

10 October 2012

Dr Richard Chadwick  
General Manager  
Adjudication Branch  
Australian Competition &  
Consumer Commission  
23 Marcus Clarke Street  
Canberra ACT 2601

Dear Dr Chadwick

**RE: AMA's application to the ACCC on behalf of GPs who are AMA members for the authorisation of certain intra-practice price-setting and collective bargaining agreements**

The Royal Australian College of General Practitioners ("the College") thanks the Australian Competition and Consumer Commission (ACCC) for the opportunity to comment on the Australian Medical Association's (AMA's) recent *Application to the Australian Competition and Consumer Commission on behalf of general practitioners who are AMA members for the authorisation of certain intra-practice price-setting and collective bargaining agreements* (A91334).

The RACGP is the specialty medical college for general practice in Australia. The College has a general practitioner (GP) membership of over 19,300, and is responsible for defining the nature of the discipline, setting the curriculum for education and training, maintaining high standards of quality clinical practice, and supporting GPs in their pursuit of clinical excellence and community service.

The RACGP is committed to supporting the general practice profession and an even playing field for all GPs, regardless of their professional membership(s). The College notes that in 2001, the RACGP was the sole organisation that sought authorisation for intra-practice price setting from the ACCC on behalf of all medical practitioners working in general practice, including GPs and Other Medical Professionals (OMPs), either in an associateship or a partnership (with corporate partners).

In 2002, the ACCC granted authorisation for broad coverage for GPs and OMPs to enable them to engage in conduct which might be defined as anti-competitive within the meaning of the *Trade Practices Act 1974*. This authorisation was renewed again in 2006.

The RACGP response to the AMA application for authorisation dated 5 September 2012 (A91334)

The RACGP strongly supports previous ACCC authorisations for intra-practice price setting, including the most recent Authorisation A91024, which allowed all GPs and OMPs working in general practice in Australia to agree and set fees within their practice. The previous authorisations, in effect for over 9 years, worked well for the general practice profession as a whole.

By allowing GPs and OMPs who worked in associateships and partnerships to agree on fee structures, there were a range of benefits achieved, including:

- Support for a culture of safety and quality in general practice through general practice teams
- Support for team-based models of care (which are crucial to quality general practice patient care), where GPs were supported to collaboratively work together and share the care of patients
- Improved continuity of care for patients through increased team cohesion, supporting improved patient health outcomes
- A reduction in uncertainty and stress for GPs
- A reduction in health system and funding system barriers that have historically restricted team formation and function; and
- A range of efficiencies within general practices, benefiting both GPs and patients.

The RACGP acknowledges the AMA as an appropriate industrial organisation to lodge an application for intra-practice price setting and collective bargaining agreements in general practice. The College also supports the intent of the AMA's application for:

- 1) 'Intra-practice price setting' – which seeks to allow GPs as members of a single practice to set and maintain fees within their practice; and
- 2) 'Collective bargaining agreements' with hospitals and Medicare Locals – which seeks to allow GPs as members of a single practice to openly discuss and agree on the fees that they charge for their services external to the practice.

Notwithstanding the above, the College notes that the application, as it currently stands, will only apply to GPs who are members of the AMA. Previously the RACGP (operating on the periphery of its role as an education, training, and standards setting body) sought authorisation for all GPs and OMPs working in general practice in Australia. The College did not renew its application with the ACCC in 2011 as it was expected that the AMA, as an appropriate industrial body, would renew the authorisation on behalf of the general practice profession.

It is likely that the introduction/enshrining of variable fees, within a practice, will negatively impact the business of running a general practice, and collective bargaining for GPs as Visiting Medical Officers, including:

- GPs who are members of the AMA being unable to agree on fees with other GPs in the practice, undermining team cohesion and morale
- A reduction in continuity of care, due to reduced team collaboration between GPs, fragmenting patient care
- Issues regarding the percentage of individual GP billings allocated for the employment of staff and other practice overheads
- Practice software systems that are not set up to differentiate and process alternate GP fees for patients; and
- Variable fees for patients, creating confusion, and potentially decreasing access for already marginalised patients.

Whilst the RACGP supports the intent of the application, given that the application will only apply to some GPs in Australia, the RACGP cannot support the application in its current form. The College has been a consistent advocate for general practice teams, and does not wish to see an uneven playing field for the profession. All GPs, irrespective of their membership status, should be able to agree on fees within their practice.



# RACGP

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It is therefore the College's position that the ACCC should grant the application for authorisation submitted by the AMA (A91334), on the provision that it applies to all GPs and OMPs working in general practice in Australia.

If you would like to discuss this matter further, please contact myself, or Mr Roald Versteeg, Policy Manager, on (03) 8699 0408 or at [roald.versteeg@racgp.org.au](mailto:roald.versteeg@racgp.org.au)

Yours sincerely

Professor Claire Jackson  
President