

12 October 2012

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

Dear Dr Chadwick

Australian Medical Association application for authorisation A91334

The Consumers Health Forum of Australia (CHF) welcomes the opportunity to provide a submission to the Australian Competition and Consumer Commission's consultation on the Australian Medical Association (AMA) application for authorisation A91334.

CHF is the national peak body representing the interests of Australian healthcare consumers. CHF works to achieve safe, quality, timely healthcare for all Australians, supported by accessible health information and systems.

CHF has reviewed the AMA's application for authorisation for an agreement affecting competition. As CHF understands it, the AMA is seeking authorisation to enable AMA members who are General Practitioners to engage in intra-practice price-setting and collective bargaining, where they are operating in medical practices involving partnerships or in which individual General Practitioners operate as separate entities.

CHF's primary interest in relation to this application relates to intra-practice fee setting, which would allow AMA members in a single practice to control, set and maintain fees within that practice. CHF notes that doctors practising within a single legal entity can discuss and agree on fees charged without breaching competition law, and that this application relates to doctors operating in a single practice as separate entities.

CHF recognises the benefits of consistent pricing for services within a GP practice, regardless of its legal structure. We agree with the ACCC's assessments in a previous authorisation, cited in the AMA's application, that *'consumers may experience some benefit from consistent, predictable pricing among GPs operating within one practice'*, and that *'consistent pricing for GP services in the one practice may enable those consumers who are price sensitive to continue their care within the one practice, in the event their regular doctor is not available'*. We also note that the application only applies to intra-practice price setting, and that there should therefore be no impact on competition based on price between GP practices. CHF is therefore not opposed, in principle, to the concept of intra-practice price setting by GPs.

We can, however, see no benefit to consumers from the limitation of this authorisation to members of the AMA only. It is illogical to CHF that the AMA would argue the benefits to consumers of intra-practice price setting, and then seek to limit intra-practice price setting to its members alone. Limiting authorisation for intra-practice price setting to AMA members would provide them with a competitive advantage, and would also limit the potential benefits to consumers.

While our comments refer specifically to intra-practice price setting, we would have similar concerns about the collective bargaining elements of the proposed authorisation.

CHF is therefore unable to support the request for authorisation in its current form. We recommend that the authorisation is extended to all General Practitioners working in single practices.

CHF appreciates the opportunity to provide a submission to this consultation. If you would like to discuss these comments in more detail, please contact CHF Deputy Chief Executive Officer, Anna Greenwood.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Carol Bennett', with a stylized flourish at the end.

Carol Bennett
CHIEF EXECUTIVE OFFICER