



Overseas Student Health Cover (OSHC)
Deed Review
Issues Paper Response

Bupa Submission

Executive Summary

Bupa welcomes the opportunity to provide a response to the Department of Health and Aged Care's Issues Paper on potential changes to the Overseas Student Health Cover (OSHC) Deed (the Deed)

Bupa recognises the important role of international education within Australia, and we support international students through the provision of health cover that gives them peace of mind. The ongoing sustainability of OSHC products is crucial so that international students' can access affordable health care, supported by a health system that is easy to use and efficient.

Bupa believes meaningful reform to the Deed is needed to support the sustainability of OSHC products while safeguarding the integrity of Australia's education and migration systems. We support reform to the Deed that is focused on better health outcomes for international students, with our response outlined below:

Publication of OSHC product information

- We support assisting students to 'compare and choose', then 'understand and use' the OSHC policy that is right for them. To do this information must be presented in a way that highlights the differences between products and the level of cover that is above what the Deed requires as standard.
- We recommend a "features-table" template as the best way to achieve this for 'compare and choose', complemented by educational content on how health services work in Australia, what is available to them and how to access it for 'understand and use'.
- We encourage further consultation regarding implementation to understand how it would work in practice for Bupa and to avoid causing confusion for students.

Caps on certain payments by insurers to third-party agents

- We support the principle behind limiting payments which reward third parties purely for facilitating a preferential OSHC purchase. However, we believe applying simplistic caps are not likely to achieve the objective and risk unintended adverse consequences.
- We recommend the development of "disclosure first" solutions that are beyond the scope of the Deed. We suggest other policy measures more appropriate to creating disclosure and transparency obligations for relevant entities will be needed.
- We do not recommend a particular disclosure model but would like to work with the Department on further investigation of an alternative frameworks for change.

Waiting periods for pregnancy-related care

- We recommend a differentiated approach to waiting periods according to product duration. In this scenario, waiting periods would be reduced only for products of 2+ years in duration to better manage adverse selection risks.
- We encourage incentivising contracting arrangements between insurers and hospitals. This should be advanced through the National Health Reform Agreement to address excessive charges of OSHC policyholders.
- We recommend better eligibility checking through the ECLIPSE system. This can address hospitals' concerns relating to bad debts among non-Medicare eligible patients, improve the student experience, and help place downward pressure on healthcare costs.
- We support more transparent billing practices to address highly variable charges and practices between public hospitals.

Finally, Bupa is concerned that if underlying cost drivers are not addressed, private health insurers will have no options available except to increase premiums, adversely impacting international students coming to Australia. This is because rising costs will jeopardise the ability of insurers to offer sustainable OSHC products to international students in the long term.

Bupa would welcome the opportunity to discuss our response in further detail as consultations continue.

Options for Reform

1. Publication of OSHC product information on privatehealth.gov.au

Bupa supports assisting students to ‘compare and choose’, then ‘understand and use’ an OSHC policy that is right for them.

Due to the nature of OSHC, the information needs to support these tasks are very different than for domestic PHI and students need Australian health system literacy support as a prerequisite for both.

Bupa recommends a “features-table” template, highlighting only product differences and cover above what the Deed requires, complemented by educational content on how health services work in Australia as the best way to support ‘compare and choose’.

Information on Australian health services, what is available to them and how to access is also more valuable for ‘understand and use’ than standardised product information statements.

Bupa supports the intention behind the proposal to publish OSHC product information on privatehealth.gov.au and our recommended solution is more likely to achieve this than publishing OSHC PHIS.

The Private Health Insurance Statement (PHIS) performs a broad function for understanding and comparing domestic PHI CHIP products because of the much larger scope for product differences on a wide range of variables. The nature of OSHC cover and purchasing means they are poorly suited to supporting OSHC customers seeking to make an informed choice about their cover.

Bupa does not believe that international students would gain the same benefit as domestic PHI customers from the publication of detailed information, such as a PHIS, on privatehealth.gov.au for OSHC products.

However, privatehealth.gov.au can still be adapted to support students seeking to make meaningful comparisons between OSHC products at the point of purchase.

