



**Australian Government**  
**Department of Veterans' Affairs**

Michael Pappa  
Competition Exemptions Branch  
Australian Competition and Consumer Commission  
Level 17, 2 Lonsdale Street  
Melbourne VIC 3000

Dear Michael,

**Authorisation AA1000542 —Honeysuckle Health Pty Ltd on behalf of itself and nib health funds limited (nib)**

I refer to your email on Tuesday, 12 January 2021 concerning the application submitted by Honeysuckle Health Pty Ltd on behalf of itself and NIB Health Funds Limited.

The Department of Veterans' Affairs (DVA) contracts with the majority of private hospitals and day procedure centres who operate within Australia. Negotiations with contracted private hospitals achieve fair and reasonable fees for service for eligible DVA clients. DVA has arrangements with all state and territory governments to provide care in public hospitals.

The Department is a purchaser of services. DVA does not have co-payment arrangements. DVA is unable to comment on how providing government health payers in healthcare buying groups is likely to impact on bargaining processes. If health sector improvements in quality and value are able to assist in achieving fair and reasonable outcomes for purchasers and providers and consumers of health services, these outcomes may result in achieving greater efficiencies in fees for the Department.

Apart from hospitals, DVA has a schedule of fees for health providers which lists what the Department will pay to treat DVA clients and their dependants. For instance, DVA community nursing providers agree to a non-negotiable fee schedule and may enter and exit the Department's community nursing panel at any time without prejudice (subject to acceptance of the relevant terms and conditions). The schedule of fees are non-negotiable. DVA also has incentive payments for General Practitioners (GPs) who work with our clients. The Department's Fee Schedule for Medical Services - General Practitioner Schedule lists fees for medical attendances and consultations provided by GPs. GPs are paid at 115% of the listed Medicare Benefits Scheme benefit plus the relevant Military Rehabilitation and Compensation Act or Veterans' Access Payment or where applicable the Rural Enhancement Initiative loading.

I trust this information has been of assistance.

Yours sincerely



Angela-Grace Kelly

A/g Assistant Secretary  
Provider Engagement and Management Branch  
Client Engagement and Support Division  
5 February 2021