
From: Gavin Doolan [REDACTED]
Sent: Thursday, 10 June 2021 9:43 PM
To: Exemptions
Cc: department@treasury.gov.au; Minister.Hunt@health.gov.au;
josh.frydenberg@treasury.gov.au; sayno@sendtheeaglehome.com.au; asa@asa.org.au
Subject: AA1000542 – Honeysuckle Health – submission

To whom it may concern,

RE: Honeysuckle Health and NIB

Honeysuckle Health and NIB should not be authorised to form and operate a buying group to collectively negotiate and administer contracts with healthcare providers. This amounts to a managed care model of medicine, with doctors and hospitals contracted to the insurance company, thus involving a third, profit-driven party into the care of patients. The managed care model controls medical costs by limiting the services that doctors and hospitals offer. In the United States of America, managed health care has both reduced the quality of healthcare and driven up the costs. Despite being the most expensive health care system in the world, the US is only ranked 30th for quality. Australia is ranked 9th. The leading cause of personal bankruptcy in the US is unaffordable medical bills, which are set by insurance companies.

Honeysuckle has disingenuously promoted this planned arrangement as a money saving venture, because out of pocket costs to the doctor might be reduced. However, the biggest expenditures in private hospital medicine are the hospital fees, which include the provision of the facility and staff, and the equipment and prosthesis. Equipment and prosthesis companies often charge eye watering amounts. For example, a 2cm square of polydioxanone used in nasal surgery costs \$800. Exactly the same material in a suture only costs less than \$10. Dermabond Prineo skin glue costs over \$500 for 3.8mL. There are many more similar examples that are costing our health system 100s of millions of dollars each year.

My concern with the Honeysuckle proposal is that it will allow the introduction of a medical system to Australia where an insurance company can limit access to services for patients, resulting in worse outcomes for patients, erode the doctor-patient relationship, and put even more pressure on the public system. Those who are denied treatment by insurance companies in the private system will pursue them in the public system. The only winner in the merger will be the insurance companies, who will make enormous profits from Australian patients.

I urge you to reconsider the approval of this merger. This is not a marketplace competition issue, this is a public health issue, and the health of the Australian public is reliant on the rejection of this proposal.

Best wishes,

Dr Gavin Doolan
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