Helping international students understand and compare OSHC products

The Deed prescribes a minimum level of cover, reducing the areas where insurers can compete, which means an emphasis on the product differences, even small ones, is required.

Students are coming from countries with vastly differing health systems and research confirms very low understanding of the Australian health system and what they might need to get the best out of it.¹

What students need is Australian health literacy support to help them meaningfully evaluate differences.

Bupa recommends a detailed “features table” OSHC template, supported by student friendly Australian health literacy material as far more effective to help consumers compare products and navigate the OSHC market than providing a repository of OSHC-adapted PHIS.

¹ Final Report, OSHC Review, Prepared by Lonergan Research (2022),

To ensure it is relevant, the table must be presented in a way that highlights the differences between products, which are limited by the minimum standards of the Deed.

Existing comparator websites such as OSHC Australia (see 'Image 1' below) offer limited value to students seeking to make comparison, as they simply display an extensive list of "ticks" for broad categories that are usually covered by minimum requirements under the Deed. This does not adequately explain the differences between products that are currently available in the market.

Image 1: Comparison table from 'OSHC Australia' website²

Why Buy with Us?	Pay your OSHC with Cohort Go Payments and save.					
Latest Offer						
Visa Compliance						
Meets government requirements	✓	✓	✓	✓	✓	✓
Apply directly on this website	✓	✓	✓	✓	✓	✓
In Hospital Treatment						
Accommodation	✓	✓	✓	✓	✓	✓
Accident and Emergency Services	All hospitals	All hospitals	Public and Agreement only	All hospitals	Public and Agreement only	Public and Agreement only
Outpatient and Postoperative	✓	✓	✓	✓	✓	✓
Doctor Services ^	100% of MBS	100% of MBS	100% of MBS	100% of MBS	100% of MBS	100% of MBS
Out of Hospital Treatment						
Standard GP Consultation ^	Agreement: 100% of cost Non-Agreement: 100% of MBS	100% of MBS	100% of MBS	100% of MBS	100% of MBS	100% of MBS
Telehealth ^	100% of MBS	100% of MBS	100% of MBS	100% of MBS	85% of MBS	100% of MBS
Specialists ^	85% of MBS	85% of MBS	85% of MBS	85% of MBS	85% of MBS	100% of MBS
Pathology and X-rays ^	85% of MBS	85% of MBS	85% of MBS	85% of MBS	85% of MBS	100% of MBS
Other						
Emergency ambulance services	✓	✓	✓	✓	✓	✓
Surgically implanted prosthesis	✓	✓	✓	✓	✓	✓
Prescription Medicines	\$50 item limit \$30 co-payment \$500 person limit pa \$1000 family limit pa	\$50 item limit \$30 co-payment \$500 person limit pa \$1000 family limit pa	\$50 item limit \$30 co-payment \$500 person limit pa \$1000 family limit pa	\$70 item limit \$30 co-payment \$500 person limit pa \$1000 family limit pa	\$50 item limit \$30 co-payment \$500 person limit pa \$1000 family limit pa	\$50 item limit \$30 co-payment \$500 person limit pa \$1000 family limit pa
Waiting Periods						
Pre-existing Psychiatric	2 Months	2 Months	2 Months	0 Months	0 Months	2 Months (waived)
Pre-existing Conditions	12 Months	12 Months	12 Months	12 Months	12 Months	12 Months
Obstetrics	12 Months	12 Months	12 Months	12 Months	12 Months	12 Months
Extra Features						
Refund Policy	limited fees may apply	limited fees may apply	no fees	limited fees may apply	no fees	no fees
Support Services	24-hr health and emergency support line	24-hr health and emergency support line	24-hr health support line	24-hr health and emergency support line	24-hr in-person safety support 24-hr virtual doctor visits	24-hr student health and support line
Policy Document						
	Buy Now	Buy Now	Buy Now	Buy Now	Buy Now	Buy Now

An effective features table would allow for clear delineation of product differences in an easy-to-read format, without a need for a PHIS.

This should be complemented with educational materials for students to understand how to navigate the healthcare system and utilise their coverage more effectively.

