

The Agreement on Health Care Insurance between Australia and the Kingdom of Belgium

Introduction

- 3.1 On the 10 August 2006 Australia signed an *Agreement with the Kingdom of Belgium on Health Care Insurance* (the Agreement).
- 3.2 Australia has a number of such bilateral agreements on health care insurance. They provide residents from each country reciprocal access to the public health care benefits of the other country. Such agreements are of particular benefit for people with pre-existing conditions and older travellers.¹
- 3.3 The Committee was informed in evidence from the Department of Health and Ageing that around 20,000 Australians will potentially benefit each year from this agreement with Belgium.²

Background

- 3.4 Australia has bilateral agreements on health care insurance and medical treatment with a number of countries which have health

1 National Interest Analysis (NIA), para. 4.

2 Ms Samantha Robertson, *Transcript of Evidence*, 22 June 2007, p. 39.

systems of a similar standard to Australia and which are able to provide a comparable level of health care. These countries are New Zealand, the United Kingdom, the Republic of Ireland, Italy, Malta, the Netherlands, Sweden, Finland and Norway.³ In addition, agreements are currently being negotiated with Denmark and Slovenia.⁴

- 3.5 The Australian community in Belgium is estimated at 700. Approximately 5,100 persons in Australia were born in Belgium.⁵ In 2005, it was estimated that over 15,000 Australian's visited Belgium with approximately 12,000 persons from Belgium visiting Australia.⁶

The purpose of the agreement

- 3.6 This Agreement is designed to contribute to a safer travel environment for Australians visiting Belgium by giving them access to necessary health care, which covers medical services, pharmaceuticals and public hospital care. The Agreement should be of particular assistance to persons with pre-existing medical conditions who are fit to travel but unable to obtain travel insurance for their needs and it will also provide cover for those who find it difficult to obtain travel insurance due to their age.

- 3.7 Under the agreement an Australian who needs to go to a doctor or visit a hospital for treatment in Belgium will:

[s]imply register by showing their passport before or after having the medical service. The arrangements operate very similarly in Belgium as they do in Australia. As is the case in Australia, the doctor can choose to bill an insurer directly with no charge to the patient or the doctor may bill the patient directly, leaving the travelling patient to claim a rebate from the insurer. It is a system that Australians are familiar with under Medicare.⁷

- 3.8 In addition, the Committee was told in evidence that:

3 NIA, para. 4.

4 Ms Samantha Robertson, *Transcript of Evidence*, 22 June 2007, p. 39.

5 NIA, Political Brief on Belgium, Annex, para. 1.

6 Ms Samantha Robertson, *Transcript of Evidence*, 22 June 2007, p. 41.

7 Ms Samantha Robertson, *Transcript of Evidence*, 22 June 2007, pp. 30-40.

Belgium is an important building block for us in the network of reciprocal healthcare agreements that we have in Europe. It is part of making it easier to travel and do business knowing that healthcare needs have been addressed.⁸

Obligations

3.9 The National Interest Analysis (NIA) outlines Australia's key obligations under the agreement. These being:

- Article 4 of the Agreement stipulates that Party nationals will be subject to the same obligations and entitled to the same benefits under legislation as nationals of the other Party whilst lawfully in the territory of the other Party. In effect Australia and Belgium will treat each other's nationals as their own in relation to access to public health care benefits.
- Article 5(1) of the Agreement provides that a person from the territory of one Party who receives treatment for an episode of ill-health that requires prompt medical attention while in the territory of the other Party, is entitled to the public health care benefits of the other Party. Article 5(3) excludes those entering either country for the specific purpose of receiving medical treatment.
- Article 6 allows students and their accompanying family members present in the territory of the other Party to have equal access to public health care benefits as the other Party's nationals receive in like circumstances.
- Article 7 provides that persons subject to Articles 9 to 11 of the Agreement are entitled to benefits in kind while lawfully present in the territory of the other Party.
- Article 8 requires each Party to pay the expenses of providing like benefits to the nationals of the other Party. The Parties may agree on a refund.
- Article 9 requires each Party to take the necessary steps to implement this Agreement, communicate on matters concerning its implementation and on legislative amendments that affect the operation of the Agreement.

