Occupational Therapy AUSTRALIA

Mr Darrell Channing
Director
Competition Exemptions Branch
Australian Competition & Consumer Commission
GPO Box 3131
Canberra ACT 2601

Via email: exemptions@accc.gov.au

5 February 2021

Dear Mr Channing

Re: Honeysuckle Health and nib application for Authorisation AA1000542 — interested party consultation

Occupational Therapy Australia (OTA) appreciates the opportunity to comment on the application for authorisation received by the Australian Competition & Consumer Commission (ACCC) from Honeysuckle Health Pty Ltd on behalf of itself and nib health funds ltd.

Please consider this correspondence a submission to your inquiry. OTA is happy for it to be placed on the ACCC's public register.

OTA is the professional association and peak representative body for occupational therapists in Australia. As of October 2020, there were more than 23,000 registered occupational therapists working across the government, non-government, private and community sectors in Australia. Occupational therapists are allied health professionals whose role is to enable their clients to engage in meaningful and productive activities.

Occupational therapists provide services such as physical and mental health therapy, vocational rehabilitation, assistive technology prescription, driver assessments, home modifications, chronic disease management and key disability supports and services.

OTA is committed to promoting and providing best practice, evidence-based support and care to all Australians, across the many fields in which occupational therapists work, including health, mental health, aged care, disability, veterans, education, and driving assessment.

OTA is increasingly concerned about a discernible trend towards the concentration of allied health services, whereby large, often multi-disciplinary companies secure a growing proportion of the market at the expense of smaller practices and sole practitioners.

Accordingly, OTA asks the ACCC if Honeysuckle Health's proposal will likely result in a de facto panel of approved service providers. If so, OTA would oppose the proposal.

Small panels of approved service providers have to date been more a product of state and territory governments' compensable schemes. More recently, however, the Commonwealth Government has foreshadowed their implementation.

For example, as part of arrangements for new Independent Assessments of applicants for the National Disability Insurance Scheme, the National Disability Insurance Agency proposes the establishment of a small panel of providers – in both its tender documentation, and even in the title of the model (Independent Assessor Panel). The Department of Veterans' Affairs (DVA) has also on occasion signaled the possibility that panels of approved providers might be established to deliver specific services to veterans and war widows. And OTA notes the possible involvement of government payers, including DVA, in the proposed buying group.

OTA knows from experience that such panels usually comprise a few large, multi-disciplinary (and sometimes multi-national) companies. Very few panelists work in small practices. Almost none are sole providers. And all too often, such arrangements – while bureaucratically convenient by limiting the size of the field which must be administered – result in the termination of longstanding and hugely beneficial clinical relationships between highly experienced clinicians working in small practices with often very complex clients.

The victims of this trend in public policy are twofold. First there are those service providers who, while perfectly competent and conscientious, don't make the cut and, as a result, are denied access to a reliable source of work. Second, there are the consumers who, while being promised unprecedented choice in an age of consumer driven care, are actually seeing their choice limited by public policy that is quite deliberately anti-competitive. Excluding qualified practitioners from whole fields of practice makes a mockery of all the rhetoric around consumer choice.

Given the interest of government health payers (including DVA) in joining the proposed healthcare buying group, OTA asks that the ACCC give careful consideration to the possible impact this might have on the fees paid to allied health providers for the delivery of services to vulnerable Australians, particularly veterans and war widows, and offers the following observations by way of context.

Given the demands of military service, both physical and mental, a sizeable proportion of veterans require the services of occupational therapists.

While occupational therapists derive enormous professional satisfaction from working with veterans and war widows, it has become increasingly difficult work to sustain. This is because remuneration for such work has, in effect, been frozen by the Department of Veterans' Affairs (DVA) for more than a decade. There has been no increase in the rebate, beyond adjustment in line with the CPI, since 2007. That increase was modest and applied to only one item on the schedule of fees. And, moreover, there was no adjustment in line with the CPI between 2013 and 1 July 2018.

Those occupational therapists still working with veterans do so at a loss; they only keep doing it out of loyalty to longstanding clients and by relying on cross-subsidies from other work.

Accordingly, for well over a decade, OTA has been calling on the Commonwealth Government to ensure that those providing care and support to our nation's veterans are paid at least a living wage to do so.

OTA welcomed the initiative in the 2020-21 Federal Budget whereby the fee paid to occupational therapists delivering mental health related supports to veterans was significantly increased, but stresses the need for a similar adjustment be made to the schedule of fees for all other supports delivered by occupational therapists to veterans and war widows.

OTA is aware that the unsustainably low fees paid by DVA has led to an acute shortage of occupational therapists in Far North Queensland, an area notable for a large proportion of veterans. This replicates the situation in the Northern Territory, where for several years veterans in need of occupational therapy have had to seek support at their nearest public hospital. Occupational therapists in private practice are able to provide such care, but only if the work is financially sustainable.

Given these facts, OTA would strenuously oppose the inclusion of DVA in the proposed buying group if this were to result in even lower fees being paid to occupational therapists working with veterans and war widows.

OTA thanks the ACCC for this opportunity to respond to Honeysuckle Health's application.

Yours sincerely

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Chief Executive Officer

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