Students would also benefit by having product comparisons and education materials explained in their first language.

There may be a limited benefit in providing access to a PHIS-type statement to students at the point of purchase due to the complexity of information, a limited understanding of the Australian healthcare context, and the similarities of OSHC products which offer a comprehensive level of coverage prescribed by the Deed. International students are also much less likely to use such a statement to compare products against an existing

² OSHC Australia website, accessible: <https://oshcaustralia.com.au/en/quote?adults=1&children=0&start=2024-07-01&finish=2026-06-30&source=fp-quote-builder>

policy due to the requirement to purchase OSHC as part of their Student Visa application before arriving in Australia.

We maintain that a user-friendly comparison table will better support students seeking to compare differences between products.

Helping consumers understand and use their health cover

The Lonergan Report found that a large proportion of international students have a low awareness of which health services are covered by their OSHC policy³, despite the significant efforts of education institutions and insurers to support education initiatives for students.

Bupa is increasingly moving towards providing increased multi-lingual support and marketing materials to students, which should enable students to better understand their coverage.

Unfortunately, many students continue to lack knowledge about the scope of their coverage and the way that health services in Australia compared to their home country. This is a barrier to their access and use of healthcare services and can also lead to unnecessary presentations at emergency departments, where another form of care would be more appropriate.

Bupa recommends the Department redirect its focus to developing educational initiatives for international students which help them understand how to access the Australian healthcare system and better utilise their OSHC cover.

Education initiatives must build students' practical knowledge of Australia's healthcare system, the ways it differs to their home country, and how to access and engage with it. This will directly contribute to a stronger understanding of their cover and provide greater confidence to students that need to access and use their OSHC cover.

Solution design and implementation

As there is a limited OSHC product suite, we are hopeful that the burden of changes in this area will not be too onerous, however this will need to be continually reassessed as the solution is developed and insurers know their obligations. Any new requirements must be clearly defined in regulatory rules and supported by guidelines so insurers understand how it may be applied to different product categories. Some of the factors that would increase the administrative load are discussed below.

Effective co-design between the Department, industry stakeholders, and student representatives is needed to ensure a practical solution that is fit-for-purpose and without adding excessive administrative burdens.

For insurers, it would be most efficient to utilise a single information template which captures relevant product information for the purpose of product comparisons. If an adapted PHIS requirement were to be imposed, this should be integrated with the information from this template to facilitate a single report point. Insurers already support students with welcome packs which include policy information documents, and we believe this could be adapted to a single industry-wide standard.

There would be a significant administrative burden if each unique product offering were to be subject to reporting for the purpose of product comparisons or required to develop a unique PHIS. This would make it very challenging for insurers to manage customers and partners – particularly agents – which seek to provide students with additional coverage products or other special offers. Product management and pricing would

³ Final Report, OSHC Review, Prepared by Lonergan Research (2022), p74.

also be impacted by a broad requirement, which could place upward pressure on premiums to maintain product sustainability.

Other factors that would increase the regulatory burden include:

- Frequency of updates: There will be additional administrative and cost burdens depending on the frequency of updates required. This includes increased administration costs if insurers are required to send a regular / annual PHIS to customers.
- Information in a 'PHIS': We suggest that any requirement to update a PHIS should be limited to updates arising from product changes to minimise any administration burden. [REDACTED]

[REDACTED]

We also note fundamental differences in the way OSHC is priced and purchased compared to domestic PHI products. There is no differentiation of premiums by state, but products are priced by duration and scale. International students also purchase OSHC up front and are far less likely to switch products, though there is some benefit in an initial comparison of product benefits and features.

Due to the complexity and variability of these products, we believe that premiums should be excluded from any such requirement. Though a dynamic feature could be developed to compare premiums (ie by duration), this may not be a practical solution.

We recommend that premium information and unique offers developed for specific channels should be excluded from any adapted PHIS requirement.

We also note that because existing customers have already paid an up-front premium for the duration of their visa, new premium information is unnecessary for changes to additional product features.

