

RESTRICTION OF PUBLICATION PART CLAIMED

HCF'S MORE FOR TEETH PROGRAM

SUPPLEMENTARY SUBMISSION IN SUPPORT OF APPLICATION FOR
REAUTHORISATION

17 MAY 2023

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**RESPONSE TO PUBLIC SUBMISSIONS MADE BY
INTERESTED PARTIES ON HCF'S APPLICATION
FOR REAUTHORISATION AA1000639**

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Introduction

1. The Hospitals Contribution Fund of Australia Limited ACN 000 026 746 (**HCF**) lodged its application for revocation of existing ACCC authorisation AA1000402 granted on 11 May 2018 (**Initial Authorisation**) and substitution of a new authorisation on 23 March 2023 (**Reauthorisation Application**) ([AA1000639](#)). The Initial Authorisation expires on 1 June 2023.
2. This submission by HCF responds to certain issues raised in the public submission dated 20 April 2023 made by the Australian Dental Association (**ADA**) concerning HCF's Reauthorisation Application.
3. Unless indicated, defined terms in this submission have the same meaning as those in the Reauthorisation Application.

Confidentiality

4. This submission includes certain commercially confidential information to HCF. It is provided to the ACCC for the purposes of its assessment of the Reauthorisation Application, and disclosure of this information could result in material financial loss and prejudice to the competitive position of HCF.
5. HCF requests that this information be kept confidential by the ACCC and be excluded from the register kept by the ACCC in accordance with section 89(5) of the CCA. For convenience, the confidential information is highlighted in [REDACTED] in the confidential version of the submission. This information has been redacted from the non-confidential public version of the submission provided to the ACCC.
6. HCF requests that only the public version of this submission be placed on the ACCC's public register.

Public benefits arising from the Proposed Conduct and current authorisation

7. This submission addresses the comments in the ADA's submission concerning the public benefits of the Proposed Conduct, which were identified by HCF in the Reauthorisation Application.

8. The ADA suggests that it may make an additional submission concerning 'wider issues'. To the extent that the 'wider issues' are relevant to the ACCC's assessment of the Reauthorisation Application, HCF reserves its right to respond to that submission.

Public benefits

9. Some of HCF's submissions concerning public benefits of the Proposed Conduct can be summarised as follows:
- a. More frequent visits to a dentist for a check-up are likely to result in earlier detection and treatment of dental problems.¹
 - b. Uncertainty in pricing is an impediment to visiting dentists for check-ups.²
 - c. Insured individuals are more likely to visit dentists for check-ups than uninsured individuals.³
 - d. Individuals with General Treatment insurance with HCF are more likely to visit MFT dentists (ie Participating MFT Providers) than non-MFT dentists (ie non-participating providers).⁴
10. It follows from the facts summarised in paragraph 9 that by incentivising HCF members to visit MFT dentists the MFT Program results in the public benefit of earlier detection and treatment of dental problems for those members.
11. HCF submits that the NSAOH 2017-2018 Study clearly supports proposition 9.c above but it is unclear whether the ADA agrees with the findings of that Study.
12. The NSAOH 2017-2018 Study indicates that, of the two-thirds of the survey participants who reported their usual visit for a dental visit was for a check-up (which, in HCF's experience, include the preventative and diagnostic dental services offered as MFT Services under the MFT Program), adults with dental insurance visited a dental professional for a check-up more frequently than uninsured persons.⁵
13. HCF's claims data currently in the Reauthorisation Application and below supports proposition 9.d which is that check-ups occur more frequently for HCF members

¹ Australian Institute of Health and Welfare, National Oral Health Plan 2015-2024 Performance Monitoring, 'Access to oral health services' last updated 3 December 2020 pg 50 < <https://www.aihw.gov.au/getmedia/45e5b9cb-50b3-4115-8fd4-7913c3150ad1/National-Oral-Health-Plan-2015-2024-performance-monitoring-report.pdf.aspx?inline=true>.

² ACCC, Report to Australian Senate on anti-competitive and other practices by health insurers and providers in relation to private health insurance, For the period 1 July 2020 to 30 June 2021, pg 24 accessible here: <https://www.accc.gov.au/system/files/Private%20health%20insurance%20report%202020-21.pdf>

³ NSAOH 2017-18, pg 111 https://www.adelaide.edu.au/arcpoh/national-study/report/Australias_Oral_Health_2017-18.pdf

⁴ See paragraphs 82 and 83, Reauthorisation Application.

⁵ NSAOH 2017-18, pg 111 https://www.adelaide.edu.au/arcpoh/national-study/report/Australias_Oral_Health_2017-18.pdf

visiting dental professionals participating in the MFT Program than those dental professionals who do not.⁶

14. HCF's claims data in the Reauthorisation Application was provided for the years 2016 to 2019. This, as explained in footnote 32, was to avoid the data being impacted by COVID-19. Many dental practices were shut for periods during 2020 and 2021 because of COVID-19 and, as a result, the numbers of individuals attending practices during that period were volatile.
15. The ADA asserts the data provided appears to relate to a period that is "of limited relevance to the authorisation period". HCF disagrees with this proposition. HCF provided data which was not skewed by any volatility arising from the COVID-19 pandemic during which, for example, HCF closed a number of its dental centres and operated others at a significantly scaled back capacity to provide emergency care to HCF members.
16. HCF's data for the calendar years 2018 to 2022 is contained in Confidential Table 1 below.

