

19 May 2020

Ms Ellie Dwyer
Adjudication
Merger and Authorisation Review
Australian Competition and Consumers Commission
Email: adjudication@accc.gov.au

Dear Ms Dwyer

Private Healthcare Australia Limited's application for authorisation – AA1000487 – interested party consultation

The Consumers Health Forum of Australia (CHF) is the national peak body representing the interests of Australian healthcare consumers and those with an interest in health consumer affairs. We are funded by the Commonwealth Government through the Health Peaks and Advisory Bodies (HPAB) Program. We have around 250 members reflecting a broad spectrum of organisations including state-based consumer peaks, condition-specific groups, volunteer patient groups, professional associations, Primary Health Networks (PHNs) and the research community. We work in collaboration with our members, national partners, and research collaborators to influence policy, programs, and services to ensure they are in the consumer and community interest.

CHF has always been interested in ensuring that the health system is consumer-centred and has been a strong advocate for ensuring there is competition in the provision of all health services and products as we believe this ensures a better deal for consumers. However, the current COVID-19 pandemic has shown that we need to ensure that all health resources, services, and products, are brought together in a nationally coordinated way to ensure they are available as and when required.

CHF supports the application for authorisation for Private Healthcare Australia, Members Health Fund Alliance, and their respective members to share information and discuss approaches to a range of measures relating to private health insurance. We believe the overall benefits to consumers outweigh the risks of loss of competition and its potential impact on price and products. Private health insurance policies are complicated products and consumers have difficulty comparing what they offer, even without emergency measures coming into play.

It is in consumers interest that the private health insurers take an informed and consistent approach to these issues around coverage for COVID and as far as possible on how they will

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provide financial relief to their customers, both for those facing hardship and more broadly for those who have had the benefits from their private health policies significantly reduced due to restrictions on some health services, most notably elective surgery. The sharing of information and the support from the two industry associations, Private Health Care Australia and Members Health Fund Alliance in collating and interpreting that information, should assist the funds to make better informed decisions.

The public assurances from private health insurers and the associations around returning unexpected profits from the COVID-19 restrictions on to their policy holders has the potential to reduce the negative impact that these collaborative arrangements. Whilst policy holders have yet to see the details of this return of profits in terms of timing, quantum and process the existing of these assurances has contributed to CHF's assessment that the benefits to consumers will outweigh the costs.

We support this on the understanding that it is time limited for 6 months. We do question whether they will need the full six months given the lower than expected impact of COVID-19 in terms of caseload and the earlier than expected return to the provision of elective surgery. Unless Australia experiences a strong second wave of COVID-19 infections and so a higher case load leading to a need to implement surge capacity through use of private hospitals, CHF would be extremely reluctant to agree to any extension of this authorisation.

Yours sincerely



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Chief Executive Officer

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