Bupa does not expect a significant impact on purchasing behaviour, given the limited differences between products that meet OSHC Deed standards. Any impact would depend on the level of information displayed, and we reiterate the need for the format to acknowledge differences in cover between products to enable a useful comparison.

Timeframes

Bupa recommends a transition date after 1 July 2025, providing insurers with at least 12 months to comply to new requirements after they are finalised along with clear guidelines from the Department.

This proposal requires further consultation with the sector and student representatives to determine a suitable template, process, and implementation timeline required. This proposed requirement should be applied across all OSHC products sold to international students.

Significant enhancements would be required to the privatehealth.gov.au website to allow for effective comparison of different products.

The website currently uses pre-populated fields for domestic products that are not amendable. For example, Bupa has unsuccessfully sought to upload information about additional mental health benefits under its domestic products or been forced to use a character limited “Free Text” field. These limitations should be addressed in a solution adapted to OSHC products.

The time required to develop a suitable solution should be considered, with student and industry stakeholders involved in co-design processes, to develop a customer-friendly website that incorporates the unique characteristics of OSHC products. This would require new processes to be developed for insurers to submit relevant information and provide adequate implementation time.

Other considerations for OSHC specific template

The OSHC Deed requires products to meet a minimum standard, and it is important that any information is formatted in a way that acknowledges differences between products, such as optional extras or value-added features. A unique OSHC template would be required based on the differences in product features and benefits.

We agree that templates will need to allow for differentiation between base coverage and additional coverage products. However, we note that further consideration is required with respect to the confidentiality of product offers available through select channels. Comparisons of product offerings and information should be made for products that are available for public sale to international students.

Bupa’s specific feedback on inclusions and exclusions for an OSHC comparison tool or adapted PHIS template includes:

Additional features & value adds	Include a new section for insurers to outline additional features and value-added services such as insurer-provider arrangements that allow for differences to be compared. Examples of these arrangements for Bupa include Bluea telehealth (Doctor on Demand), Bupa-friendly doctors and applicable health programs.
Hospital services	Include in template
Outpatient services	Include details of outpatient services below, including mandatory outpatient: • Medical and GP services • Specialist consultations • Pathology (e.g. blood tests) • Radiology (e.g. x-ray scans) • Allied health services • Outpatient pregnancy services • Outpatient psychiatric services • Pharmacy Benefits – payment
Base Product vs Additional Coverage	Different templates should be developed for each product category. For example, an “Additional Coverage” section should include coverage for items such as: • Repatriation • Mental Health benefits (outside of a GP Care Plan)

	• Additional non-emergency ambulance
1 PHIS template per product	The most practical solution would be to include one national PHIS per product type: • Singles • Couples • Single Parent • Families
Remove references to several items	Exclude references to: • Excess • State • Co-payments • Rebates • Age-based discounts • Premiums • Medicare (make relevant to OSHC)
Include relevant information related to the migration system	Include information related to: • 500 Student Visa compliance • Cover required for duration of visa • Up-front payment arrangements
Contact phone numbers	These will be different to Domestic PHI due to dedicated support lines.
Include comparison of several relevant items	• Inclusions and exclusions • Waiting periods • Pharmacy limits • Ambulance cover • Emergency department fees • Accident coverage
Premiums	Exclude premium information, which would complicate matters as noted in our response.
Clinical categories	Clinical categories for OSHC can be the same as for domestic PHI as OSHC does not have exclusions (e.g. bone marrow, organ transplant).

Bupa would welcome the opportunity to engage further with the Department and industry stakeholders to develop a standardised solution that is useful to consumers and easy to implement for insurers.

2. Caps on certain payments by insurers to third-party agents

Bupa supports the principle behind limiting payments which reward third parties purely for facilitating a preferential OSHC purchase. However, applying simplistic caps are not likely to achieve the objective and risk unintended adverse consequences.

We recommend the development of “disclosure first” solutions that are beyond the scope of the Deed.

Other policy measures more appropriate to creating disclosure and transparency obligations for relevant entities will be needed.

