

From: [REDACTED]
To: [Exemptions](#)
Subject: AA1000542 – Honeysuckle Health – submission
Date: Monday, 7 June 2021 5:02:56 PM

To the ACCC

I'm writing to express my concerns with the draft Honeysuckle health proposal.

Australia has worked hard to build and defend its current system that balances quality of service to patients and cost effectiveness. It has done so while observing patterns of healthcare policy evolve in countries such as the US that have resulted in:

1. Reduced choice of treatment and doctor to consumers
2. Lower health outcome / cost outcomes
3. Significant transfer of decision making on clinical care from clinicians to who know their patients, to those who are distanced from the patient and their needs.

We need to recognise the strengths in Australia's healthcare arrangements and export them to the rest of the world, not import poor policy from countries like the US with demonstrated flaws leading to poor outcomes to Australia.

The stated aim of **reducing upward pressure on premiums for members** by allowing increased competition between buying groups is, in large part, a distraction from the primary cause the increasing gap between premiums and value delivered to members. If this were indeed a primary aim it would pay to examine the business models of existing private health insurers which are a mixture of industry not-for profit, and for-profit health funds. In the for-profit health funds such as NIB there is a direct conflict between delivering shareholder value and value to members as has been demonstrated with NIB's increasing profits due, primarily, to its pattern of reducing the payouts to members. They have taken market share from not for profit health funds whose primary goal is to deliver value to their members. This trend of widening the profit achieved by increasing the gap between premiums and value delivered to their members in direct conflict with their obligations to shareholders will no doubt continue with NIB as 50% of Honeysuckle health in whenever the conflict arises in decision making.

Limiting the size of the buying group does not solve a major issue with the proposal which is that Honeysuckle will dictate care to clinicians treating their members, even where this lack of choice may result in poorer outcomes for their members based on the judgement of the clinician. Whilst ACCC may think that consumers would recognise this and choose a different health fund, the lack of reduced choice in these episodes of care is not always visible to the patient until late into the pathway of care, at which point it is too late for the patient to switch health funds.

We consistently hear from consumers and healthcare professionals in the US of the significant problems that have arisen there as a result of choice being removed from the consumer and placed in the hands of entities whose interest is primarily in enhancing returns to shareholders. This proposal feels like the beginning of an attempt to introduce similar outcomes in Australia and should be avoided in the interest of Australians who get to experience, by almost all measures, one of the best healthcare systems available in the world.

Regards

Dr Pieter Peach

Pieter Peach
MBBS BSc Hons FANZCA MPH