

11th June 2021

Darrell Channing
Director Competition Exemptions Branch Australian Competition & Consumers Commission 23
Marcus Clarke Street
Canberra ACT 2601
Email: exemptions@accc.gov.au

Dear Mr Channing,

AA1000542 – Honeysuckle Health – Submission

We write as a group of psychiatrists comprising PREMHA (Psychiatrists for Racial Equity in Mental Health Australia) to express our opposition to the Honeysuckle Health application, currently being considered for approval by the ACCC.

We view the attempt at introducing managed care into Australia, rebranded as ‘value-based care contracting’, as a subversive attempt at colonisation of the Australian health care system by Nib Health Funds Ltd and Cigna Corporation, an American multinational insurance company.

Given the range of negative impacts that such an application, if approved, may have on health care services, treatment relationships and patient quality of care, we add that the consultation process and period was inadequate and limited in scope.

As psychiatrists, we work at the frontline of intersectional disadvantage and stress; our patients overwhelmingly present with distress caused by lived experience(s) of adversity and discrimination, further perpetuated by experiences in the health system. We consider it inadequate that our professional body RANZCP, the Royal Australian & New Zealand College of Psychiatrists, was not included within the consultation process, and further that patient and consumer groups have also been excluded from this process. We note that Indigenous authorities on health care, e.g. NACCHO, ACCHOs, the Lowitja Institute, NHMRC were also not part of the consultation process.

We note that the recent Royal Commission into Victoria’s Mental Health System declared that the mental health system was “broken”, but state that the introduction of managed care within Australia is not only *not* a solution but will further perpetuate health inequalities and is not in keeping with the “humanising” recommendations emerging from the Royal Commission.

We note that the AMA has indicated that NIB has “scored very poorly in past AMA Private Health Insurance Report cards for the level of benefits it funds for selected medical services” and that despite a diversity and inclusion portfolio, Cigna and other managed care providers in the US are noted to have both past and current legal cases relating to violation of antidiscrimination laws, discrimination on the basis of gender / sex, ethnicity and health condition, and have a history of denying or restricting mental health treatment inappropriately and unethically.

The RANZCP Victorian Faculty of Psychotherapy referenced a precedent legal case in the US, whereby a managed care insurer had “illegally denied mental health and substance use coverage” when it “used internally developed medical necessity guidelines that comprehensively fell short of accepted standards of care”. The Judge wrote that “... the Court finds, by a preponderance of the evidence, that in every version of the Guidelines in the class period, and at every level of care that is at issue in this case, there is an excessive emphasis on addressing acute symptoms and stabilizing crises while ignoring the effective treatment of members’ underlying conditions”, indicating the

scope of treatment provided by the Insurer did not meet that “consistent with generally accepted standards of care”. “...the court recognized that mental and substance use disorders are chronic illnesses and rejected the insurer’s practice of treating patients only for acute symptoms”. Such practices by managed care insurers, of which the Cigna Corporation is one, are not in keeping with human rights, genuine equity, and the developments in our Australian health system, which practitioners and consumers are seeking and which have been formally recommended by the Royal Commissioners.

It can be questioned also whether managed care insurers ‘diversity and inclusion’ portfolios, underlaid by competitive business / advantage models, can be genuinely ethical, humanising and promoting of equity, or whether this is a politically correct marketing and advertising campaign concealing a capitalist system designed to extract maximum profit and which has clear parallels with historical practices of colonialization and slavery.

We understand that the ACCC is organising a pre-decision conference (PDC) to consult with relevant bodies re the Honeysuckle Health application. PREMHA seeks the capacity to represent our patients as a professional body at the conference. We assert that failure to consider how approving the HH application might contribute to systemic inequities, together with insufficient breadth to the consultation process that may formally investigate this; as an example of systemic oppression and enacted racism.

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