

From: [REDACTED]
To: [Exemptions](#)
Subject: AA1000542 – Honeysuckle Health – submission
Date: Thursday, 10 June 2021 11:59:36 AM

Dear Mr Pappa,

10 June 2021

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

Dear Mr Pappa,

AA1000542 - Honeysuckle Health and nib - Interested party submission

I refer to the application (**Application**) made to the Australian Competition and Consumer Commission (**ACCC**) under section 88(1) of the *Competition & Consumer Act 2010* (Cth) by Honeysuckle Health Pty Ltd (**HH**) on behalf of itself and nib Health Funds Limited (**nib**) (**Applicants**) seeking authorization to create a buying group for healthcare payers (**Proposed Conduct**).

Even though the concept of managed care sounds alluring, in practice, it is mostly implemented poorly - resulting in major US HMOs facing insolvency. Returns to shareholders are falling, as are satisfaction rates by enrollees. The major cause of this decline is consumer dislike of the restrictions of capitation-based managed care, in particular because of the limited choice in providers available.⁽²⁰⁾ The public image of HMOs and managed care is poor. Extreme examples of over-zealous gate-keeping, early discharge and denial of benefits have led State governments to correct what was probably under-regulation by enacting a range of 'patient rights' or Managed Care Bills. Over 1 000 bills affecting managed care were introduced into US State legislatures in 1996 and over 100 signed into law. These have mandated minimum length-of-stay and enshrined provider rights to criticise or disagree with plans. There are also indications that costs could again be rising as HMOs struggle to contain pharmaceutical and technology costs.⁽¹⁾

Managed care is the McDonald's of medicine. It offers limited choice, and instead of patients and their healthcare providers, multinational cooperations select the options. Managed care tends to be more expensive than the current Australian healthcare system.

Health is a very personal matter, and we should be able to freely choose our doctors and treatment options. Individual preferences should be respected. We have an altruistic model which works very well.

Our health is too important to be put in the hands of multinational for-profit corporations. I fear that once managed care gets a foothold in Australia, it will spread out and suffocate other types of healthcare for all but the very rich, analogous to the McDonalds and KFC monoculture in the outer suburbs, leading to poorer outcomes at a higher cost.

Kind regards,

Robert Fabian

Anaesthetist

1: https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp9900/2000RP25