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**From:** Babak Amin [REDACTED]  
**Sent:** Thursday, 10 June 2021 4:42 PM  
**To:** Exemptions  
**Subject:** Vehement opposition of NIB/Honeysuckle Managed Care plan

Dear Michael,

I am writing to you to add my voice to the chorus of opposition towards the abominable proposal by Honeysuckle/NIB to introduce managed care into Australia.

This unholy alliance will strip patients of choice when it comes to medical treatment, denying them access to the care that their doctors believe is in their best interests, and instead offering them only the care that a corporate behemoth believes they are entitled to.

This proposal will increase the already high administrative burden present in health care by orders of magnitude, as well as diminish physician autonomy.

We have no need for a greedy, out of touch corporate entity coming to our shores with a view to rearranging our health care landscape in such a way so as to maximise revenue for their private shareholders, and doing so at the expense of optimal patient outcomes.

I have pasted below the nuanced and well researched letter sent to you from my colleague Dr Pierre Bradley, as I am urging you to read it again closely

Absolutely no good can arise for the Australian people as a result of big business corporatising health care.

We trust that you will not allow Honeysuckle to erode the ability of one of the world's best health care systems to independently and autonomously serve the needs of the Australian people.

Yours truly,

Dr Babak Amin  
MBBS(Hons), FANZCA  
Anaesthetist

Michael Pappa  
Analyst, Competition Exemptions  
Australian Competition & Consumer Commission Level 17 | 2 Lonsdale St  
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Draft exemption AA1000542 NIB/Honeysuckle Health Pty Ltd to operate a buying group to collectively negotiate and manage contracts with healthcare providers in Australia

Dear Michael

The most recent data from the Organisation for Economic Cooperation and Development (OECD) and the Australian Institute of Health and Welfare, highlights that Australia has a better healthcare provision in terms of outcomes, provided at less cost than the USA.

- The population of the USA (78.7 years old) has approximately 4 years less life expectancy from birth than the Australian population (82.8 years old).
- Preventable premature mortality, as measured by “Potential years of life lost” expressed in numbers per 100,000 population, in the USA (6.6k) is almost double the Australian value (3.5k).
- Length of hospital stay for acute care is less in Australia (4.1 days) than USA (5.5 days).
- 5-year colon cancer survival rates in Australia are 70.7% (ranked 3rd in World) compared with 64.9% in the USA (ranked 9th).
- Coronary heart disease mortality expressed in deaths per 100,000 population, the USA is a lot higher at 109.6 compared with Australia’s 76.6.
- Health spending in USA accounts for 16.96% of GDP compared with Australia’s 9.33%.

Similarly, a report by David Himmelstein et al in the American Journal of Public Health in 2019 showed that healthcare related expenses was a leading cause of bankruptcy in the USA.

This data is very relevant to the recent draft determination to authorise Honeysuckle Health (Cigna/nib health funds) to form a health services buying group.

At first glance the proposal to enter into agreements with medical specialists to not charge customers out-of-pocket costs for medical services and treatment seems like a reasonable goal. I’ll ignore that the out-of-pocket costs to patients, is in fact for the most part, because of the poor indexation of health funds reimbursements and Medicare over the last 35 years (consistently less than inflation) compared to the practice costs, which increase with inflation each year and NIB is one of the worst insurance companies from a medical specialist point of view.

Cigna is an American for-profit insurance company that delivered to their shareholders in 2020 an adjusted earnings per share of \$18.45 by growing their revenue by 14%, to \$160 billion profit. This is very impressive but it’s part of the reason why the USA has the world most expensive healthcare. Cigna has clearly demonstrated in the USA how they make profit for their shareholder from healthcare.

Whilst it has been suggested that there will be a reduction in administrative burden, this has not been demonstrated in the USA with most practices having to increase their administrative staff to negotiate what is actually covered by the insurance company and an ever-increasing bureaucracy. Quite often this is a Medical Practitioner talking to an insurance company representative, who is not medical trained, who dictated what is covered and what is not.... managed care by insurance companies rather than qualified doctors. So ultimately it means that the insurance companies tightly control what the patient has access to rather than according to what the patient wants and needs. In addition, there are many examples where the insurance company will provide obstacles or try to avoid paying out appropriate claims.

Some examples:

- <https://www.counterpunch.org/2007/12/31/does-this-happen-in-canada/>
- <https://podcasts.captivate.fm/media/9ea112d0-6ca6-4c43-ac26-453c6b5ea0a1/2021-0607-brown-final-mix.mp3> ( a very informative pod casts on the topic of managed care and it relevance on the Australian Syastem)
- <https://twitter.com/DGlaucumflecken/status/1402346739344969730> (a 59 second listen to about prior authorisations)
- <https://twitter.com/DGlaucumflecken/status/1333838892609335297> ( a thread about a doctors experience as a patient in the US system)

This alliance between NIB and Cigna is not about improving patient healthcare but about making more money for the companies. The first step is to regulate what medical specialities are able offer, hence limit their expenditure whilst maximising the income from premiums. All this under the guise of limiting the out-of-pocket expense.

What is actually happening is that managed care gives control of this decision-making to companies not doctors, limiting the ability of patients to make independent health choices supported by their specialist doctors. I suggest this may be why health outcome are worse in the USA due to this management care model where physician input is controlled by these contracts. Worse if the ACCC allows this to proceed, the other US Health insurance companies who operate a "for-profit insurance system," to consider getting their snout in the trough.

Finally, it was no surprise that they lodged their initial submission on the 24th of December when most people would have been away, so as to slip it under the radar. And having taken advantage of the COVID situation of stockpiling the public 's premiums whilst elective surgery was greatly reduced as we prepared for the outbreak.

The outcome of this determination will change the face of healthcare in this country and lead us down an American style healthcare model.

- Worse healthcare outcome
- Higher costs
- Health insurance regulation and limitation to Physician decision making
- Alter Doctor/Patient relationships by destroying the independence of patient-centred healthcare decision-making
- It would worsen elective surgery waiting times, which is already stretched because of COVID, as more people have to have their surgery in the public system.
- Similar public emergency department presentations would have increase weight time as more pressure is put on them.

This really isn't about medical specialists' fees even if they're making it appear that way by making us seem greedy. It is a chance for the ACCC to see the big picture, rather than being used to control /bully/force us into accepting their conditions. It is your opportunity to prevent the introduction of managed care into Australia rather than open the floodgates to the "for-profit insurance system" companies. The healthcare of all Australians is at risk and this decision has bigger ramifications than it initially appears, so please carefully consider the decision and vote against the proposal.