We note the advice of the ACCC in this area which found that a cap on commissions was unlikely to result in a public benefit. They said a cap would not necessarily address the issues arising when consumers are not focused on the purchase of insurance in a complex sales environment but could delay the development of more effective solutions to the problems identified in that industry.⁴

The OSHC Deed not an appropriate instrument through which to pursue reform in this area due to broad scope of organisations which pay (as well as receive) commissions and other payments.

There is significant complexity in existing arrangements between insurers, education institutions, and third-party agents, which need to be better understood to determine an appropriate policy response.

Before moving to impose a cap, Bupa would like to see priority given to the development of transparency and disclosure frameworks. These may prove to be effective at limiting the payments government is concerned about but if they fail to have the desired impact, they will also provide a stronger evidence basis for the future development of caps or other reforms.

Better information is needed to guide an effective policy response that delivers a positive outcome for international students.

Practical challenges and limitations

There are serious challenges in defining “third party agents” and making clear distinctions between different types of organisations which provide services to international students as they navigate their enrolment, the migration system, and health insurance requirements.

[REDACTED]

⁴ ACCC draft determination on a proposal to agree to a cap on commissions paid to car dealers who sell add-on insurance products, ACCC, 17 February 2017. Accessible: [ACCC proposes to deny authorisation for insurance companies to jointly set a cap on sales commissions | ACCC](#)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Potential for adverse outcomes

A careful approach is needed to avoid unintended and desirable consequences. [REDACTED]

[REDACTED]

[REDACTED]

There is a real risk that perverse incentives could be created and embedded in the international education system.

Disclosure of fees and commissions

[REDACTED]

This could be reported in percentage terms (as a % of the premium) and/or as a total monetary amount, broken down by the industry or category of recipient. For insurers, this should be supported by detailed guidelines to outline how the disclosure regime should work in practice, including the way it must be communicated to partners (who are not signatories to the Deed).

⁵ Final Report, Overseas Student Health Cover (OSHC) Review, Prepared by Lonergan Research for the Department of Health, 8 June 2022, p32.

Another option could be to appropriately adapt a disclosure solution from another sector, for example in General Insurance a separate document is used to disclose the remuneration to partners through a Financial Services Guide⁶. This could be a suitable transparency measure that we could explore further with the Department.

We would welcome the opportunity to explore these issues further with the Department and discuss potential transparency or control measures that can deliver the desired outcome.

3. Waiting periods for pregnancy-related care

Removing or reducing waiting periods for pregnancy related care will fundamentally alter the risk profile of OSHC customers.

This clinical category is subject to inherently high and unpredictable costs. [REDACTED]

A combination of measures will be needed to achieve the objective of increased access to benefits for consumers who require healthcare during pregnancy while keeping the cost of OSHC policies affordable.

Bupa recommends the following:

- **Differentiated approach to waiting periods according to product duration.** Waiting periods would be reduced only for products of 2+ years in duration to better manage risk and spread the additional cost of provisioning.
- **Allow restricted coverage** for example cover is limited to a defined care pathway or model of care, delivered by contracted providers.
- **Agree a fair and consistent national item and price schedule** to be applied for all pregnancy, birth, miscarriage, termination and reproductive health care services provided to OSHC policy holders by public hospitals and health services. This could be advanced through the National Health Reform Agreement as a precondition to removing waiting periods.
- **Public hospitals to adopt ECLIPSE** for better eligibility checking to alleviate concerns about the risk of bad debt among non-Medicare eligible patients, improving the student experience, and help place downward pressure on healthcare costs.
- **Require policy holders to switch to the appropriate insured group** if needed and pay the premium differential prior to or within a reasonable grace period following birth. The Deed should clearly articulate there is no waiting period for newborns.

Bupa is concerned about the proposal to abolish pregnancy care related waiting periods in the OSHC Deed. Pregnancy related claims are already the single largest category for OSHC benefits paid by insurers.

Waiting periods for pregnancy related care serve several purposes across the private health insurance sector and supports the integrity of Australia's international education and immigration systems. The introduction of these waiting periods into the OSHC Deed was a response to past misuse of the student visa system.