Confidential Table 1: Proportions of HCF members who visited Participating MFT Providers vs non-participating providers for each CY between 2018 and 2022 where member received at least 1 preventative dental service.⁷

YEAR	PARTICIPATING MFT PROVIDER	NON-PARTICIPATING PROVIDER	TOTAL
2018	55%	45%	100%
2019	57%	43%	100%
2020	57%	43%	100%
2021	55%	45%	100%
2022	54%	46%	100%

17. Confidential Table 1 evidences the proportions of HCF members who saw a Participating MFT Provider versus a Non-Participating Provider) and received at least 1 preventative dental service (ie an MFT service). These data reveal that over the five-year period, despite the impacts of COVID-19 including those listed at

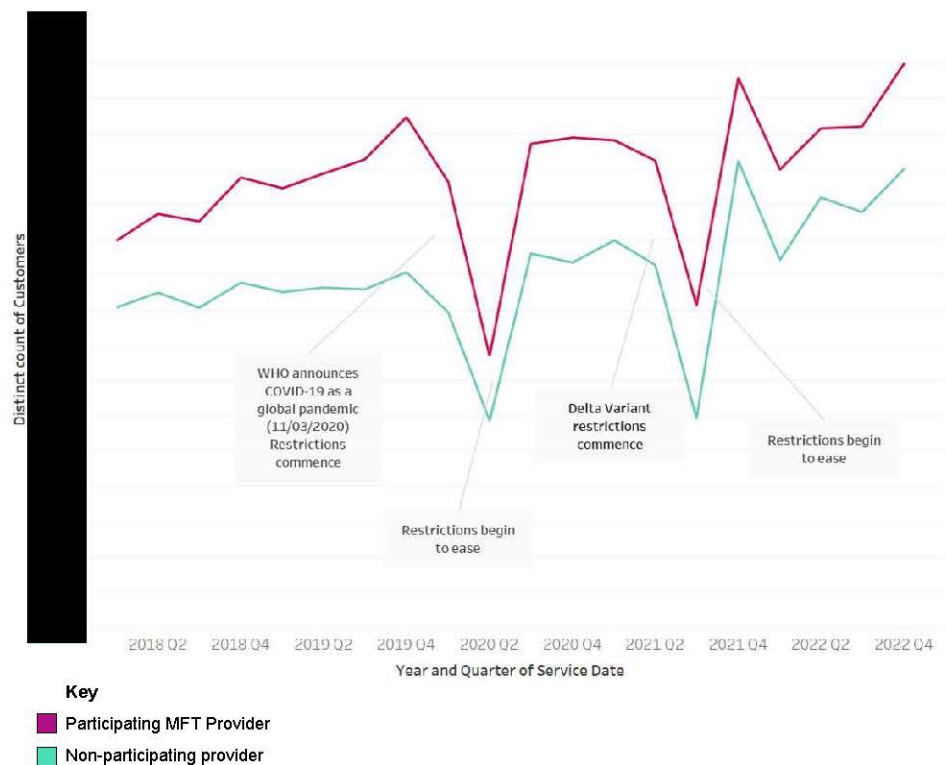
⁶ See Reauthorisation Application, para 82.

⁷ Includes HCF members who attended HCF DCN centres.

paragraph 15 above, a greater proportion of members visited Participating MFT Providers for preventative services than non-participating providers in each year. These data directly support the proposition at 9d above that individuals with General Treatment insurance with HCF are more likely to visit MFT dentists than non-MFT dentists for preventative services.

18. The total numbers of members visiting dental providers were affected by COVID-19 but also, importantly, by the fact that HCF's membership base grew between 2020 and 2022 [REDACTED]. The impact of this growth in member numbers is reflected particularly in the 2021 and 2022 figures where the total members to visit a dental professional for at least one preventative service increased despite the restrictions occurring at this time due to COVID-19.
19. Figure 1 below shows the impact COVID-19 had on HCF's claims data as depicted from Q2 of 2018 to Q4 of 2022. This figure highlights the volatility arising from the pandemic and how it impacted members visiting their dental professional (both Participating MFT Providers and non-participating providers). The member visits were significantly lower, impacted by the restrictions imposed during this time despite the increase in total members.

Figure 1: Graph depicting HCF members who visited Participating MFT Providers vs non-participating providers where member received at least 1 preventative dental service, shown by quarter for 2018 to 2022



[REDACTED] (see for example, APRA, Operations of Private Health Insurers Annual Report 2021-22, worksheet 3: <https://www.apra.gov.au/operations-of-private-health-insurers-annual-report>).

20. Figure 1 reveals that, despite the substantial changes made to HCF's dental business to prevent the spread of COVID-19 in line with Government direction, those HCF members who saw a Participating MFT Provider continued to represent a higher percentage of members who sought preventive and diagnostic treatment than those members who visited non-participating providers for each calendar year between 2018 and 2022 including throughout the COVID-19 impacted years of 2020 and 2021. This conclusion aligns with the trends evidenced by the claims data in the Reauthorisation Application at paragraphs 81 to 84.