



Working Visa Health Cover Star Ratings

What are the CANSTAR Working Visa Health Cover star ratings?

CANSTAR's Working Visa Health Cover star ratings use a sophisticated rating methodology to compare the health insurance policies offered to holders of working visas (such as a 457 visa). The ratings process is consistent with the pricing and features model of the CANSTAR star ratings.

What types of products are evaluated for CANSTAR's Working Visa Health Cover star ratings?

Applicants for a visa that will entitle them to come to Australia to work generally have a condition attached (8501) to their visa that "The holder must maintain adequate arrangements for health insurance while the holder is in Australia." This applies to many working visas including common ones such as:

- 457 Temporary Work (Skilled)
- 485 Skilled Graduate
- 417 Working Holiday

To be included in the star ratings, policies must assist the visa holder in complying with condition 8501. Policies must also cover treatment in a private hospital.

CANSTAR evaluates policies that include hospital-only cover, as well as policies that include hospital and out-of-hospital medical (e.g. general practitioner) cover.

How is the CANSTAR Working Visa Health Cover Award calculated?

To arrive at the total score that makes up the award, CANSTAR uses a weighted average of the four different health cover profiles.



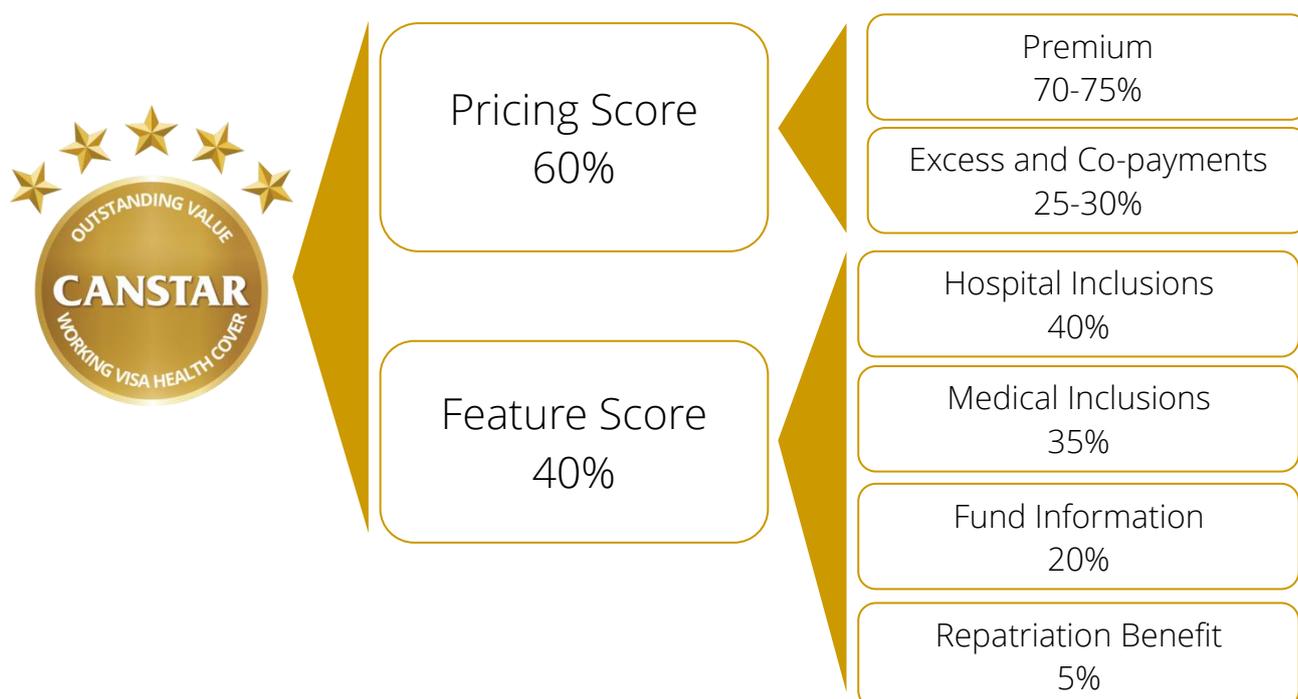
How are the CANSTAR Working Visa Health Cover star ratings calculated?