As the Department is aware, in domestic PHI pregnancy and birth are only covered in the highest tier products. This is because the risk of something going wrong is high, and when it does it is very costly. [REDACTED]

⁶ Financial Services Guide, ASIC, accessible: [Financial Services Guide | ASIC](#)

The cost of claims in this clinical category are a major driver of significant premium increases for Gold policies, such that there are increasing concerns Gold level cover is both unaffordable for consumers and unsustainable for insurers.

In the OSHC cohort the high and unpredictable costs inherent to the clinical category are compounded by excessive public hospital charges.

As both the Lonergan Report⁷ and other pre-reading⁸ provided ahead of the Overseas Student Health Cover Consultative Group meeting in April confirmed:

- Public hospitals use a variety of methodologies to itemise and determine service charges, creating significant variation across and even within jurisdictions.
- While some states publish gazetted rates, others do not and in Victoria, each hospital is entitled to set their own prices for procedures and change them at any time.
- Even where gazetted rates are available calculation methods vary, and insurers rarely receive advanced notice when prices are increased.

As OSHC policies are purchased OSHC up front for the duration of the student's visa, which could be multiple years, premium setting must factor in the potential for the arbitrary and unknown price increases mentioned above to be applied over that time.

The removal or reduction of waiting periods for pregnancy related care will fundamentally alter the risk profile of OSHC customers.

[REDACTED]

[REDACTED]

Cover not the only access barrier, especially in public hospitals

There have been several cases of international visitors and students who have encountered barriers accessing health care. This includes cases reported in the media about delayed access to emergency departments or requirements for up-front payment prior to emergency treatment⁹.

Bupa has also received feedback from our customers and university partners reporting challenges accessing services (including pregnancy related care) for students who have served the waiting period and have the appropriate cover. A significant change to waiting periods could put additional pressure on the stressed public health system by incentivising increased demand for these services, at a time that existing students face challenges seeking care which is already covered by their OSHC policy.

⁷ Final Report, Overseas Student Health Cover (OSHC) Review, Prepared by Lonergan Research for the Department of Health, 8 June 2022

⁸ Summary of responses to OSHC information request for public hospital benefit arrangement, OSHC Consultative Group meeting, 24 April 2024

⁹ International students asked to pay up-front before emergency treatment in Queensland hospitals, [ABC News](#), 29 January 2023.

A differentiated approach to waiting periods

The option of applying differentiated waiting periods according to product duration allows for a nuanced approach to managing the risk profile of the OSHC population and reduces the likelihood of unintended consequences.

Bupa believes that differentiated waiting periods, in combination with other policy levers to support better cost management, are a viable option to give effect to the policy under consideration.

This approach would retain the use of waiting periods to maintain some degree of fairness between shorter and longer stay students, given short-stay visa holders are heavily subsidised by other policyholders where they submit claims.

We recommend a twelve-month waiting period be maintained for products less than two years in length, while a reduced waiting period could be applied for those purchasing a product covering two or more years.

This mitigates the risk that the international education system is misused by individuals arriving in Australia for a different purpose than their studies. A reduced waiting period for longer-term visa holders would also support insurers to better manage the cost of increased short-term claims utilisation across the life cycle of a product.

The variation of waiting periods based on the length of a product is preferable to adjustments based on product type, which would add further confusion for customers seeking to purchase an appropriate product. This is also likely to lead to an increased number of customer complaints.

Any further possibility of reducing waiting periods would require substantial progress on complementary reforms that enable insurers to better manage excessive costs in the public hospital system.

Other options for managing costs

If, after considering the important function of waiting periods in supporting the integrity of the international education system, government wishes to proceed with reducing or removing waiting periods on all products, a combination of multiple additional measures will be essential to helping insurers manage the additional risk and cost.

Option 1: Allow restricted cover, directing care to contracted providers and/or defined care pathways

Providing cover that is limited to a defined care pathway or models of care and/or to care delivered by contracted providers would improve the predictability of the costs insurers need to provision for in addition to helping contain them.

This option is feasible but would take time to design and implement appropriately in the context of contracting maternity service levels in private hospitals. However, being more directive could potentially help better match demand to service capacity.

