



**Australian
Competition &
Consumer
Commission**

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Dear Stakeholder

Re: ACCC Report to Senate on Private Health Insurance

The Australian Competition and Consumer Commission (ACCC) is inviting interested parties to comment on preliminary issues identified by the ACCC in preparing a report to the Australian Senate on private health insurance.

The Senate requires the ACCC to provide an annual assessment of 'any anti-competitive or other practices by health funds or providers which reduce the extent of health cover for consumers and increase their out-of-pocket medical or other expenses'.

The report will cover the period 1 July 2011 to 30 June 2012. It will be the fourteenth report prepared by the ACCC in compliance with an order agreed to by the Senate on 25 March 1999 and amended on 18 September 2002.

This year the ACCC proposes to examine issues that reduce the extent of health cover and increase consumers' out-of-pocket expenses which have not formed the focus of previous ACCC reports to the Senate.

In particular, the ACCC will inquire into a perceived lack of recognition of certain allied health care providers by health funds. The ACCC has identified circumstances where certain providers of health care are not recognised by private health insurers while others providing the same or similar services, with different qualifications, are recognised. It has been suggested that in some circumstances this distinction is not justified and places allied health care providers at a competitive disadvantage, and has the potential to impact negatively on consumers.

For example, most health funds do not provide scope for consumers to claim rebates from dental therapists, dental hygienists and oral health therapists for preventative and operative dental procedures. It has been put to the ACCC that the services they provide are of the same quality as those similar services provided by dentists.

Similarly, foot and ankle surgery performed by a podiatric surgeon is not usually covered by health funds, yet the same type of procedure carried out by an orthopaedic surgeon is fully covered.

The ACCC would like to examine the effects of such distinction between different providers of the same or similar services and understand whether the distinction is warranted in all cases. I would appreciate your views on the following:

1. Examples where allied health care providers offer the same or similar services as other providers and are not recognised by health funds.
2. In each instance referred to, whether this lack of recognition is warranted. In particular, are there any regulatory, medical or other reasons for this lack of recognition?
3. Whether this lack of recognition places allied health care providers at a competitive disadvantage. If so, how are allied health care providers disadvantaged by the practices of health funds?
4. Whether this lack of recognition results in a reduction in the extent of health cover or an increase in the out-of-pocket medical expenses of consumers. If so, what is the detriment or loss suffered by consumers?

Submissions can be made in writing to the ACCC or by email to phireport@accc.gov.au by **21 September 2012**.

This year the ACCC will again make submissions available on its website. If your submission is confidential, in part or in full, and you do not wish to have it published please indicate this clearly.

Yours sincerely



Bruce Cooper
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Intelligence, Infocentre and Policy Liaison Branch