



Working Visa Health Cover Star Ratings and Awards - March 2019

What are the Canstar Working Visa Health Cover Star Ratings and Awards?

Canstar's *Working Visa Health Cover Star Ratings and Awards* use a sophisticated and unique rating methodology that compares both cost and features across health insurance policies offered to people coming to Australia holding working visas (such as a 457 visa). Canstar star ratings represent a shortlist of products enabling consumers to narrow their search to products that have been assessed and rated.

Ratings range from one to five stars. Five star rated products have been assessed as offering outstanding value to consumers.

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 and awards, 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 are the Canstar Working Visa Health Cover Star Ratings calculated?

Working Visa Health Cover products are assessed across four consumer profiles, considering three types of household structure (single, couple and family), where singles are split into single male and single female categories. This is designed to account for the scenario where single males do not require cover for pregnancy or other reproductive procedures such as in vitro fertilisation (IVF).

The household structures considered within each profile are as follows:

- Single Female
- Single Male
- Couples
- Family

Star Ratings Methodology

Each eligible Working Visa Health Cover product reviewed is awarded points for its comparative pricing and for the array of features attached. Points are aggregated to achieve a price score and a feature score.

To arrive at the total score Canstar applies a weight against the price score and the feature score. The weights reflect the importance of costs and features in determining the products offering outstanding value. This method can be summarised as:

$$\text{Total Score} = \text{Price Score} + \text{Feature Score}$$



Price Score

The weightings applied to the premium and excess components of the price score are profile specific; more weight is applied to excess and co-payments for families compared to that for singles and couples. This recognises the increased probability, in any given year, of hospital admission for someone covered under the policy, as the number of people covered increases.

Profile	Premium	Excess & Co-payments
Singles	75%	25%
Couples	75%	25%
Families	70%	30%

Excess & Co-payments

The excess and co-payments score is a scenario-based assessment designed to determine the out-of-pocket cost per hospital admission. There are seven scenarios used in the assessment intended 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.

Length of Admission	Admissions Per Year	
	One	Three
Day Surgery	25%	20%
2 Nights	15%	10%
4 Nights	15%	-
7 Nights	-	10%
14 Nights	5%	-
Length of Admission	Admissions Per Year	
	One	Three
Day Surgery	Minor/Day Surgery	Chemotherapy
2 Nights	Obstetrics	-
4 Nights	Cardiac Arrest	-
7 Nights	-	Replacement
14 Nights	Depression/Mental Illness	-

Feature Score

The feature score takes into account a number of features within four different categories, with individual features allocated points and each category, and sub category, assigned a weighting. The product with the highest feature score is allocated the maximum score, with all remaining products within the profile scored against it. The feature categories and sub-categories, with assigned weights, are:

Category	Weight
Hospital Inclusions	40%
Medical Benefit	70%
Inclusions	30%
<i>Other Inclusions</i>	<i>70% (100% for single male profile)</i>
<i>Pregnancy*</i>	<i>30% (0% for single male profile)</i>
Medical Inclusions	35%
Prescription Medicine (PBS)	30%
General Practitioner (GP)	20%
Specialist	20%
Pathology	15%
Radiology	15%
Fund Information	20%
Agreement Network	50%
<i>Private Hospitals</i>	<i>60%</i>
<i>Day Hospitals</i>	<i>40%</i>
Accessibility	20%
<i>Branch Access</i>	<i>40%</i>
<i>Internet Access (including mobile)</i>	<i>40%</i>
<i>Phone Access</i>	<i>20%</i>
General information	10%
Languages	10%
Other Services	10%
Repatriation Benefit	5%

**since there is no need for a single male to have cover for pregnancy or other reproductive procedures such as in vitro fertilisation (IVF), singles ratings are separated into males and females.*

Hospital Inclusions

Working Visa Health Cover is a highly regulated form of health insurance; levels of cover do not vary significantly between providers. This is because all in-hospital procedures that are on the Medicare Benefits Schedule (MBS) are required to be covered (waiting periods may apply for some procedures).

The hospital inclusions score recognises where policies may offer a level of cover that exceeds minimum requirements. The areas of focus are:

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

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 (based on the MBS fee). Since health care providers may charge more than this fee, insurance rebates may not cover the entire fee charged. The difference between the fee and the rebate is known as a 'gap'. Since there are different levels of benefit for different types of medical services, a weight is assigned to each service type. Note all working visa health cover provides cover for GP, specialists, radiology and pathology though benefits levels vary from product to product.

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.

Direct Billing General Practitioners

In the same way that Australian residents can go to direct billing doctors and not need to incur costs upfront, students insured under Working Visa Health Cover policies can attend direct billing practices. Recognition is given for direct billing medical practices in each state and territory.

Fund Information

Fund information is assessed in a similar fashion to Canstar's *Health Insurance Star Ratings*, with an additional category for the availability of dedicated websites or brochures in languages other than English.

Agreement Network

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.

Accessibility

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



General Information

This category 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.

