

Bruce Hammonds



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To the ACCC,

I am concerned regarding the conditional approval of a proposal from Honeysuckle and NIB to form and operate a health services buying group. I think that this type of proposal has major downside implications for the health and wellbeing of Australians.

Currently in the private sector, medical health services are largely provided by many small business, sole-practitioner doctors who are restricted by ethics and law in the nature of how they advertise and provided their services and how they are able to compete for pricing. The ethical consideration of doctors is centred towards patient autonomy. The patient is the one who decides their treatment and there is a lot of choice.

The consumer of these services – the patient – is easily able to assess pricing and services without undue influence from marketing from health practitioners. They can also feel secure in this patient centric model that they are getting their best possible care. The consumer is currently able to easily choose the best provider and services for their needs and price in an environment of high competition between (mostly) sole traders.

#### **Anticompetitive**

In my view the introduction of such a large, multibillion-dollar cooperative corporation as proposed between Honeysuckle and NIB has the potential to move the fundamental capacity of choice away from the consumer and toward the health provider. This model has been described as managed care. In this model, patient choice and options are challenged by the commercial imperative of a private business. I think that a reasonably clear downstream consequence to the consumer will be of fewer health choices that are decided primarily on commercial grounds and chosen by the private health provider. Further, I believe that economies of scale will mean that the cost of doing business for such a large business will make it difficult for a small sole trader to compete.

Therefore, in consideration of consumer choice, a move to introduce this proposed model ought to be viewed as anticompetitive. This in itself is reason for ACCC not to approve such a proposal.

#### **Inferior Health Outcomes**

Further though, I also think a predictable consequence of this model could be an inferior quality of life and a shorter life for the average Australian. If considered in this light, as the ACCC is a government agent and the government is elected to represent the best interests of the Australian people, it is arguably inconsistent with the ACCC's purpose to prioritise the commercial considerations of the shareholders of a private company over the health and well-being of the Australian people. Please consider carefully this decision on the basis of our nation's health outcomes as well as business concerns.

On these bases, I urge the ACCC not to approve this proposal and to reject future similar proposals for health care in Australia.

Yours sincerely



Dr Bruce Hammonds