Working Visa Health Cover products are rated on the basis of their hospital and medical cover. Since policy premiums, benefit limits, and excess vary depending on the number of people covered on a policy, there is a separate rating for:

- Singles,
- Couples, and
- Families.

Also, since there is no need for a single male to have cover for pregnancy or other reproductive procedures such as in vitro fertilisation (I.V.F), there is a separate rating for single males and single females.

Overall methodology



Pricing Score

The weights that apply to the premium and excess components of the pricing score are profile specific. More weight is applied to excess and co-payments for families compared to for singles and couples. This is to recognise that as the number of people insured increases, so does the chances of someone being admitted to hospital in any given year.

Profile	Premium	Excess and Co-payments
Singles – Male and Female	75%	25%
Couples	75%	25%
Families	70%	30%

Premiums

The base premium for health cover insurance products will be used as the main point of cost comparison. Peer products will be compared and the product with the lowest cost will be awarded the highest base premium score. All other peer products will be awarded a relative score based on their cost in comparison to the rest of the market.

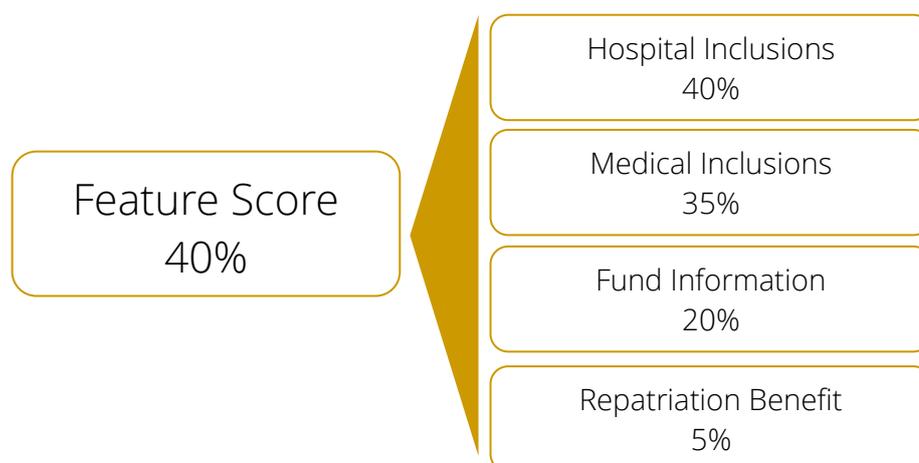
Excess and Co-payments

The excess and co-payments score is a scenario based assessment to determine the amount of out-of-pocket cost for a hospital admission. There are seven scenarios used in the assessment – designed to capture benefits such as excess waivers for day surgery and/or dependent children, as well as the likelihood of hospital admissions of different lengths.

Scenario	No of Admissions/year	Length of Stay/Admission	Weight	Example of procedures
1	1	0 nights	25%	Minor/day surgery
2	3	0 nights	20%	Chemo
3	1	4 nights	15%	Obstetrics
4	3	2 nights	10%	Cardiac Arrest
5	1	14 nights	5%	Depression/Mental Illness
6	3	7 nights	10%	Joint Replacement
7	1	2 nights	15%	

