

Ms Ellie Dwyer
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Australian Competition and Consumer Commission
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Dear Ms Dwyer

The Australian Private Hospitals Association writes in response to the ACCC's invitation to comment on the Private Health Australia's application for authorisation on behalf of itself, its members and members of Members Health Fund Alliance (AA1000487).

The rapid onset the COVID-19 pandemic and associated restrictions necessitated a swift response by the private health insurance industry. In monitoring the outcomes of this authorisation, it will be important for the ACCC to assess the benefits for consumers.

The pandemic escalated at a critical time of year for consumers holding private health insurance when many received notification of increased health insurance premiums (applicable from 1 April but notified in advance of this date). Many consumers will have faced difficult financial decisions. The information and choices available to these consumers and their families will have long term consequences for their ability to access private health care in both the medium and longer term. It will be essential to ensure that consumers were provided with adequate information and that they are not disadvantaged when using their health insurance in the future.

One of the implications of COVID-19 restrictions was that health providers, including private hospitals, were obliged to change the way in which services were delivered so that care could be provided safely to non-COVID-19 patients without putting either staff or patients at risk. It will be important to evaluate whether this authorisation led to private health insurers responding adequately to ensure that the value and utility of private health insurance was maintained.

It was noticeable that health insurers moved swiftly to provide cover through General Services policies for telehealth services however private hospital operators experienced difficulty in obtaining agreement from health insurers to fund modified hospital services. For example, hospital-in-the-home services and mental health services delivered by phone, video-link or in patients' homes as an alternative to day programs conventionally provided as face-to-face services. The lack of this support may have contributed to some pre-existing programs ceasing during the COVID19 shut-down period and a loss of continuity in care for patients.

Finally it will also be important to ascertain the extent to which the authorisation still enabled health insurers reach agreements with individual providers to meet local needs and commercial requirements or whether it resulted in health insurers adopting identical terms across the industry as a whole.

The Australian Private Hospitals Association is the largest peak industry body representing private hospital and day hospital operators in Australia. Private hospitals and day hospitals provide

40 per cent of all hospital care capability in Australia. In response to the COVID-19 pandemic, most private hospitals have continued to operate to the fullest extent possible to support the response to the pandemic and ensure that at the same time the on-going health needs of the Australian population continue to be met.

Yours sincerely



Michael Roff
Chief Executive Officer
21 May 2020