Languages

Funds are assessed 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.

Other Services

This category looks at a number of additional services offered 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)

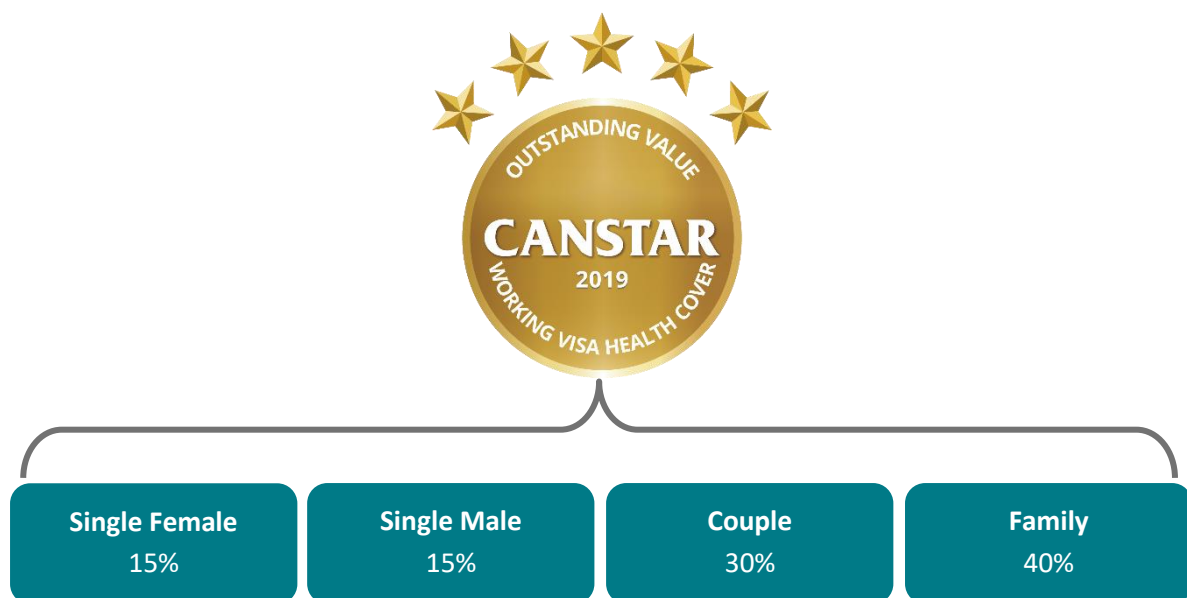
Repatriation

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). As policies differ in terms of medical repatriation limitations, products are scored on the level of cover they provide for repatriation.

How is the Canstar Working Visa Health Cover Award Calculated?

To be considered for the *Working Visa Health Cover Outstanding Value Award* the insurer must provide a policy with a quote available for each household structure considered within the star ratings.

Canstar awards an Outstanding Value Award to the insurer or insurers who offer outstanding value cover based on their cumulative score across all four profiles. The weight placed on each component within the profiles is shown below, and represents the relative importance of each in determining the outstanding working visa health cover providers.



Does Canstar rate all products available in the market?

Canstar endeavours to include the majority of product providers in the market and to compare the product features most relevant to consumers. 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 specific consumers.

How often are products reviewed for awards or star ratings purposes?

All ratings are fully recalculated every twelve months based on the latest product offerings within the market. Additionally, Canstar monitors product changes on an ongoing basis. Star rating and award results are published in a variety of mediums (newspapers, magazines, television, websites, etc).

Does Canstar rate other product areas?

Canstar researches, compares and rates the suite of banking, wealth and insurance products listed below. These star ratings and awards 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
- Agribusiness
- Business Banking
- Car Insurance
- Car Loans
- Credit Cards
- Deposit Accounts
- Direct Life Insurance
- First Home Buyer
- Health Insurance
- Home & Contents
- Home Loans
- Landlord Insurance
- Managed Investments
- Margin Lending
- Online Banking
- Online Share Trading
- Package Banking
- Personal Loans
- Pet Insurance
- Reward Programs
- Superannuation
- Term Deposits
- Travel Credit & Debit Cards
- Travel Insurance
- Travel Money Cards
- Youth Banking

COMPLIANCE DISCLOSURE and LIABILITY DISCLAIMER

You must get Canstar's written permission before you reproduce, repackage, resend, transfer, redistribute, resell or store for later use any information in this report.

All information that Canstar obtains from external sources is believed to be accurate and reliable. Canstar will not be liable in connection with any error or other circumstances whatsoever associated with the collection, compilation, analysis, interpretation, communication, publication, or delivery of such information. Copyright 2017 CANSTAR Research Pty Ltd A.C.N. 114 422 909.

The word "CANSTAR" and the gold star in a circle logo (with or without surmounting stars) are trademarks of CANSTAR Pty Ltd A.C.N. 053 646 165. If Canstar refers to third party products, services or other information in any way, this does not imply that the respective trademark owner endorses, sponsors or recommends Canstar.

