

Dear interested party

Virtus Health Limited (**Virtus**) proposes to acquire Adora Fertility (**Adora**) and three Adora day hospitals from Healius Limited. We are seeking your views on this proposal because we understand you have an interest in markets that may be affected.

The Australian Competition and Consumer Commission (**ACCC**) is an independent statutory authority responsible for investigating whether mergers are likely to substantially lessen competition. You can view the public register page for our review [here](#).

The parties

Virtus and Adora both provide assisted reproductive technology (**ART**) treatments, including in vitro fertilisation (**IVF**). The ACCC understands that ART/IVF can be priced as follows:

- full service – an individualised offering that includes a number of additional services not covered by Medicare, and
- low cost – a lower cost offering structured to bulk-bill certain Medicare items for patients meeting selection criteria although still involving out-of-pocket expenses.

Virtus is ASX-listed and provides full service and low cost services via IVF Australia (NSW), Melbourne IVF (Victoria), Queensland Fertility Group (Queensland), TasIVF (Tasmania) and The Fertility Centre (NSW, Victoria and Queensland).

In Australia, Adora operates fertility clinics in Sydney, Melbourne, Brisbane and Perth, with the majority of its treatments being low cost where possible.

How you can engage

Please see our specific questions below. Please also address any other issues you think are relevant. We would be happy to receive your response by email, or have a discussion with you over the phone or via Microsoft Teams.

This matter is public and you can forward this email to anybody who may be interested.

If you would like to comment in writing, please do so by Tuesday 5 October by return email or email mergers@acc.gov.au. Alternatively, email or call me on (02) 9230 3813, or call Emily Barlow on (02) 6243 1010, if you prefer to set up a time to discuss.

The ACCC treats sensitive information it receives during a merger review as confidential, and will not publish your submission. We will not disclose submissions to third parties (except our advisors/consultants) unless compelled by law (for example, under freedom of information legislation or during court proceedings) or in accordance with s155AAA of the *Competition and Consumer Act 2010*. Where the ACCC is required to disclose confidential information, we will notify you in advance where possible so that you have an opportunity to be heard. Therefore please clearly indicate if any information you provide is confidential.

Our [Informal Merger Review Process Guidelines](#) contain more information on confidentiality.

Questions

1. Please provide a brief description of your business or profession, and the reasons for your interest in the proposed acquisition, including any commercial relationship/s

with either of Virtus or Adora. This will help us to better understand your views.

2. How closely do Virtus and Adora compete in each of Sydney, Melbourne and Brisbane (e.g. on price, quality, range of fertility treatments)?
3. Who else provides ART/IVF treatments, in each of Sydney, Melbourne and Brisbane, and how do these providers compare to Virtus and Adora? Please estimate market shares where possible.
4. What are the most important factors for customers when considering an ART/IVF provider?
5. What is the process customers go through to access ART/IVF treatments, including the role of GPs/other medical practitioners and fertility specialists?
6. Do customers typically consider both full service and low cost ART/IVF services, or do certain customers only consider full service and others only low cost? Please explain with reference to different types of customers.
7. How far would customers generally be prepared to travel to source ART/IVF treatments in each of Sydney, Melbourne and Brisbane?
8. What are the potential barriers to establishing or expanding a business that provides ART/IVF services (e.g. costs of establishing medical facilities and hiring medical staff, regulatory barriers to entry, marketing costs, and cost/time to build goodwill and a client base)?
 - a. How easy or difficult is it for an individual or group of fertility specialists to leave their existing ART/IVF company and establish a viable business supplying ART/IVF treatments independently?
 - b. How easy or difficult is it for an existing ART/IVF business to begin supplying ART/IVF treatments in a new state/territory?
9. If the proposed acquisition goes ahead, what do you think would be the likely impact on prices, quality or service levels? If you think these would change, why?

If you have any questions, please let me know.

Kind regards

Nicholas Welfare

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The ACCC acknowledges the traditional owners and custodians of Country throughout Australia and recognises their continuing connection to the land, sea and community. We pay our respects to them and their cultures; and to their Elders past, present and future.