

15 July 2021

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Dear Sir,

**AA1000542 Honeysuckle Health (HH) and nib application for authorization – Draft determination**

I refer to our previous submissions of 11 Feb 2021 and 10 June 2021, the pre-decision conference and Andrew Mahony's email of 12 July 2021 regarding this matter.

We iterate our previous concerns in our written submissions and our verbal presentation at the pre-decision conference. This submission only focuses on issues arising from the pre-decision conference. At that conference, there was a clear dispute on facts and impact on consumers between doctors, learned colleges and hospital providers on one side and HH / nib and their association on the other. AHCL believes most of these issues could be factually redressed if there was appropriate disclosure of contract terms and conditions and the impacts they have on access to treatment, costs incurred by consumers and cost shifting from health funds to either consumers or providers.

As you can appreciate, the current HPPAs generally have confidentiality / non-disclosure provisions in them which significantly limits a provider's capacity to openly provide feedback to the ACCC and other regulators about the operation of these contracts and the negative impact on consumers. AHCL believes any consideration of authorisation or monitoring of authorisation needs to have significant regard to this issue and redress it so that a proper assessment can be made of the negative impact of the HPPAs on consumers.

While AHCL is unable (because of its contractual relationships with nib) to provide any specific details or comments with its contract with nib, we can provide below some generic examples which are in many HPPA contracts which can significantly negatively impact on consumers and can be considered as Managed Care by Funds:

- Health fund introducing their own certificates or criteria around approved treatments which are often inconsistent with learned bodies or agreed national standards. E.g. ICU definitions and certificates;
- Health funds requiring pre-approval authorisation from providers before treatment can be provided to consumers;
- Limitations on access to high cost drugs and the significant variability on how they manage ex gratia requests;
- Requirements to refer patients to specific providers, many of whom are owned in full or part by health funds. This can significantly impact on referral patterns and doctor/patient relationships;
- Health fund ignoring the edicts of the Australian Safety and Quality Commission. This is particularly so in the use of the Hospital Acquired Complications (HAC) data sets; and
- Funds excluding covering certain aspects of treatment but allowing for a cost transfer to consumers resulting in minimising funds outlays to the detriment of consumers having greater out of pocket expense.

AHCL joins with the learned medical colleges and medical providers generally in being extremely concerned with the granting of the authorisation. We believe if the granting does occur, the ACCC should consider putting in place systems and processes whereby it can monitor contracting and its impact on consumers and providers.

Yours faithfully



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CC: Andrew Mahony