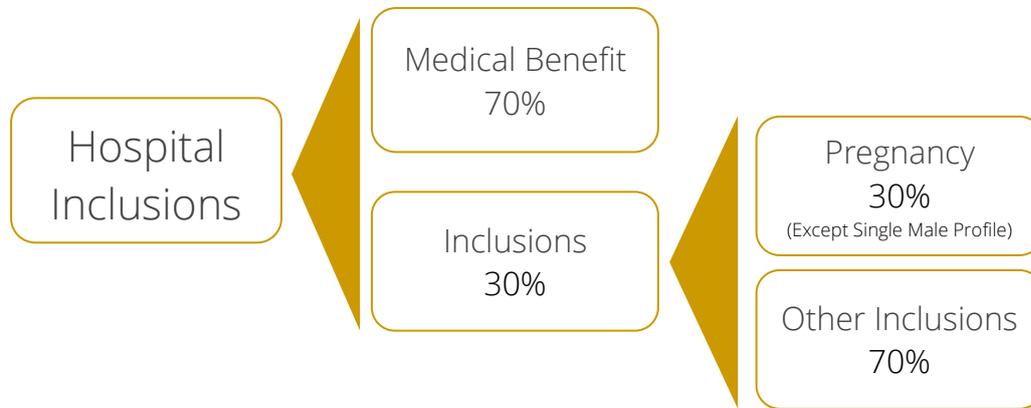
Feature Score

The feature score is calculated based product-specific features and fund-specific features. The weights applied to the various feature categories are shown below.



Hospital Inclusions

Whilst all health insurance policies for working visa holders will provide a certain level of cover in keeping with the obligation of the policy holder to have “adequate arrangements for health insurance”, some policies will pay a higher benefit for medical procedures conducted in private hospitals and have a higher level of cover than others. The hospital inclusions score recognises policies that stand out in this regard.



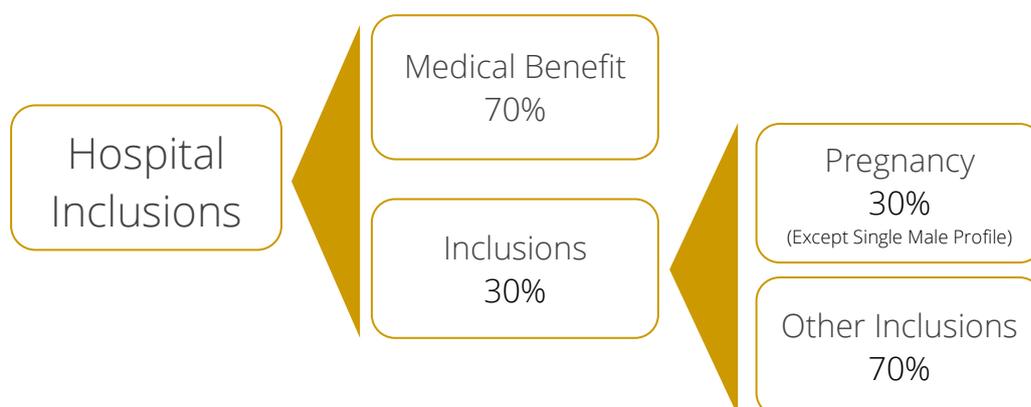
Medical Benefit

When an Australia resident with private health insurance has a procedure performed in a private hospital, Medicare (the publicly funded universal health care scheme) will pay for 75% of the prescribed cost of the procedure. This prescribed cost is known as the Medicare Benefits Schedule (MBS) fee. The private insurer will pay the other 25% of the MBS fee. Since the doctor may charge more than the MBS fee, there may be a “gap” fee that has to be paid by the patient.

Providers of health cover for working visa holders are not restricted in creating policies that pay for more than the prescribed minimum benefit (100% of the MBS fee).

In the Medical Benefit section, products are scored on the level of benefits paid for in-hospital medical procedures.

Inclusions



The inclusions score recognises where policies may offer a higher level of cover for some procedures than what they are required to, as well as whether or not obstetrics (pregnancy) cover is included. The areas of focus for additional coverage are:

- Surgical removal of wisdom teeth
- In vitro fertilisation (IVF)
- Psychiatry
- Gastric Banding
- Podiatric Surgery

Pregnancy and IVF are only considered in profiles where one of the persons on the policy is assumed to be a female (Single Female, Couple, and Family).

Medical Inclusions (Out-of-hospital)

Policies vary in the types of out-of-hospital medical benefits that are payable and the levels of rebate provided. Rebates are based on the Medicare Benefits Schedule (MBS) Fee. Since health care providers may charge more than this fee, the rebate from the insurer may not cover the entire fee charged. The difference between the fee and the rebate is known as a 'gap'. Since there are different benefit levels for different types of medical services, a weight is assigned each type of service.

