Proposed Changes to OSHC Deed

Response prepared by the Multicultural Centre for Women's Health

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Multicultural Centre for Women's Health is a feminist organisation led by migrant and refugee women to achieve equity in women's health and wellbeing.

Executive Summary

This consultation paper has been developed by the Multicultural Centre for Women's Health (MCWH). MCWH is a community-based, national women's health organisation established in 1978 that works to promote the health and wellbeing of migrant and refugee women and gender diverse people through research and publication, advocacy, bilingual health education, training and capacity building.

MCWH acknowledges the current **Deed for the Provision of Overseas Student Health Cover** is set to expire on 30 June 2025 and welcomes the opportunity to provide this written submission in addition to the consultations held earlier in the year regarding the changes currently being considered by the Department of Health and Aged Care for the next Deed. This paper responds to the three proposed changes outlined in the **Federal Government's Issues Paper: Overseas Student Health Cover** on lack of transparency for consumers, affordability of services and access to reproductive services.

Change 1: Publication of product information on privatehealth.gov.au website using templates similar to Private Health Insurance Statements to allow consumers to more easily compare coverage.

1. Is the proposal supported?

MCWH supports the proposal to publish OSHC product information on privatehealth.gov.au. We believe this proposal will increase transparency and make it easier for prospective international students and their families to compare options and choices regarding health insurance, thus lessening reliance on third party agents. We strongly advise the publication of product information be made available in plain English and jargon-free. Noting that parents of international students also require information about what insurance products are available, we strongly advise the Commonwealth government to publish information in languages other than English.

As part of this proposal, we also recommend including a Frequently Asked Questions section and comparison tool to enable consumers to easily compare coverage.

2. **What is the likely impact on premiums and purchasing behaviours?**

Evidence currently indicates that many international students are not familiar with their OSHC policies, nor are they aware of any additional health costs they may be required to pay.[1] Health insurance funds provide information about their OSHC policies, including claims processes and gap payments, on their websites; however inconsistencies in the administration and communication of OSHC conditions mean that students invariably miss out on vital information that could facilitate their access to health services.

Efforts to create standardised information will not only increase transparency but influence purchasing behaviours, as prospective international students are more able to make informed choices about what insurance products are suitable for their needs.

3. **What are appropriate metrics for measuring impact? (Website traffic, page views and time spent, comparison tool usage?)**

On top of these metrics, we recommend the government consult with key stakeholders, including advocates, educational institutions, and student bodies, regarding the impact of the proposed change and any areas for future improvement.

4. **What is the anticipated regulatory burden and implementation timeframe?**

We anticipate the regulatory burden of publishing OSHC product information will mainly relate to monitoring and compliance. For this proposed change to be effective, the Department will need to ensure OSHC providers comply with the requirement to publish accurate and updated product information. If the proposal is also to include the provision of information in languages other than English, the Department is well-advised to consider additional quality assurance to ensure translations are comprehensive, accurate, and culturally appropriate.

Change 2: Caps on payments by insurers to third party agents for non-healthcare services to reduce the cost of these services to the consumer.

MCWH recognises that the cost of using a third-party agency is a component of OSHC premiums and that capping commissions paid by insurers could reduce the cost to students and allow for smaller and newer insurance providers to enter the health insurance market. Although it is out of MCWH's remit to comment on all the questions outlined in "change 2" component of the Issues paper, proposed changes to this policy need to ensure costs to consumer are not increasing elsewhere.

International students, current and prospective, face substantial financial pressures due to the expensive nature of tuition fees and living costs in Australia.[2] Efforts that enable students to access necessary health coverage without undue financial burden should be prioritised by the Department as part of the reform process.

[1] Poljski, C., Quiazon, R., Tran, C. (2014). 'Ensuring Rights: Improving Access to Sexual and Reproductive Health Services for Female International Students in Australia.' *Journal of International Students*, vol 4, no.2, pp. 150-163.
[2] Backman, B., Dunn, M., George, N.A., Whiteside, B., McKay, F.H. (2023). 'Am I Really Living or Just Getting by?" Financial Security and Health-Related Decisions among International Students in Australia.' *Journal of Studies in International Education*, https://doi.org/10.1177/10283153231178135.

