

NATIONAL INTEREST ANALYSIS: CATEGORY B TREATY

SUMMARY PAGE

Agreement on Medical Treatment for Temporary Visitors between the Government of the Australia and the Government of the Kingdom of Norway, done at Canberra on 28 March 2003

[2003] ATNIF 7

Date of Tabling of Proposed Treaty Action

1. 17 June 2003.

Nature and Timing of Proposed Treaty

2. It is proposed to bring into force the Agreement on Medical Treatment for Temporary Visitors between the Government of Australia and the Government of the Kingdom of Norway (the Agreement).
3. The Agreement was signed on 28 March 2003. Article 6(3) of the Agreement provides for entry into force on the first day of the third month after the date of the last notification between the Parties through diplomatic channels notifying each other in writing that their respective requirements for its entry into force have been fulfilled. This will occur as soon as practicable to both Parties.

Overview and National Interest Summary

4. This Agreement provides residents of either country with reciprocal access to the public health system of the other country for any immediately necessary treatment that is required before returning home. It contributes to a safer travel environment for Australians visiting Norway by giving them access to immediate and necessary health care, which covers the traveller for pharmaceuticals, public hospital, and 'out-of-hospital care'.

Reasons for Australia to Take the Proposed Treaty Action

5. Australia has concluded a number of bilateral medical treatment Agreements with countries which have health systems of an equivalent standard to Australia and which can provide a high level of health care. These countries are New Zealand, the United Kingdom, Italy, Malta, the Netherlands, Sweden, Finland, and the Republic of Ireland.
6. In particular, this Agreement:
 - assists persons with pre-existing medical conditions who are perfectly fit to travel overseas but are unable to obtain travel insurance to cover their health needs;
 - assists the aged who find it difficult to obtain travel insurance to cover their health needs;
 - creates a safer environment for tourists, working holiday-makers and business people, which in turn strengthens ties between the two countries; and
 - promotes goodwill by creating a welcoming environment for all visitors.

Obligations

7. Article 3 of the Treaty provides that a person from the territory of one Party to whom the Agreement applies may receive treatment for any episode of ill-health which requires prompt medical attention, while in the territory of the other Party.
8. Article 4 of the Treaty requires each country to provide visitors from the other with any immediately necessary treatment as is clinically required for diagnosis, alleviation or care of the condition requiring attention. This may occur in three ways: in-patient and out-patient care in a public hospital; subsidised out-of-hospital medical services and subsidised prescription drugs.
9. The Agreement:
 - does not cover treatment for which there is no immediate medical necessity;
 - excludes:
 - those entering for the specific purpose of receiving medical treatment;
 - Norwegian visitors entering Australia on student visas; and
 - diplomats, consular officers and their families.

Implementation

10. Section 7(1) of the *Health Insurance Act 1973* provides that the Government of Australia may enter into agreements with the Governments of other countries for the purpose of the provision of health care to visitors to the host country as if they were residents of that country.
11. Section 7(2) of the *Health Insurance Act 1973* provides that a visitor to Australia to whom an agreement under section 7 relates shall, subject to the agreement, be treated as an “eligible person” for the purposes of the Act during his or her stay in Australia. This means that, once the Agreement has come into force, the Act applies automatically to visitors covered by the Agreement.

12. No further legislative action by the Commonwealth or the States and Territories is required to implement the Agreement.

Costs

13. It is not possible to undertake a strict cost benefit analysis of the Agreement since insufficient data is available in both Australia and Norway. Notwithstanding this lack of data, an estimation of the reciprocity of the Agreement can be made based on the numbers of people travelling between the two countries. The costs associated with the provision of any necessary hospital care to Norwegian visitors in Australia will be offset by a similar cost being borne in Norway for Australian visitors. The Agreement embodies the principles of budget neutrality and administrative simplicity.

14. Australian Bureau of Statistics (ABS) data is limited but indicates that there were a total of 2,149 Australian travelling directly to Norway and 14,100 Norwegian visitors to Australia in 1999-2000. However, ABS data underestimates the number of Australian travellers to Norway as it counts only those who indicate they are travelling directly to Norway. It does not account for the numerous visitors who visit Norway as part of a wider European tour.

15. The Agreement covers out of hospital medical care, public hospital and pharmaceutical care. As an indication of costs, the total cost of Medicare Benefits provided to RHCA visitors in 2001-2002 was \$5.9 million, covering some 1.6 million visitors. This was 0.08% of 7.8 billion, being the total Medicare outlays for the Australian population.

16. Limited data is available on PBS usage by visitors to Australia under the RHCAs. *The National Health Amendment (Improved Monitoring of Entitlements to Pharmaceutical Benefits) Act 2000* (IME Act), which came into full effect in May 2002, has enabled collection of data on PBS usage. The total number of scripts supplied to RHCA visitors in July 2002 was 1135. This was 0.02% of 15,551,165, being the total number of scripts supplied to the Australian population.

17. Since visitors from Norway will account for only around 0.9% of all RHCA visitors to Australia, the annual Medicare and PBS outlays for this group will be proportionately small.

18. Some State and Territory health departments have introduced procedures to record data on hospital usage by eligible visitors, but such data is neither comprehensive nor reliable. The availability of such data, in the future, together with Medicare and PBS information, should provide an overall picture of the use of these services by visitors from Norway.

19. Data on usage of health services in Norway by Australian visitors under the Agreement is not collected by the Norwegian authorities. This is due to the fact that Australian usage of the Norwegian health system comprises such a small number of services and cost relative to the Norwegian health budget, that expenditure of human and financial resources to monitor usage under the Agreement is not considered worthwhile. In the absence of such data from Norway, comprehensive cost comparisons are not possible at this time.

Consultation

20. Information on the proposed Agreement has been provided to the States and Territories through the Commonwealth-State Standing Committee on Treaties Schedule of Treaty Action.

21. All State and Territory health authorities were specifically advised of the proposed Agreement with the Kingdom of Norway in writing on 20 June 1999, 10 August 2000, 12 July 2002 and 21 March 2003.

22. Medicare Eligibility Section of the Health Insurance Commission has been made aware of the proposed Agreement with Norway.

Regulation Impact Statement

23. The Office of Regulation Review was consulted and confirmed that a Regulation Impact Statement is not required.

Future Treaty Action

24. Article 6(2) of the Agreement provides that Parties may agree, at any time in writing, to amend the Agreement. Any such amendment is subject to normal Australian domestic treaty processes, including scrutiny by the Joint Standing Committee on Treaties.

Withdrawal or Denunciation

25. Article 6(3) of the Agreement contains a procedure for its termination. It allows for termination twelve months after either party gives written notice, to the other, of its intention to terminate the Agreement. Any such termination is subject to normal Australian domestic processes.

26. However, in the event of notice of termination being given under Article 6(4) of the Agreement, the Agreement shall continue to have effect in relation to medical treatment to patients who were receiving treatment prior to, or at the expiry of, the period of such notice.

Contact Details

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