8 Ms Samantha Robertson, *Transcript of Evidence*, 22 June 2007, p. 40.

- Article 10 provides the Parties give free assistance to one another in the application of this Agreement, unless otherwise agreed between the Parties.⁹

Entry into force, implementation and withdrawal

- 3.10 The NIA states that Article 16 of the Agreement provides for entry into force on the first day of the third month after the date of the last notification in writing by both Australia and Belgium that their respective domestic processes for the entry into force of the Agreement have been fulfilled. This will occur as soon as practicable for both Parties.¹⁰
- 3.11 Section 7(1) of the *Health Insurance Act 1973* (Cth) 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
- 3.12 Section 7(2) of the *Health Insurance Act 1973* (Cth) 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 their stay in Australia. This means that once the Agreement has come into force, the Act applies automatically to visitors covered by the Agreement.¹²
- 3.13 The NIA advises that no further legislative action by the Commonwealth or the States and Territories is required to implement the Agreement.¹³
- 3.14 Article 15 of the Agreement contains a procedure for the Agreement’s termination. It allows for termination twelve months after either party gives written notice, to the other party, of its intention to terminate the Agreement. Any such termination is subject to Australia’s domestic treaty process.¹⁴

9 NIA, paras 6-12.

10 NIA, para. 2.

11 NIA, para. 13.

12 NIA, para. 14.

13 NIA, para. 15.

14 NIA, paras 13-15 and para. 21.

Consultation

- 3.15 The Attorney-General's Department and the Department of Foreign Affairs and Trade provided advice to the Department of Health and Ageing on the Agreement text as it was being developed. The Prime Minister, Attorney-General and Minister for Foreign Affairs and Trade gave the necessary approval prior to signing the Agreement. The Medicare Eligibility Section of Medicare Australia was made aware of the proposed Agreement with Belgium.¹⁵
- 3.16 Information on the proposed Agreement was provided to the States and Territories through the Commonwealth-State/Territory Standing Committee on Treaties (SCOT). All State and Territory health authorities were advised in writing of the proposed Agreement. The Department of Health and Ageing has not received comment from State or Territory governments on the treaty.¹⁶

Cost

- 3.17 The Agreement has been estimated to cost the Australian Government \$25,000 per annum in health benefits.¹⁷ For simplicity of administration, each country will absorb the cost of providing medical care to visitors, which results in negligible additional administrative operating costs.¹⁸
- 3.18 The Committee was told in evidence that this calculation was:
- based on an extrapolation using the figures gained from the reciprocal agreement with Holland. It has been calculated that the average cost for the total number of Dutch tourists is \$1.68 per person, so it is \$1.68 times the number of Belgian tourists, which was based on the figure of 12,000.¹⁹

15 NIA, Consultation, paras 1-6.

16 NIA, para. 6.

17 This cost has been agreed to by the Department of Finance and Administration.

18 NIA, paras 16-19.

19 Ms Jennifer Campain, *Transcript of Evidence*, 22 June 2007, p. 41.

- 3.19 In terms of the Medical Benefits Scheme (MBS), Australia's bilateral healthcare agreements cost just over \$2 million for the first six months of this financial year, for around 46,000 services.²⁰

Other matters

- 3.20 The Committee also inquired about any progress towards a similar agreement with Germany but was told in evidence that Germany was not as yet ready to negotiate such an agreement.²¹

Conclusion and recommendation

- 3.21 It is the view of the Committee that a health care insurance agreement between Australia and Belgium that provides residents from either country with reciprocal access to the other countries health care would be of benefit to a number of Australians particularly those who have pre-existing medical conditions and cannot obtain travel insurance and to older Australians. The Committee also accepts that this agreement will promote goodwill and a safer environment for tourists, people on working holidays and business people.

Recommendation 2

The Committee supports the *Agreement on Health Care Insurance between Australia and the Kingdom of Belgium* and recommends that binding treaty action be taken.

20 Ms Samantha Roberson, *Transcript of Evidence*, 22 June 2007, p. 42.

21 Ms Samantha Robertson, *Transcript of Evidence*, 22 June 2007, p. 42.