

Chief Executive
Level 4 Health House
87 Mitchell Street
DARWIN NT 0800

Postal Address
PO Box 40596
CASUARINA NT 0811

T 08 8999 2761
E Catherine.Stoddart@nt.gov.au

File Ref: DD2017/7802

Mr David Hatfield
Director Adjudication Branch
Australian Competition and Consumer Commission

Email: adjudication@acc.gov.au

Dear Mr Hatfield

Hospitals Contribution Fund of Australia Limited application for authorisation AA1000402 – interested party consultation

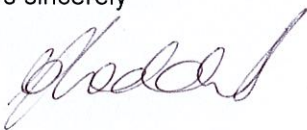
Thank you for your recent letter inviting comment on the Application for Authorisation by the Hospitals Contribution Fund of Australia Limited (HCF) with regard to public benefits, effects on competition and public detriment arising from the proposed arrangements.

The Northern Territory is impacted by a strong disparity in the distribution of dental practitioners, who are disproportionately underrepresented in regional and remote areas of Australia. It is possible that the Application to open additional dental clinics could bolster the dental workforce and provide opportunities for increased access to dental services for the Northern Territory public, greater consumer choice and contestability of government services.

The majority of dental services provided in Australia are funded by individual consumers. As the Northern Territory Government provides public dental services on an eligibility basis to target socioeconomically disadvantaged people who typically do not hold private health insurance and are most significantly impacted by dental disease, the public and health system benefits outlined by the Application have most likely been overstated. Notwithstanding, greater competition amongst the private sector may facilitate new public-private-partnerships to improve access to dental services.

During recent consultations we identified concerns amongst some Northern Territory stakeholders in respect of expanded dental clinic networks, higher numbers of preferred provider relationships and increased use of no-gap or low-gap treatment incentives which often place limitations on the number and types of services that are subject to health insurer rebates. Concerns focused on the potential for reduced consumer choice where financial incentives promote access to healthcare from particular providers, as well as the potential for undermined therapeutic decision-making or over-servicing where financial incentives are associated with particular health services. The increased market presence and overlapping services outlined by the Application raise important considerations regarding the potential for price manipulation, particularly in smaller workforces of regional and remote areas.

Yours sincerely



Professor Catherine Stoddart
November 2017

13