Change 3: Removal or reduction in waiting period for pregnancy related care for some or all policies to enable better access to reproductive services.

1. Is the proposal supported?

MCWH advocates for the complete removal of the 12-month waiting period for all pregnancy-related care. This is in line with Recommendation 31 from the Senate Inquiry into Universal Access to Reproductive Healthcare, which states that the 'Australian Government work with relevant overseas health insurance providers to amend Schedule 4d of the Overseas Student Health Cover Deed to abolish pregnancy care related wait periods.'[3] It is also in line with Recommendation 30 of the same Inquiry which states that the 'Australian government, in consultation with state and territory governments, consider options for ensuring the provision of reproductive health to all people living in Australia, irrespective of their visa status.' Additionally, the Deed does not explicitly recognise labour or termination of pregnancy as conditions of 'emergency care' that require treatment. Access to termination and other pregnancy-related care should be considered as 'emergency care' as the healthcare that is required is time-dependent and the consequences of delayed care are significant.

Since July 2011 under the OSHC Deed, insurers have been allowed to set a 12-month waiting period for non-emergency pregnancy-related services as outlined in Schedule 4d. In other words, an OSHC insurer is not required to pay benefits for the treatment of pregnancy-related conditions to international students and their dependents in the first 12 months of arrival in Australia, unless emergency care is required. This means international students who have an unplanned pregnancy within their first 12 months of being in Australia are often faced with limited choices and may be forced to pay out-of-pocket costs for their reproductive healthcare.

Short-term and long-term impacts of restrictions to pregnancy-related care on female international students can include:

- The unsubsidised cost of termination (costs vary greatly nationally but are substantial);
- The potentially life-threatening health risks that are associated with seeking alternative, unlawful or medically unsanctioned forms of termination if the student is unable to pay;
- Insufficient or non-existent antenatal care if the student is unable to pay upfront for maternity services which can have severe, detrimental impacts on the mother and baby.
- The interruption or abandonment of studies, which can seriously impact future or continuous education and career prospects, civic and economic participation; and
- Stress and anxiety.

At the core, equitable access to pregnancy-related care is a human rights issue and the 12-month waiting period currently imposed on international students conflicts with Australia's obligations as a signatory to the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW). Under CEDAW, Australia has an obligation to remedy the underlying causes of discrimination against women. This includes addressing the ways in which sex discrimination intersects with other forms of discrimination on the grounds of race, ethnicity, age, ability, class, and

[3] Commonwealth of Australia, (2023). *Community Affairs Reference Committee, Ending the Postcode Lottery: Addressing barriers to sexual, maternity and reproductive healthcare in Australia*, accessed 19 June 2024. **https://parlinfo.aph.gov.au/parlInfo/download/committees/reportsen/RB000075/toc_pdf/EndingthepostcodelotteryAddressingbarrierstosexual,maternityandreproductivehealthcareinAustralia.pdf**.

migration status. Further, the Sex Discrimination Act (1984) stipulates that discrimination against a person on the grounds of pregnancy is unlawful in Australia.

2. What is the likely impact on premiums and purchasing behaviours?

It is likely that changes to the waiting period will impact insurance premiums due to higher expected costs from immediate pregnancy-related care coverage. However, the risk of increased costs can be mitigated by better preventative strategies, such as in-language sexual and reproductive health education and support at an early point. For example, upon arrival to Australia or shortly after. Efforts aimed at increasing the sexual and reproductive health literacy of international students and how to best navigate Australia's healthcare system should be co-designed with key stakeholders, such as community-led organisations who have a history of working with international students on their health and wellbeing.

By reducing access barriers and improving preventative care, overall healthcare costs may decrease leading to lower claims for insurance providers. As such, we propose the Department to consider working with bilingual health educators as a way to promote increased engagement and easier navigation of the clinical health system for international students as a preventative strategy. We have found models of sexual and reproductive healthcare that utilised bilingual health educators alongside clinical models of care helped to reduce access barriers, improved the healthcare experience, and improved perinatal outcomes.