Medical Inclusions	Weight
Specialist	20%
General Practitioner	20%
Radiology	15%
Pathology	15%
Prescription medicine (PBS)	30%

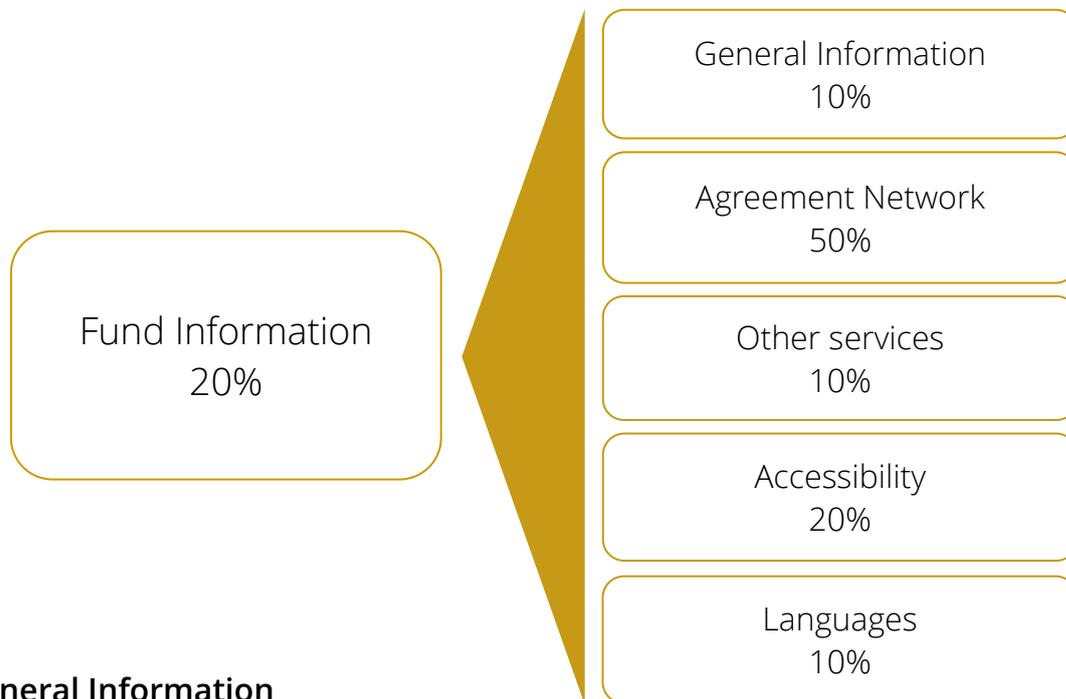
Prescription medicines

Since the benefits payable on prescription medicines differ in their co-payments, benefit levels, and limits, a scenario has been designed to test the level of benefits offered by each product. The pharmacy benefits scenario is based on the weighted cost of redeeming the top 50 medicines on the Pharmaceutical Benefits Scheme (PBS) by volume. An average out-of-pocket amount is calculated based on 48 hypothetical patients requiring an average of 7 scripts per year with a standard deviation of 7 scripts.

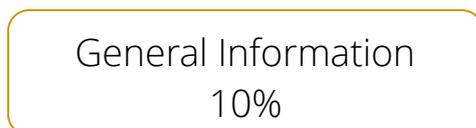
Repatriation

Repatriation cover provides for an insurer to pay the cost of returning a person to their home country in some circumstances (for example, being diagnosed with a terminal illness). Products are scored on the level of cover they provide for repatriation.

Fund Information



General Information



This section includes general information relating to the health fund. This includes, but is not limited to, online application, direct debit payments, payment frequencies and maximum age of dependants.

Agreement Network



Agreement Private Hospitals & Day Hospitals

The number of agreement hospitals available in a state represents the level of choice a patient has in health care providers *that will not charge a gap fee*.

