

Thankyou for the opportunity to respond to the ACCC exemption sought through WA Primary Health Alliance Ltd for and on behalf of Participating Primary Health Networks – Primary Sense Project

[Outcome Health \(OH\)](#) is a not-for-profit organisation based in Melbourne operating a range of clinical services including diabetes, asthma & care planning clinics across GP practices as well as mental health services commissioned by PHNs and a triple zero triage services with Ambulance Victoria.

OH also operates the [POLAR](#) data platform which provides clinical insights to GPs and PHNs at a person and population level with appropriate privacy settings compliant with the Australian Privacy Principles, legislation and related standards. We operate a range of governance committees with independent and PHN representation. In line with practice and PHN agreements, we do not sell or commercialise any data.

POLAR operates across ~1300 GP practices and six PHNs, South East Melbourne PHN, Central & Eastern Sydney PHN, Eastern Melbourne PHN, ACT PHN, Gippsland PHN and South West Sydney PHN, all of whom have invested time and resources into co-design, governance, building and implementation of the product. POLAR is built and maintained by OH, with no additional government funds, it has supported choice, compliance, and competition in the market.

In addition, we operate the AURORA platform to support research in primary care. Aurora has worked with a range of stakeholders and partners, such as Universities, AIHW and government agencies such as ADHA and the Digital Health CRC, examples of research being the recent Macquarie Uni series of [COVID impact papers](#).

POLAR has three key functions,

- a) Extraction of Data from General Practices via their relevant clinical software
- b) Representation of this data back to General Practices for a range of clinical, administrative, reporting and data quality purposes.
- c) Supply of this de-identified data to PHNs, who in turn use the data to produce population health reports, support General Practices and use the data to help decide funding or commissioning decisions.

The Primary Sense product aims to deliver the same core functionality.

We have no issue with a competitive market. More competition means more innovation, better value, and competitive pricing models. Equally we have no issues with the PHNs themselves and have excellent relationships with the PHNs using POLAR.

Our issue with this application rises from the skewing of that competition through the use of Government funds to underwrite the development of one vendor. This is in an environment where there are few vendors in the space but one has an advantage by government funding their development operations, via a group of PHNs who are in turn government funded, creating an imbalance in the market.

This submission is asking the ACCC to approve an environment where the primary customer group is seeking to gain an advantage by agreement to use public money to generate a competing product. Such action will not lead to innovation, value for money or public good.

The Primary Health Insights (PHI), program was funded by the Commonwealth as a safe place for PHNs to store and hold General Practice data. The original documentation stated that this would be non-competitive with existing vendors and did not set out to create competition. We have no objections to the operation of the PHI under its original guise and are generally supportive of that initiative. Indeed, we currently supply data to the PHI via some of our participating PHNs.

The application makes various statements around cost saving and superior functionality of the Primary Sense tool. There is no evidence to back up these claims and no independent evaluation or procurement process that has been undertaken; these claims throughout the application should therefore be disregarded.

## **Concerns**

### **Conflicts:**

This arrangement, if it proceeds as we understand, creates a potential commissioning conflict of interest. As primary commissioning bodies, the [Primary Health Networks Grant Program Guidelines](#) page 10, sets out a range of commissioning principles for PHNs including *“wherever practicable not duplicating efforts of other private or public sector entities”*. In this case, duplication is taking place and PHNs may be commissioning themselves to underwrite, develop and ultimately compete with the private sector.

A similar situation arose during operation of the ‘Medicare Local’ program, which preceded PHNs and was raised in the [2014 Horvath report](#) which reviewed the program. On p7 that report notes, *“The majority of Medicare Locals utilise a combined approach to services delivery, which adds to the confusion among providers about their purpose. A number of stakeholders described to me instances where Medicare Locals established services in direct competition to existing services. This has further eroded relationships with general practice.”*

Ultimately it could be argued that all products PHNs are using are supported by Government, but that is where investment of the vendor and the right of the PHN to choose, commission, procure or change a supplier comes into play. By owning one product it locks that PHN in forever by virtue of the ownership of that product, potentially leading to no market or the creation a non-competitive and fundamentally uneven market.

### **The local technology sector and support for small business:**

The government has clearly articulated its support for small business, the growth of local innovation in technology, information sharing for a range of purposes and a clear desire to decrease duplication of effort and resources.

Specific government programs such as the PIP-QI program have been accommodated and absorbed by vendors like POLAR without compensation from government, largely because these were assessed as a good business investment to appeal to their existing market and contribute to growth. This is despite these changes presenting policy, resourcing and technology challenges.

Similarly, POLAR reports have responded quickly to develop functionality used by states and PHNs to track bushfire impacts and COVID infections. These reports are currently underpinning the response to COVID immunisations by stratifying and creating a range of reports for individual practices and PHNs to track the rollout.

In an environment where PHNs are providing funding via their government grants to underwrite this type of functionality there is a strong risk of market failure, ie vendors pulling out of the market leaving only one option. In this case, if the PHN funding or structure was to change, this could in turn lead to no vendor in the market, then raising a clinical risk to the GP sector as a whole. No vendor will invest in this type of development knowing that another vendor can use or call upon government funds from PHNs to undertake further development. This can only lead to the collapse of a competitive market stifling innovation, cost efficiencies and choice for PHNs or GPs.

There are many pre-existing tools available across a range of clinical and data focused activity in the General Practice data space, the NPS Medicinewise program, the Australian collaborative program as well as university initiatives such as the University of Melbourne PATRON program all of whom would have an interest in this application. In addition, various General Practice groups, RACGP, ACRRM, AMA etc, would have opinions, but will likely need time to consult with their membership prior to responding to this exemption request.

### **Urgent Exemption**

We note the application for an urgent exemption. We cannot see any clinical requirement for this application to be expedited and note that the request is to further negotiate contracts with the relevant PHNs to meet a future date. This does not appear to be a satisfactory reason to expedite this request. This is a complex environment with many players who will have a range of views. No patients will come to harm, no GP will miss out on core functionality, in this case it appears it is only a contractual arrangement to fund further development will be held up if the urgent exemption is denied.

### **What we want.**

We are supportive of a government and therefore PHN policy that actively enables a range of primary care strategies and organisations to ensure the best outcome for the patients, GPs and the advancement of primary care within the broader health system and in the national interest.

We want to advocate support for a market driven, fair and transparent approach for organisations in the digital health and primary care sector. One that enables fair competition, while promoting co-design, confidence, compliance, drives innovation and keeps costs and duplication in check.

We wish to see the investment to date of vendors, PHNs, practices and ultimately government acknowledged, we want momentum maintained and accelerated with a clear and agreed direction.