Overall, there is a high need for equitable access to sexual and reproductive healthcare as most international students are young people aged in their late teens and twenties, a population that is typically, or likely to become, sexually active. The risk of unprotected sex and the probability of an unplanned pregnancy are heightened during the first twelve months after arrival in Australia when students are adjusting to life in a new country without familiar social supports.[4] As this cohort is made more vulnerable to unwanted pregnancies, the Department has a responsibility in providing adequate information and support on sexual and reproductive health to international students. Sustained investment in prevention and early intervention will help minimize the risk of unplanned pregnancies, thereby reducing associated healthcare costs and improving the health and well-being of international students.

3. What are appropriate metrics for measuring impact?

To ensure the policy is adequately addresses the needs of the international students, the Department should implement strategies for comprehensive data collection and partner with specialist organisations and fund research and evaluation that explores the impact of policy change on maternal and neonatal health outcomes.

4. What is the anticipated regulatory burden and implementation timeframe?

To ensure compliance by insurers, it is crucial to establish new guidelines and frameworks to oversee implementation of policy change. We urge the Department to expedite the implementation of this change as adequate and timely pregnancy-related care is a human right. The early intervention can improve the health outcomes for the individuals and also reduce the economic costs associated with health complications arising from the lack of timely access to healthcare.

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[4] Multicultural Centre for Women's Health (2021). *Data Report: Sexual and Reproductive Health 2021*, accessed 20 June 2024, **https://www.mcwh.com.au/wp-content/uploads/SRH-Report-2021-for-web-accessible.pdf.**

5. **Regarding pregnancy-related care:**

- How should pregnancy related care be defined?

Pregnancy-related care needs to encompass all aspects of pregnancy and birth, which should include in-patient fees, out-patient fees, and fees for essential tests such as ultrasounds and blood tests.

Antenatal care is critically important for the health and wellbeing of mothers and babies with direct consequences in terms of birth complications, even morbidity; however the bulk of antenatal care occurs outside of hospital settings. Literature indicates that regular antenatal care during pregnancy and early intervention helps to reduce associated healthcare costs and prevent further strain on state health systems.[5] Currently, the impacts of the 12-month waiting period means female international students run the risk of forgoing essential antenatal care, if they are unable to pay upfront for maternity services. As such, we advise the Department to specifically include antenatal care and services in revised definitions of pregnancy-related care.

Additionally, we recommend the Department redefine what constitutes 'emergency care' in the next Deed. In its present form, the OSHC Deed does not take into account the potential health risks to which female international students may be exposed without any provision for pregnancy-related care in the first 12 months of their stay in Australia. The Deed states that students will be covered for pregnancy-related emergency treatment under the circumstances where a medical practitioner certifies, and the insurer agrees, that it is required. However, the Deed does not explicitly recognise labour or termination of pregnancy as conditions of 'emergency care' that require treatment.

- What has been the previous experience when there was no waiting period for pregnancy related care?

Prior to the enforcement of the waiting period, timely pregnancy-related care was more accessible to international students. When students receive pregnancy care early, they can make more informed decisions around their reproductive health and wellbeing, thus reducing financial and emotional costs/burden later. For example, if they choose to terminate a pregnancy early on, medical termination remains an option, which is a simpler procedure and costs less than a surgical termination. If they choose to continue with the pregnancy, access to early antenatal care can prevent maternal and neonatal health complications.

- How should waiting periods be applied to newborns?

There should be no waiting period as this is a critical and vulnerable time in a newborn's life, particularly if the newborn requires ongoing clinical care after birth. Failure to provide timely healthcare can have life-threatening consequences.

- Should there be a differentiation of waiting period based on product duration or type?

The healthcare needs of international students should not be subject to market-driven forces, such as those dictated by private health insurance arrangements. As such, there should be no differentiation of waiting periods based on production duration or type. International students already face a discriminatory visa system and a healthcare system that is challenging to navigate

[5] See Shannon, L. (2021). *Talking to women on temporary visas,* accessed 20 June 2024, **https://www.womenshealthtas.org.au/sites/default/files/resources/talking-women-temporary-visas/talking-women-temporary-visas-report.pdf**

when in Australia. Differentiating waiting periods on product duration or type will be an additional barrier to realising equitable access to healthcare.

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