Option 2: Set a national item and price schedule for all public hospitals that is fair and consistent

The Commonwealth is uniquely placed to advance standardised items and fair, transparent pricing as part of the National Health Reform Agreement (NHRA).

To address the huge variation in the way procedures are defined at priced discussed earlier, this option would develop a national schedule of items and prices for all pregnancy, birth, miscarriage, termination and reproductive health care services to be used by all public hospitals and health services for OSHC policy holders.

Option 3: Incentivise public hospitals to contract with insurers

This could be achieved by adopting a reduced default rate that non-contracted public hospitals can charge for care, with an ability to agree a higher amount in a contract with insurers.

Public hospitals currently have no incentive to contract with insurers or to adopt standardised, transparent pricing methods, contributing to the excessive charges for international students.

This option would provide much needed transparency on public hospital fees, while providing an incentive to reach an agreement. Additionally, this could facilitate negotiations to support the adoption of improved claims processes, unlock efficiencies, and remove the access barriers reported by OSHC policyholders.

Bupa would welcome the opportunity to further explore all these alternative solutions with the Department.

Other issues and considerations

4. Public hospital costs and access issues

Bupa customers continue to experience excessive emergency department fees in public hospitals, fees charged by ambulance providers, and high costs for overnight stays in public hospitals.

Funds currently have no control over the costs charged by public hospitals to OSHC customers

Bupa urges Commonwealth action as part of the NHRA to:

- reduce excessive public hospital charges; and
- facilitate better electronic processes for eligibility checking, claims processing and data reporting between insurers and public hospitals.

International students who are not eligible for Medicare are currently disadvantaged by the public system and continue to be charged much higher fees than their domestic counterparts for similar treatments.¹⁰

This problem is compounded by the lack of transparency associated with charges, with insurers forced to set premiums in the context of highly variable charges by public hospitals, who can change rates without notice.¹¹

This makes calculating the premiums required for responsible provisioning very challenging, impacting the viability and affordability of OSHC products.

¹⁰ Final Report, Overseas Student Health Cover (OSHC) Review, Prepared by Lonergan Research for the Department of Health, 8 June 2022, p18.

¹¹ Summary of responses to OSHC information request for public hospital benefit arrangement, prepared by the Department of Health and Aged Care for the Overseas Student Health Cover Consultative Group, 24 April 2024.

Public hospital admissions staff often lack knowledge around the scope and level of cover OSHC provides, which can lead to students being asked to pay a substantial upfront deposit to cover any potential treatment. When students present at a public hospital as a first port of call for non-emergency treatment, they are often referred to a GP within the hospital, where they are subjected to long wait times and more up-front fees.¹²

While jurisdictions assert that their hospitals provide the necessary treatment to all patients, regardless of insurance status or ability to pay, media reports and our own experience indicate that this is not always the case, particularly regarding timely access to treatment.

There are no levers currently available to address this challenge. The only option is increasing premiums for students – who also face higher out-of-pocket gap fees – which erodes the viability of OSHC products.

The Lonergan Report findings that a large proportion of public hospitals were not reporting any MBS item or HCP data to support the claims submitted to insurers confirms our experience of this issue. Bupa commonly receives invoices which lack clinical or medical categorisation beyond the invoiced amount. This makes benefit calculations very difficult. It also makes it hard to know exactly where the true costs of procedures are being incurred and what could be done to prevent or reduce them.

We recommend that better processes should be clearly defined and supported with guidelines for all stakeholders, including for international students claiming for hospital charges.

All claims need to be accompanied by HCP data, including codes for Medicare Benefits Schedule (MBS) items. The claims process for international students should be harmonised with the domestic standard categorisation, allowing for a consistent approach to services and a consistent customer experience.

There is a significant opportunity to shift the balance of care provided to OSHC policy holders into appropriate private and contracted providers and apply the same options for better cost control outlined in the section above on the proposed change to pregnancy care related waiting periods.

Reform in these areas would have an immediate and significant impact on premium pricing and a better customer experience for international students.

¹² Final Report, Overseas Student Health Cover (OSHC) Review, Prepared by Lonergan Research for the Department of Health, 8 June 2022, p19.