



ANZAOMS

AUSTRALIAN AND NEW ZEALAND ASSOCIATION OF
ORAL & MAXILLOFACIAL SURGEONS

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Australian Competition & Consumer Commission (ACCC)

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[ANZAOMS submission to draft determination by ACCC regarding Honeysuckle Health and nib Application](#)

The Australian and New Zealand Association of Oral and Maxillofacial Surgeons writes to express our significant concerns regarding the recent draft determination of the ACCC on the Honeysuckle/nib application for authorisation to form and operate a buying group to collectively negotiate and manage contracts with healthcare providers on behalf of health and medical insurance providers and other payers in the healthcare services.

ANZAOMS is the peak body representing specialist Oral and Maxillofacial Surgeons (OMS) in Australia and New Zealand. The association is consulted on policy matters around oral and maxillofacial surgery by state and federal governments, Medicare, private health insurance providers, consumer bodies and specialist medical and surgical colleges.

ANZAOMS Members contribute to the training, examination, and the governance of OMS surgical training through the Board of Studies of the Royal Australasian College of Dental Surgeons (RACDS). Oral & Maxillofacial Surgery is also recognised as one of the listed principal surgical specialities. Specialists are required to hold both Medical and Dental qualifications.

The Honeysuckle Health/nib application decision will effectively enable a very large US health service company (Cigna) to join with an Australian health insurer (nib) to create a massive buying group to purchase health services from the private sector, for a period of 5 years.

ANZAOMS has several concerns relating to the decision. These include.

1. That this decision will create an uncompetitive health sector environment which will be detrimental to our patients.
2. It will limit patient (consumer) choice and constrain clinician decision making capacity which should always have the best interests of the patient at the forefront.



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3. We are concerned that this application, if successful, will introduce 'managed care' as 'managed agreements' into the Australian Health Care system. If this were to occur patients will potentially be placed in a position whereby, they are not able to choose their own primary care regime, instead a third party or administration will decide on their behalf.
4. If successful, this application will result in the creation of a 'buying group' which will have a disproportionate level of market power that would allow it to dictate terms and conditions to its providers (undermining the right to independent judgement by the clinician).
5. The decision fails to acknowledge the differences between the Australian and US health systems and the application relies on US data to support claims of better health outcomes being delivered at a lower cost. The high costs of the US health system are widely acknowledged, and Australia already delivers better outcomes at a much lower cost.
6. Cigna is a very large private US managed care company with a multi-billion-dollar turnover and 70,000 employees with an obligation to make profits for its shareholders. It dwarfs any Australian health insurer. A buying group of this size will distort the market and make it difficult for private hospitals and professional service providers to continue to operate as independent entities with their own service characteristics given the need to comply with demands for managed care from this buying group that will have little competition.
7. US-style managed care puts an unnecessary entity between the patient and doctor. Managed care companies interfere with medical decisions to reduce costs often irrespective of the needs of patients. US-style managed care requires the private hospital and associated medical practitioners to have contracts with the company or an intermediary. The medical practitioner can no longer act independently in the best interests of patients because the managed care company controls the decision-making of the practitioner. The risk is that, in time, only doctors who have contracts with managed care companies will be able to see insured patients. Ultimately, this diminishes patient choice of doctor and affects the quality of care provided, including admission and discharge practices, and what treatments are available both within and outside the hospital.
8. One of the primary patient benefits for patients quoted in the proposal is a reduction of cost of healthcare and therefore a reduction in premiums. It is difficult to believe that any savings will be passed on to patients rather than shareholders. Recent behaviour of most major private health insurance companies in failing to pass on any savings they made during the COVID shutdown to their members proves that the shareholders are the true beneficiaries of reduced costs.



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9. The contracts will add significant administrative burden on specialist medical practices which are all small business. In the US experience the costs of negotiating contracts and the management of the contracts significantly negatively impact these businesses due to their small size and limited resources. Private health insurance companies already exercise their power in the way that they dictate contract terms with dentists, deliberately undermine patients' rights to visit a clinician of their choice by reducing or even rejecting claims for seeing out of contract dentists and directly competing with contracted dentists by opening their own branded practices nearby and directing patients there.

10. The proposed partnership will aim to negotiate on behalf of government funders of healthcare such as DVA and work cover. Patients being cared for under these schemes enjoy the ability to choose their clinician and hospital. The contracts will likely lead to a significant reduction in choice. Patients will be told who they can see and where. This will disproportionately affect patients in regional and remote regions who may not be able to see a local non-participating specialist and instead be directed to travel long distances to see someone.

If this proposal is ultimately successful, it will affect private specialist practice, such as OMS, in Australia. The Australian and New Zealand Association of Oral and Maxillofacial Surgeons supports the independence of its members and other specialists and health care providers to make clinical decisions for patients based on the needs of the patient and the best practice guidelines available, not based on the financial constraints of managed care companies.

This is a quality-of-care issue for our patients. ANZAOMS disagrees strenuously with the ACCC draft determination. On behalf of our members and health care professionals throughout Australia, ANZAOMS asks the ACCC to reverse its draft decision on the Honeysuckle application and reject the application in its entirety.

Thank you for the opportunity to make submission to this very important issue.

Yours sincerely



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President