

19 November 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 – amendment to authorisation application

The Consumers Health Forum of Australia (CHF) welcomes the opportunity to provide a further submission to the Australian Competition and Consumer Commission regarding the Australian Medical Association (AMA) application for authorisation A91334, following the AMA's amendments to their application.

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.

As we noted in our original submission, CHF recognises the benefits of consistent pricing for services within a GP practice, regardless of its legal structure, and is not opposed, in principle, to the concept of intra-practice price setting by GPs. Our original submission, however, expressed concerns that there would be no benefit to consumers from the limitation of this authorisation to members of the AMA only. We argued that it appeared illogical 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. While these comments referred specifically to intra-practice price setting, we had similar concerns about the collective bargaining elements of the proposed authorisation.

CHF has now reviewed the AMA's amendments to their application. The AMA no longer seeks to limit the authorisation to members of the AMA only. However, it now seeks that the Authorisation apply to all general practitioners at a general practice registered with the AMA, provided that at least one of these GPs is a current member of the AMA.

While this amendment represents a slight improvement to the original application for authorisation, it does not fully address the concerns expressed in our previous submission. Given that there are consumer benefits to intra-practice price setting, we can see no rationale for limiting this authorisation to practices registered with the AMA, in which at least one of the GPs is a current member of the AMA. This limitation would still restrict the benefits for consumers from intra-practice price setting, and the AMA's proposed amendments would not provide any additional benefits to consumers to counteract this.

CHF is therefore unable to support the amended request for authorisation. As in our previous submission, we recommend that the authorisation is extended to all GPs 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



Carol Bennett
CHIEF EXECUTIVE OFFICER