

## POLICY DOCUMENT

### AMSA POLICY ON SECTION 19AB OF THE HEALTH INSURANCE ACT (1973)

#### Background

AMSA is the peak representative body for Australia's medical students.

Section 19AB of the *Health Insurance Act (1973)* applies to overseas trained doctors (OTDs) and foreign graduates of an accredited medical school (FGAMS), where FGAMS are defined as a person:

- a. whose primary medical qualification was obtained from an accredited medical school; and
- b. who was not one of the following when he or she first enrolled at an accredited medical school:
  - i. a permanent resident/citizen of Australia;
  - ii. a New Zealand citizen; or
  - iii. a permanent resident of New Zealand.[1]

For the purposes of this legislation, an accredited medical school is defined by the Department of Health and Ageing as a medical school that is accredited by the Australian Medical Council (AMC), and is located in Australia or New Zealand.[1]

Section 19AB acts to restrict the access of OTDs and FGAMS to Medicare benefits, and stipulates that persons who fall under these criteria be required to gain an exemption from the Section in order to access Medicare benefits for the services they provide. Exemptions under Section 19AB are granted only if the OTD or FGAMS works in district of workforce shortage (DWS) for a maximum period of ten years from the date of their first medical registration, a period known as the 'ten-year moratorium' (see Appendix 1).[2] A DWS is a geographical area of Australia in which the population's healthcare needs are not being met, as defined by the Federal Department of Health and Ageing.[3]

The ten-year moratorium is a policy instrument of the Australia Government to direct OTDs and FGAMS to rural practice locations as a means of remedying the underserving of rural communities, particularly with regards to access to primary medical services.[4] Though Rural Health Workforce Australia (RHW) describes the distribution of OTDs to DWS as the single most effective strategy for tackling rural and remote workforce shortages, [4] the Australian Medical Association (AMA), Rural Doctors Association of Australia (RDAA), and the Royal Australian College of General practitioners (RACGP) no longer support this moratorium largely due to its failure to establish a stable rural workforce.[5] Further, this policy instrument places no distinction between OTDs and FGAMS, despite there being significant training and philosophical differences between the two groups. While Section 19AB may be seen as a legislative means for the Australian Government to 'direct those overseas doctors desirous of living in Australia to [areas] unattractive to domestic graduates', [4] it applies identical restrictions to international students who have trained in the same system (in AMC-accredited courses) as their domestic student counterparts.

As of the writing of this document in February 2012 there are over 2,500 international students (who will graduate as FGAMS) training at Australian medical schools, representing over 15% of the total population of medical students.[6,7] These students are trained in the same Medical Schools as

domestic students, have the same familiarity with the Australian health system, and have built the same networks of relationships and personal connections to their place of training. Furthermore, international students undertake training in Australian medical schools on an up-front full-fee paying basis, and can expect to pay over \$210,000 in tuition fees over the duration of their course.[8] This financial contribution represents significant assistance to the funding of medical education in Australian medical schools, and to the tertiary education sector as a whole.

The continued enforcement of Section 19AB on FGAMS acts as a major deterrent for international students eligible to continue their training and practice in Australia. Furthermore, in defining FGAMS by their residency status at their first enrolment in an accredited medical school, Section 19AB makes no allowances for international students who attain permanent residency or citizenship prior to achieving medical registration. As a result these students are able to access the privileges that residency and citizenship afford yet must complete the moratorium and are treated in the same restricted manner as OTDs.

In the present climate of health workforce shortage, in which the Australian health care system is reliant on OTDs, Australia stands to lose out on high-quality Australian-trained medical graduates by forcing them offshore to health systems that do not impose conscripted rural service.[9] FGAMS are better equipped to contribute to the Australian health system than OTDs; by deterring FGAMS from continuing to practice in Australia, the present reliance on OTDs to overcome health workforce shortages will be compounded.

## Position Statement

AMSA believes that all Australian-trained medical graduates, FGAMS and domestic graduates, should have the opportunity to achieve full medical registration and practice in Australia without conscripted service requirements. Section 19AB of the *Health Insurance Act (1973)* places unfairly burdensome restrictions on FGAMS by requiring them to serve in DWS to attain Medicare benefits. These burdensome restrictions serve as a disincentive for FGAMS to practice in the Australian health system, forcing these graduates offshore. The retention of FGAMS will have positive long-term benefits for Australia's health workforce, and will help to ease the reliance of Australia's health workforce on OTDs.

## Policy

AMSA believes that:

1. FGAMS should be exempt Section 19AB of the Health Insurance Act (1973).
2. Failing exemption of FGAMS from Section 19AB, the existing scheme could be improved by:
  - 2.1. Defining FGAMS as a person:
    - 2.1.1. whose primary medical qualification was obtained from an accredited medical school; and
    - 2.1.2. who was not one of the following when he or she achieved general medical registration:
      - 2.1.2.1. a permanent resident/citizen of Australia;
      - 2.1.2.2. a New Zealand citizen; or
      - 2.1.2.3. a permanent resident of New Zealand.
  - 2.2. Reducing the mandatory length of service for FGAMS to gain access to Medicare

benefits by half in all DWS.

3. Failing exemption of FGAMS from Section 19AB or changes made to the existing scheme, it is imperative that students who will be subject to the scheme be made aware of this prior to acceptance of their medical school offer.

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*For review First Council 2015*

## Appendix

Scaling of the ten-year moratorium occurs depending on the classification of the remoteness of the DWS. (1)

ASGC-RA classification	ASGC-RA1 (Major cities)	ASGC-RA2 (Inner regional)	ASGC-RA3 (Outer Regional)	ASGC-RA4 (Remote)	ASGC-RA5 (Remote)
Period of restriction	10 years	9 years	7 years	6 years	5 years

## References

1. Department of Health and Ageing. *Section 19AB of the Health Insurance Act 1973* Fact sheet. Accessed 12/02/2012. Available at: [http://www.health.gov.au/internet/main/publishing.nsf/Content/173B8C7BA25064B3CA2576FD00201AD8/\\$File/Fact%20Sheet%20-%20Section%2019AB%20-%20December%202010.pdf](http://www.health.gov.au/internet/main/publishing.nsf/Content/173B8C7BA25064B3CA2576FD00201AD8/$File/Fact%20Sheet%20-%20Section%2019AB%20-%20December%202010.pdf)
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9. AMSA (2009). International Medical Students' Career Development Policy.