

12<sup>th</sup> October 2012

Dr Richard Chadwick  
General Manager  
Adjudication Branch  
Australian Competition & Consumer Commission  
GPO Box 3131  
CANBERRA ACT 2601

Attention: Tanya Hobbs

Dear Dr Chadwick

**AUSTRALIAN MEDICAL ASSOCIATION APPLICATION FOR AUTHORISATION A91334 –  
INTERESTED PARTY CONSULTATION**

Thank you for the opportunity to make a submission on the above application. As the Northern Territory Medicare Local, this application is of interest to our organisation and General Practitioners in the Northern Territory.

In relation to the application, we provide the following comments:

a) Intra-practice price setting

In its application, the AMA clearly outlines the benefits of their members ability to collectively negotiate and price set and does, on page 8, acknowledge the potentially anomalous situation where a group of GPs working within a practice who are not all AMA members, potentially being placed in a position whereby the non-AMA member(s) could be competing with the collective group of AMA members.

This is of concern as many GPs choose not to become members of the AMA for a variety of reasons. This application could put non-members in a position of either (a) having to take up membership to participate in the collective negotiations and price setting; (b) set similar prices to ensure they are competitive with their colleagues or (c) set their own rates. The real potential exists that patients may be confused and unhappy about different pricing regimes, and GPs very unhappy with the compliance enforcement elements associated with this approach.

The AMA has eloquently outlined the benefits of intra-practice price setting (pages 11-17), however, without this authorisation applying to all GPs, a number of these benefits may not eventuate.

b) Collective bargaining by single practices in relation to engagement as Visiting Medical Officers to public hospitals

The Northern Territory has 5 public and 1 private hospital. There are a limited number of GPs engaged as Visiting Medical Officers and it is expected that this section of the application would not adversely affect the GPs in the Northern Territory.

c) Collective bargaining by single practices in relation to the provision of services to Medicare Locals

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The Northern Territory Medicare Local was formed in July 2012. As we are still in the early stages of conducting the after- hours and general primary health care needs assessments, it is unclear what services we will be commissioning in the future. However, it is not expected that collective bargaining by single practices for after- hours services would adversely affect the GPs or the public.

Overall, the AMA's application is supported, with the exception that all GPs should be covered the authorisation, whether or not they are members of the AMA.

If you have any further questions, please contact Angela Tridente, Manager, NT Health Workforce, telephone: 08 8982 1030, or via email: [angela.tridente@ntml.org.au](mailto:angela.tridente@ntml.org.au), in the first instance.

Thank you again for the opportunity to provide comment.

Yours sincerely



Sue Korner  
A/Chief Executive Officer  
NT Medicare Local