

22 January 2021

Mr Darrell Channing
ACCC
GPO Box 3131
CANBERRA ACT 2601
(by email to: exemptions@acc.gov.au)

Dear Mr Channing

AA1000542 – Honeysuckle Health and nib application for Authorisation

Day Hospitals Australia, the peak industry body representing the day hospital sector, appreciates the opportunity to comment on the application received from Honeysuckle Health Pty Ltd.

It is understood that the applicant is seeking authorisation to operate a buying group to collectively negotiate and administer contracts to healthcare providers. The application for an authorised buying group could include other private health insurers, similar to the model of the Australian Health Service Alliance.

The suggestion that some Government payers of health care services may also be part of the proposed buying group is concerning. Your correspondence indicates that this could include such Government agencies as the Department of Veterans' Affairs and Comcare. Currently these agencies negotiate directly with health care providers.

Without further detail Day Hospitals Australia would raise an initial concern over the inclusion of Government agencies in this buying group.

We also feel it would be appropriate for the ACCC to seek information in relation to:

- The ability to have common format contracts (which would have administrative benefits for our members) with pricing to be negotiated on a payer-by-payer basis;
- What steps will be in place to protect patient confidentiality, particularly will any data be held offshore;
- What steps will be in place to protect confidential information such as patient volumes for individual facilities;
- At a time of diminishing private health insurance membership what impact will this have on the private health insurance membership numbers;
- Will Cigna be precluded from operating a private health insurance business in Australia;
- Ensuring that standards are not diminished and potentially improved in relation to responsiveness to our members and insured patients queries;
- Ensure that the funding mechanisms remain consistent with current practices.

In speaking with the ACCC it is understood that the current feedback request is to gather initial information and that there will be a further opportunity to submit comments once more detail is available.

At this stage, until there is more detail Day Hospitals Australia wishes to raise questions as to how Government agencies might participate in such a private health insurance buying group.

Thank you for the opportunity to provide this initial feedback and we look forward to more detail in the coming weeks.

Yours sincerely



Jane Griffiths
Chief Executive Officer