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PRESIDENT  
Mr Richard Bowden  
CHIEF EXECUTIVE  
Hon Dr Michael Armitage

Ms Joanne Palisi  
Director  
Adjudication Branch  
Australian Competition and Consumer Commission  
GPO Box 3131  
CANBERRA ACT 2601

Dear Ms Palisi

**RE: Australian Dental Association Inc Application for authorisation A91094 and A91095 – draft determination**

The Australian Health Insurance Association (AHIA) thanks the Australian Competition and Consumer Commission (ACCC) for the opportunity to comment on the Commission's Draft Determination in respect to the Australian Dental Association's (ADA) seeking authorisation for agreement as to fees to be provided within shared practices.

The AHIA is the Australian private health industry's peak body, representing 23 health funds throughout Australia which collectively cover approximately 94 per cent of the private health insurance industry. AHIA member funds today provide health care benefits for over 10 million Australians.

In general the AHIA is comfortable with this Draft Determination, believing that it is a reasonable commercial approach to allow dentists within shared practices to establish a common fee. As noted by Minter Ellison's submission, on behalf of the ADA, to the ACCC dated 10 October 2008, a significant number of dentists already engage in 'preferred provider' arrangements with some of the larger private health funds. In practical terms, these participating dental arrangements mean some funds will allow for providers within the one practice to utilise the same fee, presumably for using common billing systems with the intent of reducing overheads for the practice as a whole.

The AHIA would, however on behalf of the members of funds, have concerns about an increase in dentists' market power if practices were to "increase in size" in any uncontrolled fashion, given the definition of a 'shared practice', as outlined in sections 2.7 and 2.8 of the Draft Determination, is quite broad. Secondly, the AHIA would be concerned if the movement to a common fee increased the overall charges for the set group of dentists establishing the common fee - for example, if all dentists moved to the same maximum common fee utilised by one dentist in the practice.

Within these scenarios, the AHIA is concerned that an ability by dentists to then set common fees across practices would have a significant inflationary impact on premiums, resulting in possible higher out-of-pocket charges for patients, adversely affecting those consumers with private cover.



I would be more than happy to elaborate on the AHIA's submission in person at the request of the Commission.

Please feel free to contact me on 02 6202 1000 for any further information.

Yours sincerely

A handwritten signature in black ink that reads 'Michael Armitage'. The signature is written in a cursive, flowing style with a prominent loop at the end of the last name.

**HON DR MICHAEL ARMITAGE**  
**CHIEF EXECUTIVE OFFICER**

12 November 2008