



**Australian Government**

**Department of Health and Ageing**

# Facsimile

**Date:** 9 May 2007 **Total pages:** 2  
**TO:** General Manager, Adjudication **Telephone:**  
Branch, ACCC  
**Attention:** Scott Gregson **Facsimile:** (02) 62431211  
**Regarding:** ACCC Draft Determination -  
application for revocation and  
substitution of authorisation A90795  
**FROM:** Stephen Parr **Telephone:** (02) 6289 5574  
**Branch/Div.:** Primary Care Financing Branch / **Facsimile:** (02) 6289 7120  
Primary & Ambulatory Care  
Division

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**MESSAGE:**

Dear Mr Gregson,

Please find following a copy of a letter from Jane Halton, Secretary, Department of Health and Ageing, in response to the ACCC Draft Determination on application for revocation and substitution of authorisation A90795.

A hard copy is also on its way.

Kind regards,  
Stephen Parr  
Departmental Officer  
Department of Health and Ageing



**Australian Government**  
**Department of Health and Ageing**

SECRETARY

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

Dear Mr Gregson

Thank you for your letter of 11 April 2007 regarding the draft determination issued by the Australian Competition and Consumer Commission (ACCC) in respect of the application for revocation and substitution [A91024] lodged by the Royal Australian College of General Practitioners.

I have noted the analysis of public benefit and detriment that you have provided in relation to intra-practice price setting arrangements and hospital agreements. At this time, the Department of Health and Ageing does not wish to make a submission in response to the draft determination.

As the Australian Government is responsible for setting fees under the Medicare Benefits Schedule (MBS) the issue of intra-practice price setting arrangements is of some interest to the Department. However, the Government cannot compel medical practitioners to observe the MBS fee for a particular service. Medical practitioners are free to set their own value on their services, and the actual fee charged is generally a matter between the doctor or practice and the patient. I note that the current application retains the flexibility for a GP to bulk bill a patient or charge less than the agreed practice fee for a particular service.

The management and provision of public health services through public hospitals is the responsibility of individual state and territory governments. Therefore, the issue of hospital agreements for visiting medical officers is not something on which the Department wishes to comment.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jane Halton', written over a horizontal line.

Jane Halton  
Secretary

6 May 2007