
From: Philip Morris [REDACTED]
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To: Exemptions
Subject: National Association of Practising Psychiatrists Submission to the ACCC regarding the Honeysuckle Application Draft Decision

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The Honeysuckle Health proposal put to the ACCC is a prescription for an enormous US health service company (Cigna) to join with an Australian health insurer (nib) to create a massive buying group to purchase health services from the private sector.

Cigna is a huge private US managed care company with a multi-billion dollar turnover and 70,000 employees with an obligation to make profits for its shareholders. It dwarfs any Australian health insurer.

A buying group of this size will distort the market and make it difficult for private hospitals and professional service providers to continue to operate as independent entities with their own service characteristics given the need to comply with demands for managed care from this buying group that will have little competition.

US-style managed care puts an unnecessary entity between the patient and doctor. Managed care companies interfere with medical decisions in order to reduce costs often irrespective of the needs of patients. US-style managed care requires the private hospital and associated medical practitioners to have contracts with the company or an intermediary. The medical practitioner can no longer act independently in the best interests of patients because the managed care company controls the decision-making of the practitioner. In time, only doctors who have contracts with managed care companies will be able to see insured patients.

Ultimately, this diminishes patient choice of doctor and affects the quality of care provided, including admission and discharge practices, and what treatments are available both within and outside the hospital. If this proposal goes through it will affect private psychiatric practice in Australia, at first inpatient care given through the private psychiatric hospital sector. Next will be outpatient services provided by private hospitals and medical groups.

The National Association of Practising Psychiatrists (NAPP) stands up for the independence of its members and other psychiatrists and health care providers to make clinical decisions for patients based on the needs of the patient and the best practice guidelines available, not based on the financial constraints of managed care companies. This is a quality of care issue for our patients.

NAPP disagrees with the ACCC draft determination about the proposal made recently. NAPP has taken advice from interested parties, and especially psychiatric fellows practising in the private sector, and asks the ACCC to reverse its draft decision on the Honeysuckle application and reject the application in its entirety.

Dr Philip Morris AM

President NAPP