

**Balint, Ilona**

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**From:** Palisi, Joanne  
**Sent:** Monday, 13 October 2008 9:46 AM  
**To:** Balint, Ilona  
**Subject:** FW: Australian Dental Association - applications for authorisation A91094& 91095 [SEC=UNCLASSIFIED]  
**Importance:** High  
**Categories:** SEC=UNCLASSIFIED  
**ACCC Classification:** SEC=UNCLASSIFIED

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**From:** Justin Oliver [mailto:Justin.Oliver@minterellison.com]  
**Sent:** Friday, 10 October 2008 1:05 PM  
**To:** Palisi, Joanne  
**Subject:** Australian Dental Association - applications for authorisation A91094& 91095  
**Importance:** High

Dear Ms Palisi,

I refer to our discussion on 2 October 2008.

The ACCC has invited the Association to comment on a number of issues that have arisen in the course of the ACCC's consideration of the Association's application for authorisation. On behalf of the Association, we are pleased to respond as follows.

**1. In cases where specialists join a shared practice, do they tend to do so with other specialists in the same field, or would they tend to join a multi-disciplinary practice with specialists from other fields or general practitioners?**

To the extent that specialists practice in a shared practice, they are more likely to do so with specialists in the same field. It is rare to find a shared practice comprised of specialists from different fields, and rarer still to find a shared practice comprised of specialists and general practitioners.

**2. In the case of shared practices in rural and regional areas, or shared practices constituted by specialists, what are the factors that may constrain prices charged by the shared practice if there was a lesser degree of competition from other dental practices?**

There are factors other than competition which operate as a constraint on the fees charged by dentists and dental specialists for some treatments, although the extent to which they do so varies by treatment and by patient.

First, a number of dentists enter into 'preferred provider' agreements with private health insurance providers. These agreements set the fees payable for patients who have insurance with the relevant private health insurance provider for those treatments which are covered by the agreements. The breadth of treatments covered and the fees chargeable to patients for those treatments depend upon the private health insurer.

Second, the Department of Veterans Affairs sets the level of fees chargeable for treatments to patients who hold a Repatriation Health Card. The extent to which each patient is covered by the Department's fee schedule depends upon the type of Repatriation Health Card that is held.

Third, as noted in our submission dated 5 September 2008, government purchasers of dental services have substantial bargaining power in determining the fees payable to dental practitioners supplying government funded services.

While it is possible that, in the absence of authorisation, a dentist who could not join a shared practice would

instead establish a practice in competition with existing practitioners, in rural and regional areas it is more likely that the practitioner would not establish a practice at all. Even in the case of specialists practicing in metropolitan areas, it is possible that the practitioner would instead join a shared practice in the form of a partnership. It does not follow that, in the absence of authorisation, a dentist will instead establish a competing practice.

**3. To what extent is there currently competition on fees within a shared practice? To what extent might this be affected by the authorisation that is sought by the Association?**

Shared practices that exist today typically take the form of partnerships. Within such practices, competition in relation to fees is non-existent. The authorisation will therefore have no effect on price competition within existing shared practices.

The authorisation will, however, enable shared practices to be established in forms other than partnerships. This will encourage the use of the shared practice structure where it may not have otherwise been available. This will, in turn, make the benefits of shared practice (in terms of cost, scope, quality and continuity of care) more widely available to patients.

Please do not hesitate to contact us if you wish to discuss this matter further.

Regards

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