

Mr Michael Pappa
Competition Exemptions Branch
Australian Competition and Consumer Commission
23 Marcus Clarke Street
Canberra ACT 2601

By email: exemptions@accc.gov.au

11 June 2021

Dear Michael

Honeysuckle Health Buying Group

We refer to:

- the Commission's **Draft Determination** dated 21 May 2021 in relation to the Application for authorisation lodged by Honeysuckle Health Pty Ltd and nib health funds limited in respect of the Honeysuckle Health Buying Group (**HHBG**) (the **Application**); and
- Catholic Health Australia's (**CHA**) submission dated 5 February 2021 regarding the Application.

CHA is grateful for the opportunity to provide feedback to the Commission regarding the Draft Determination.

CHA reiterates its earlier submission, and notes that it is broadly supportive of the Commission's Draft Determination.

In particular, CHA notes the following aspects of the Draft Determination are essential to mitigate the potential public detriment (identified in its previous submission) that would arise from the proposed conduct:

- The proposed length of authorisation for five years is important, as it is a sufficient timeframe for several rounds of contracting but also provides an opportunity for the Commission as well as market participants (such as CHA) to re-assess the claimed public benefits and detriments in five years' time to better inform the Commission's analysis; and
- The proposed conditions to the authorisation, together with the exclusion from the proposed conduct of Medibank, Bupa, HCF and HBF WA from certain services including hospital contracting services, are essential to mitigate the potential for significant public detriment

arising from the HHBG potentially comprising 100% of private health insurers (to the significant public detriment on competition between insurer healthcare acquirers and the bargaining position of small healthcare providers).

CHA reiterates its concerns regarding information sharing within HHBG and efficiency in negotiations between HHBG and hospitals. Nonetheless, it acknowledges the Commission's position in the Draft Determination that any information sharing outside the scope of the authorisation would remain subject to the *Competition and Consumer Act 2010* (Cth).

Yours sincerely,



Pat Garcia
Chief Executive Officer