



5 February 2021

Darrell Channing
Director Competition Exemptions Branch
Australian Competition & Consumers Commission
23 Marcus Clarke Street
Canberra ACT 2601

By email: exemptions@acc.gov.au

Dear Mr Channing,

AA1000542 – Honeysuckle Health and nib – Submission

I write in response to your invitation to provide a response to the Honeysuckle Health and nib application for Authorisation AA1000542.

Firstly, AOA has some concern that this proposal may be utilised to introduce managed care into the Australian healthcare sector. AOA believes that patient care is paramount, and the overall goal must be to produce the best outcomes for patients undergoing procedures in the type of facility most suited to their particular circumstances. Managed care in any form is unacceptable as it results in increased costs and worse outcomes for patients with less choice.

This model would potentially control practitioners and treatments. Patients would no longer be able to choose their primary care or primary carer – a third party, likely administrators would decide. There have been demonstrated failures of similar models in other countries.

AOA would emphasise that a system that allows third parties to intervene in the doctor patient relationships is not acceptable as it results in perverse incentives and non-transparent relationships.

Perverse incentives include that the disadvantaged (elderly, socially isolated, English as second language, rural, unwell) will be discriminated against as they cost more to care for and there is no legislated framework to protect them.

Further, Australia does not have the appropriate Federal legislation to control the implementation of such healthcare models. This model works against the principles of universality in Australian healthcare.

Secondly, AOA strongly believes in the concept of primacy in the doctor patient relationship must be recognised, accepted and enshrined in any model of care. Each patient should be carefully assessed and prescribed the type of treatment the treating doctor believes is best for that patient, rather than what is currently 'on tender' or 'under contract'. Patient choice of treating doctor would potentially be eroded.

AOA understands that Cigna Corporation has been the subject of two dealings with the U.S. Justice Department and this issue would be worth the ACCC's

President

Michael J Gillespie

Vice-President

Annette C Holian

Second Vice-President

Christopher N Morrey

Chair of Education

and Training

Christos M Kondogiannis

Chair of Professional

Conduct and Standards

Susan M Liew

Scientific Secretary

Richard S Page

State Chair Director

Alison L Taylor

General Director and

Treasurer

Christopher J Vertullo

General Director

Andrew Wines

AORA President

Thomas Clifton

Chief Executive Officer and

Company Secretary

Adrian R Cosenza



exploration prior to making a decision. From the information available it would appear that one of the partner organisations has a documented history of questionable and unethical behaviour.

In conclusion, Honeysuckle Health's ability to become a group buyer and negotiator of services could limit choices for medical practitioners in their ability to ensure best service provided for patients.

AOA believes this proposal, having characteristics of managed care where due to the control and influence of corporations, the doctor's choice is limited is not being in interest of patients.

AOA does not agree with the application for Authorisation AA1000542.

Kind regards,



Michael Gillespie
AOA President