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**From:** Mike Soares [REDACTED]  
**Sent:** Thursday, 10 June 2021 10:42 PM  
**To:** Exemptions  
**Subject:** AA1000542 – Honeysuckle Health – submission

To Whom it May Concern:

Thankyou for the opportunity to provide a submission following the draft determination granting authorisation for Honeysuckle Health and nib health funds to form and operate a buying group to collectively negotiate and manage contracts with healthcare providers on behalf of health and medical insurance providers.

The main public benefits stated are predominantly beneficial to the Applicants and not the Australian public.

Transaction cost savings and increased efficiencies will improve the bottom line and ultimately shareholders of the applicable companies.

A greater choice of buying group is counter intuitive when the number of entities in the group decreases as they join the Applicants.

Data analytics and information requires the generation of a 'quality score' and other metrics which are not used in the Australian healthcare model. A patient's healthcare journey cannot be reduced to a number, just as an ACCC decision could not be assessed quantitatively.

It is superficial to believe a no gap experience for customers will be provided through unsubstantiated savings found by improving efficiency. Private healthcare organisations are accountable to their shareholders first, their premium holders second. The savings that will occur to provide a no-gap experience for customers will come from the hospitals and the healthcare providers. The healthcare providers are small businesses which the ACCC is compelled to protect, the status quo does not cause disproportionate public detriment.

There is no evidence hospital (and healthcare provider) bargaining power is currently overpowered such that it requires countervailing. The submission of an overseas conglomerate with substantial reserves attempting to profit within the Australian Healthcare System does however seem overwhelming.

The ACCC is obliged to support fair trading in markets affecting consumers and small business  
<https://www.accc.gov.au/about-us/australian-competition-consumer-commission/about-the-accc>

I submit the questionable public benefit outlined by the Applicants does not outweigh the damage that will occur in the downstream market of independent health practitioners. The small businesses in this market will be forced to succumb to the Applicants conditions and there is no guarantee the conditions imposed by the Applicants for healthcare providers to join will not affect the high levels of independent clinical healthcare that is currently able to be provided, this increases risk rather than benefit to the public and is contrary to the ACCC's role.

Additionally, I also submit in agreement with 4.106 of the draft determination that medical specialists will become employees in everything but name as the last support for independence will be removed.

Using the ATO "Difference between employees and contractors information", healthcare providers will meet the definition of employee as they:

- cannot delegate the work
- receive payment per item or activity
- use equipment and tools which the Applicants will be responsible for providing (through the contracted hospital)
- share liability for the work
- appear to be independent, but in reality if an independent healthcare provider attempts to provide healthcare outside the Applicant's network (as per 4.106 of the draft determination), the 'out of network' cost to the patient is prohibitive for additional work.

[https://www.ato.gov.au/Business/Employee-or-contractor/Difference-between-employees-and-contractors/?=redirected\\_calc\\_ECDTSGETDifferenceEmployeesContractors](https://www.ato.gov.au/Business/Employee-or-contractor/Difference-between-employees-and-contractors/?=redirected_calc_ECDTSGETDifferenceEmployeesContractors)

The contraction in the supply of medical specialist's services, and potential compromise under this agreement, cannot be a sideline in this determination as it underlies the argument of public detriment.

The Australian Healthcare Model cannot be reduced to 'gap equal bad', 'no-gap equal good'. If gaps charged by healthcare providers are detrimental, then targeted intervention should occur within the current system. Removing the independence of healthcare providers through the creation of large buying groups and value-based contracting may remove gaps but at a much greater detriment to the Australian public.

Respectfully,

Dr Mike Soares