharmaceuticals limit. The Deed should indicate a maximum and minimum so that the student knows their rights and what to expect from insurance providers and so that variability between providers does not put vulnerable students at-risk of exploitation.

13. GIVEN THE NECESSITY OF OSHC FOR INTERNATIONAL STUDENTS AND THE AUSTRALIAN HEALTH SYSTEM, ARE THERE ANY OTHER SUITABLE ARRANGEMENTS IN PROVIDING INTERNATIONAL STUDENTS AND THEIR DEPENDENTS WITH ADEQUATE HEALTH COVERAGE?

ISA supports the detailed clarification of the proposed changes in the Deed. Suitable health cover is paramount to reducing the burden on the Australian health care system, therefore clarity is important to ensuring that visa holders and providers are aware of their rights, obligations and service provisions prior to medical attention. This is particularly the case for under 18-year-olds who are the responsibility of schools in the absence of a guardian. Diversity in OSHC providers and their expectations can make it difficult to manage multiple students' health care providers. Therefore, explicit instructions in the provision of the Deed would assist schools in managing multiple students' health cover.

³ Attorney-General's Department, "National Code of Practice for Providers of Education and Training to Overseas Students 2018," accessed February 11, 2022, <https://www.legislation.gov.au/Details/F2017L01182/Html/Text>, <http://www.legislation.gov.au/Details/F2017L01182>.

⁴ Sarah Skromanis et al., "Health and Well-Being of International University Students, and Comparison with Domestic Students, in Tasmania, Australia," *International Journal of Environmental Research and Public Health* 15, no. 6 (June 2018): 1147, <https://doi.org/10.3390/ijerph15061147>.

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14. WILL CLARIFYING THE REQUIREMENTS OF THE DEED IMPROVE OR FURTHER HINDER THE OPERATION OF OSHC FOR YOUR ORGANISATION?

Clarifying the requirements of the Deed would improve the operation of OSHC. As mentioned previously, managing multiple students can prove to be a burden on schools, therefore further clarity would ensure they can advocate for the rights of student visa holders.

15. WHAT TRANSITION ARRANGEMENTS AND TIMEFRAME WOULD BE APPROPRIATE TO IMPLEMENT THIS CHANGE?

ISA recommends that there be no change to existing policy holders and that any change not disadvantage students who are currently onshore. Introduction of the new Deed would be best aligned with students commencing the academic calendar year and therefore should be in effect from the start of a financial year as students commence the enrolment process.

17. WHAT IS THE ANTICIPATED IMPACT ON PREMIUMS?

Insurers introducing regular premium payment options will have significant implications to the student's visa conditions and continuity of enrolment. For example, in the case where OSHC policy is cancelled by the insurer due to missed payments. A one-off full payment for the duration of the student visa at the outset is preferred.

Providers who hold welfare for under 18-year-old students need to have assurance that student's healthcare is always covered.

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2. REGULATORY BURDEN ESTIMATE

ISA supports that there needs to be an increase in product transparency and clarity of benefit coverage.

1. WHAT ARE THE FACTORS DRIVING MISCONCEPTIONS OF OSHC IN THE AUSTRALIAN HEALTH CARE SYSTEM?

ISA is concerned about potential miscommunication regarding out-of-pocket costs in policy promotions and the misconception that the OSHC is the same as other insurance policy in terms of eligibility for rebates.

3. WILL LINKING OSHC PRODUCTS TO THAT OF A PRODUCT TIER IMPROVE OR CHANGE HEALTH CARE OUTCOMES FOR INTERNATIONAL STUDENTS?

ISA agrees that by offering students the option to purchase additional extras and tiered options then they are likely to be able to choose and access preventative health care. For example, there is no allowance for students to travel home in the holidays to undergo their normal routine of health care.

5. HOW COULD INFORMATION ABOUT OUT OF HOSPITAL SERVICES BE MORE TRANSPARENT?

ISA suggests that this information could be provided through an application that can be easily accessed by students before making appointments.

6. ARE THERE ALTERNATIVE OPTIONS THAT COULD IMPROVE TRANSPARENCY AND UNDERSTANDING FOR CONSUMERS AND HEALTH CARE PROVIDERS?

The word 'insurance' is a confusing terminology that can easily misguide students to think that their cover will mean that they do not have to pay any gap, which, is not the case. A further clarification of coverage will help minimise this risk.

7. WHAT IS THE ANTICIPATED IMPACT ON PREMIUMS OF THIS PROPOSAL?

ISA proposes indicating that an increased premium is to cover the recent loss in profit and offset the increased options.

8. WHAT TRANSITION ARRANGEMENTS AND TIMEFRAME WOULD BE APPROPRIATE TO IMPLEMENT THIS PROPOSAL?

Education agents and education providers would require training and time to understand the changes. Webinars would be helpful not only for agents and education providers but also for students and families.

9. WHAT ARE APPROPRIATE METRICS FOR MEASURING THE IMPACT OF THIS PROPOSAL?

The appropriate metrics for measuring impact should include a comparative uptake in health services (in a non-COVID year).

10. FOR YOUR ORGANISATION, WHAT IS THE REGULATORY BURDEN ASSOCIATED WITH THIS PROPOSAL?

From a school's perspective – it would be ensuring CRICOS compliance regarding students maintaining their visa conditions around OSHC. How can schools ensure that students are covered if they are given the option to pay for their insurance by a direct debit, for example? What happens if they default on a payment?

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3. GENERAL COMMENTS

The following are concerns from ISA about the proposals:

1. The introduction of excess to the OSHC product suite would disadvantage the student. International students do not have access to free public health care compared to domestic students. Introducing excesses is an additional financial burden to them which may lead to avoidance in seeking treatment altogether if they are unable to afford excess rates at the time.
2. Regarding Proposed Amendment 20 and allowing regular payment options to students. This could mean allowing a student on shore without a full OSHC coverage. What happens if they don't keep their payments up or the OSHC is cancelled as a result?