

MinterEllison

27 August 2020

BY EMAIL ONLY: ellie.dwyer@accg.gov.au

Ellie Dwyer
Analyst | Adjudication
Merger and Authorisation Review Division
Australian Competition and Consumer Commission
Level 17 | 2 Lonsdale Street
Melbourne VIC 3000

Dear Ellie

Private Healthcare Australia Limited (PHA) – application for authorisation AA1000487 – response to submissions

We refer to your email on Thursday 13 August 2020 regarding the two submissions received by the ACCC during the public consultation process following the release of the ACCC's Draft Determination on 15 July 2020. The ACCC has sought our client's response to the issues raised in the submissions.

1. Submission from Consumer Health Forum of Australia (CHF)

- 1.1 Our client notes that CHF does not oppose the Draft Determination as it considers there is scope for benefits for consumers and that the volatile nature of COVID-19 means it is important that *“all parts of the health system have the capacity to collaborate”*.
- 1.2 The key concerns about the Draft Determination raised by CHF were regarding the lack of consistency among the Participating Parties, the lack of clarity in the information provided to consumers, and that the funds have not delivered on their assurances to return unexpected profits to their members from the COVID-19 restrictions.
- 1.3 While the Participating Parties have discussed and considered collaborating on various initiatives to achieve uniformity for consumers during the COVID-19 pandemic, the responses from the date of the Draft Determination have varied between the Participating Parties. This is due to the variation in experiences for each individual health fund during the pandemic based on the location of their membership base, the restrictions in force in those jurisdictions and the differing needs of members. However, the Participating Parties are still having regular discussions about COVID-19 and the ways in which member funds can most effectively assist their members during this time. These discussions may lead to future uniform approaches regarding the Participating Parties' response to COVID-19.
- 1.4 Our client submits that despite the lack of collaboration between funds in recent months, PHA has continued to communicate the progress achieved, discussions had, and actions taken by the respective funds, through its fortnightly reports to the ACCC, as well as through regular media communications. Our client considers it has been transparent in relation to its member funds' actions around COVID-19 measures and will continue to provide regular updates to the public.
- 1.5 PHA strongly refutes the assertion that funds have walked away from promises of returning unexpected profits to members. The Participating Parties have supported members throughout the pandemic with various initiatives such as broadening cover to include COVID-19, financial hardship programs, paying benefits for telehealth services, paying back some extras premiums, etc. The Participating Parties are continuing to consider other measures as the financial impact of COVID-19 becomes clearer over the coming months.



2. Submission from Australian Acupuncture and Chinese Medicine Association (AACMA)

- 2.1 AACMA raised its concern that none of the Participating Parties are paying member benefits for telehealth consultations with Chinese medicine practitioners. Our client notes that while there has been regular discussion around telehealth generally amongst the Participating Parties, the provision of remote Chinese medicine consultations has not been identified by the Participating Parties as a key member concern during the pandemic and has not been raised or considered by the Participating Parties during their COVID-19-related discussions.
- 2.2 Our client considers that this issue should be taken up by AACMA with individual health funds for each fund to assess the proposal to pay for remote Chinese medicine consultations.

Please contact us if you wish to discuss any aspect of this letter.



Yours faithfully
MinterEllison

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