



## THE ROYAL AUSTRALIAN COLLEGE OF GENERAL PRACTITIONERS

March 7, 2007

Scott Gregson  
General Manager  
Adjudication Branch  
Australian Competition and Consumer Commission  
PO Box 1199  
DICKSON ACT 2602

Dear Mr Gregson,

The Australian Competition and Consumer Commission (ACCC) request for further information regarding the Royal Australian College of General Practitioners (RACGP) application (A91024)

We are pleased to have an opportunity to comment on the response provided by the Department of Human Services (DHS) Victoria in relation the RACGP's request to the ACCC to authorise certain price-setting arrangements between General Practitioners (GPs) and Other Medical Practitioners (OMPs) who have visiting rights to a local hospital as Visiting Medical Officers (VMOs).

The RACGP agrees with the DHS that the proportion of GPs working as VMOs in rural and remote Australia is much more significant than in metropolitan areas or large regional hospitals and the current GP/hospital arrangements are mainly confined to rural hospitals. As such any authorisation would affect rural hospitals in the main. Overall, according to DHS data this is a small group of doctors in Victoria. The RACGP acknowledges that though the number may be small, the impact may be important.

The effect of the current arrangement is that GPs associates who work in a single practice are treated by the DHS as competitors. The RACGP believes that it is more appropriate in the context of improving the safety and quality of health care that these GPs are treated as collaborators.

The RACGP understands that most GPs who work in 'corporates' are usually associates. The choice to contract with a 'corporate' for the provision of services is often made, in part, to reduce the burden of practice management. The underlying pressures that lead to 'corporatisation' will not, in the view of the RACGP, be materially affected by the authorisation.

The RACGP does not see that an authorisation would further 'open of the door to market domination by labour hire / corporate organisations'. The authorisation, if granted, would allow GP associates within individual 'corporates' and 'non-corporate' general practices to negotiate together. It would not impede competition between practices, nor is it intended for a 'corporate' to negotiate a single fee schedule across competing practices.

The RACGP understands the important role of individual credentialing of GPs for the work in hospitals and does not seek to have the authorisation impede this activity. Thus, it does not seek to have GPs who would have different credentials treated the same, unless the services they provide are the same.

As the peak professional organization representing the interests of GPs and OMPs, the RACGP aims to achieve and maintain the highest quality primary health care in urban and rural Australia. Therefore, the RACGP requests to extend the ACCC authorisation to provide coverage for GPs (and OMPs) who have visiting rights to a local hospital as VMOs in response to the needs of marginalised Australian consumers.

The RACGP looks forward to the completion of the ACCC's considerations. Should the ACCC receive further submission, the RACGP would be pleased to provide comment. Should you need to be in touch or request further information, please do not hesitate to contact me on 613 86990544.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ian Watts', is centered on the page.

Ian Watts  
National Manager GP Advocacy and Support