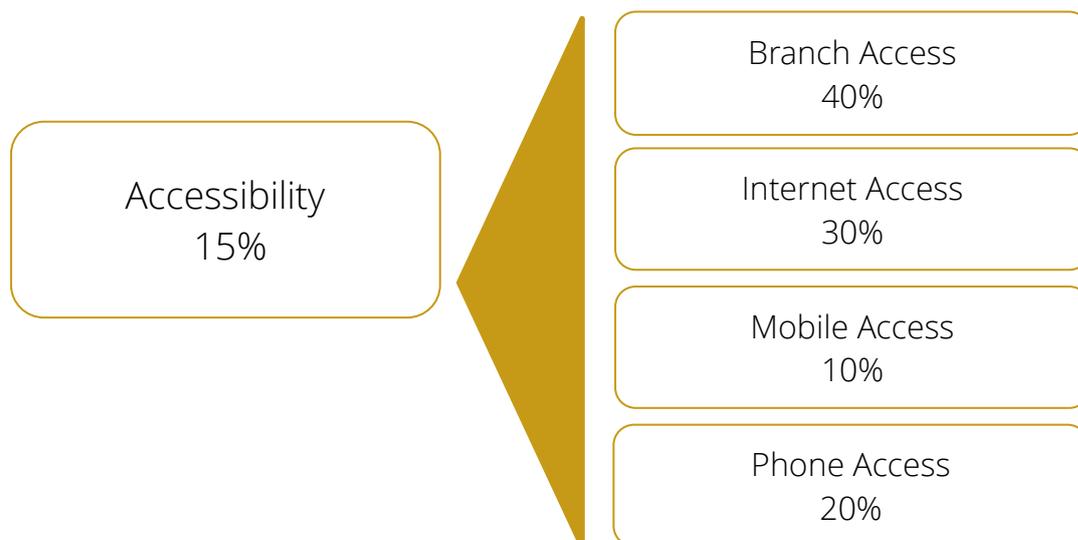
A weighted average of the number of private and day hospitals available to members of a fund is taken based on a state's population. The health fund that has the most total no-gap hospitals in that state will earn the maximum score towards all their eligible hospital cover products while all other health funds will be awarded a score based on their number of no-gap hospitals relative to the institution with the most no-gap arrangements.

Other Services

This section looks at a number of additional services provided by the provider at a fund level. These additional services include:

- Health/nurses hotline – availability and hours of operation
- Home doctor services/after-hours doctors service – availability and hours of operation
- Wellness and health guides (electronic or hard copy)
- Pre/post-hospital services (e.g. obstetrics and cardiac)

Accessibility



- **Branch Access:** The number of branches
- **Online Access:** Functionality online
- **Mobile Access:** Functionality through mobile application
- **Phone Access:** Functionality through call centre

Languages

Funds are scored based on the number of different languages their website can be viewed in as well as if they have brochures for health cover available on their website in languages other than English.

How often are all the products reviewed for rating purposes?

All ratings are recalculated annually based on the latest features offered by each provider. CANSTAR also monitors changes on an ongoing basis. The results are published in a variety of mediums (newspapers, magazine, television, websites, etc.).

Does CANSTAR rate all products available in the market?

We endeavour to include the majority of product providers in the market and to compare the product features most relevant to consumers in our ratings. However, this process is not always possible and it may be that not every product in the market is included in the rating nor every feature compared that is relevant to you.

Does CANSTAR rate other product areas?

CANSTAR researches, compares and rates the suite of banking and insurance products listed below. These star ratings use similar methodologies to guarantee quality, consistency and transparency. Results are freely available to consumers who use the star ratings as a guide to product excellence. The use of similar star ratings logos also builds consumer recognition of quality products across all categories. Please access the CANSTAR website at www.canstar.com.au if you would like to view the latest star ratings reports of interest.



- Account based pensions
- Business life insurance
- Deposit accounts
- Health insurance
- Landlord insurance
- Margin lending
- Package banking
- Reward programs
- Travel insurance
- Agribusiness
- Car insurance
- Direct life insurance
- Home & contents
- Life insurance
- Online banking
- Personal loans
- Superannuation
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- Business banking
- Credit cards
- First home buyer
- Home loans
- Managed investments
- Online share trading
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- Term deposits
- Youth banking

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