

**From:** [REDACTED]  
**To:** [Exemptions](#)  
**Subject:** AA1000542 – Honeysuckle Health – submission  
**Date:** Thursday, 10 June 2021 10:26:15 PM

---

To the ACCC,

It has come to my attention that various Health Insurance companies are trying to bring managed care to Australia.

I am an ENT surgeon who has spent time working in the USA system, where managed care is the predominant health delivery mechanism. I understand from the insurance company point of view why this is attractive. They have a vested interest in lowering costs and increasing profits for their stakeholders. This in theory leads to decreased provision of unnecessary health care, medicare item numbers claiming and hence will save the government money as well. It will seem like a win-win for the parties making this decision. However, there are other stakeholders in the health system. Mainly the patients but also the deliverers of health care.

Managed care increases the bureaucratic hurdles required for patient care. Excessive time is spent on paperwork, slower delivery of healthcare and increased direct and indirect costs of this process which will not appear immediately. Implementation will seem like an initial success but will lead to long term detriment of what I consider one of the best health systems in the world into a system that is too heavily controlled by those that only care about the bottom line and does not take into account patient health and outcomes. Medicine is not black and white, but many shades of grey. The medical experts that worked for insurance companies were often in the retirement phase of their life and were not up to date with recent medical literature which is processing at a phenomenal rate. Insurance policies cannot keep up, and hence patient suffer. I saw many times patient denied the highest standard of care because the insurance company had a medical expert that rejected the proposed treatment, but when challenged, actually had no idea of the up to date evidenced based medicine. This is because they are incentivised to reject. Usually after a lot of additional paperwork, the treatments usually get approved anyway. This then sets up a medicine vs Insurance company mindset that is usually toxic and has long term implications.

The better way to control the exploding medicare costs in Australia is to promote and instil into healthcare providers ethical and morale values that drive them to provide the best standard of care for their patients, not motivated by money but by patient outcomes. This encourages them to keep abreast of the latest evidence for testing and treatments. Speaking from my own particular field of surgery, there should be financial and practice regulations for surgeons that are over servicing. It is easy to identify those that are doing the wrong thing, but it is hard for others to make them be known.

Seeing managed care first hand, it does NOT decrease costs. Over servicing was rife in USA, much worse than Australia, and patient/health care provider outcomes and satisfaction was low. Ultimately costs were higher. Never have I seen more unnecessary waste than in the USA medical system, it was truly astounding. It was also amazing to see that unfounded medical treatments used all the time because medical device companies with financial clout had managed to get insurance companies on board to use their products. Those with money and better insurance received better care, it was very disappointing.

I could not wait to leave the USA medical system. My one and only fear was that Australia would, like many things in our society, become more like America. A country so divided and fracture, so uncaring for those without money, so bound by rigid laws it does not allow for the many shade of grey that medicine presents.

It is our duty rail against this, we should not exacerbate the rich poor divide. We should all work towards the preservation of the biopsychosocial health of all Australians.

We should not let insurance providers dictate the terms.

Kind Regards,

Dr. Lyndon Chan  
MBBS (Hons) FRACS (ORLHNS)

Sent from [Mail](#) for Windows 10