

MinterEllison

19 October 2020

BY EMAIL ONLY

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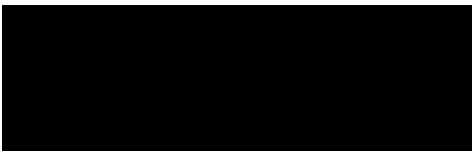
Copy to: mandy.bendelstein@acc.gov.au; david.peters@acc.gov.au

Dear Ms Dwyer

Private Healthcare Australia (PHA) – application for authorisation AA1000487 – Fortnightly report to ACCC No 10

1. We refer to our letter dated 6 October 2020 in which we provided the ninth fortnightly report pursuant to condition 2 of the conditional interim authorisation granted to PHA by the Commission.
2. The purpose of this letter is to provide the 10th fortnightly report which relates to the period from 5 October 2020 to 16 October 2020 and is set out in the **Annexure** to this letter and the **Attachment** to the Annexure.
3. The Annexure to this letter and the Attachment to the Annexure contain information that is confidential to PHA. This confidential information has been highlighted in the Annexure to this letter and in the Attachment to the Annexure in yellow highlighting. PHA requests that the ACCC treat the highlighted information as strictly confidential and that it be redacted from this document prior to publication on the ACCC's public register.

Please let us know if the ACCC has any questions.



Yours faithfully
MinterEllison

Contact: Noelia Boscana



Annexure 1 – Fortnightly Report to the ACCC No. 10

1. Report

1.1 This Fortnightly Report sets out the details of the following meeting that occurred during the period from 5 October 2020 to 16 October 2020:

(a) Fortnightly CEO briefing on COVID-19.

1.2 The relevant details of this meeting set out below are the date of the meeting, attendees, agenda items that relate to the Proposed Conduct and a summary of the topics discussed that relate to the Proposed Conduct. The minutes of the meeting are set out as an Attachment to this report.

2. Fortnightly CEO briefing on COVID-19

2.1 *Date:* 1:00pm, 7 October 2020

2.2 *Attendees:*

- | | | |
|-----|---------------------|--|
| (a) | Rachel David | Chief Executive Officer, PHA |
| (b) | John Hill | Chair, PHA |
| (c) | Sharon Waterhouse | Phoenix Health Fund Limited |
| (d) | Barbara Cruz | Railway & Transport Health Fund |
| (e) | David Brajkovic | Australian Unity Health Limited |
| (f) | Greg Morris | AIA Health Insurance (MO Health Pty Ltd) |
| (g) | Byron Gregory | Health Partners Limited |
| (h) | Andrew Smith | CBHS Health Fund Limited |
| (i) | Paul Lupo | St. Lukes Health |
| (j) | Ian Whitehead | Latrobe Health Services Limited |
| (k) | Gerard Op De Coul | Mildura Health Fund |
| (l) | Rohan Mead | Australian Unity Health Limited |
| (m) | Camilla Milazzo | PHA |
| (n) | Jen Eddy | PHA |
| (o) | Ben Harris | PHA |
| (p) | Rob Seljak | Queensland Teachers' Union Health Fund Limited |
| (q) | Adam Stock | HBF Health Limited |
| (r) | Simone Tregagle | Railway & Transport Health Fund |
| (s) | Lisa Minchin | PHA |
| (t) | Tim Tez | AIA Health Insurance (MO Health Pty Ltd) |
| (u) | John Van Der Wielen | HBF Health Limited |
| (v) | Jodie Jansen | BUPA HI Pty Ltd |
| (w) | Glenn Oellermann | HIF Pty Ltd |
| (x) | Joanne Kadlecik | Defence Health Limited |

2.3 *Agenda items:*

- (a) General update
- (b) Update by Ben Harris
- (c) Update by Jennifer Eddy
- (d) Questions

2.4 *Summary:*

- (a) Dr David provided an update about the Federal Budget, including that attention is currently on aged care and it is expected that private health insurance reform will be more present next Budget, although the current Budget did contain several short term measures.
- (b) Dr David noted that an expected \$2.5m has been put aside for a full policy review of community ratings. [REDACTED]
- (c) Mr Harris also provided an update about the Budget and the Prostheses List.
- (d) Ms Eddy provided an update about a government briefing she attended, and about welfare, temporary nature of stimulus and capital assets. It was also noted that the premium increase media response was well received.
- (e) Questions were raised about expectations around the rebate, and funding options for elective surgery.

2.5 *Minutes:* the minutes of this meeting are in Attachment 1.

3. Next Fortnightly Report

PHA will submit the next fortnightly report pursuant to the conditional interim authorisation on Monday, 2 November 2020.

Attachment 1 – Fortnightly CEO briefing on COVID-19

Fortnightly CEO briefing on COVID19 with Dr Rachel David, Private Healthcare Australia Ltd (PHA)

1pm, 7/10/2020

Via teleconference

Invitees

Rachel David	CEO, PHA
John Hill	Chair, PHA
Sharon Waterhouse	Phoenix Health Fund Limited
Mark Fitzgibbon	nib Health Funds Ltd
Barbara Cruz	Railway & Transport Health Fund
David Brajkovic	Australian Unity Health Limited
Greg Morris	AIA Health Insurance (MO Health Pty Ltd)
Dario Molina	CBHS Corporate Health Pty Ltd
Byron Gregory	Health Partners Limited
Brad Joyce	Teachers Health Fund
Andrew Smith	CBHS Health Fund Limited
Paul Lupo	St. Lukes Health
Ian Whitehead	Latrobe Health Services Limited
Gerard Op De Coul	Mildura Health Fund
Rohan Mead	Australian Unity Health Limited
Camilla Milazzo	PHA
Jen Eddy	PHA
Ben Harris	PHA
Justin James	HIF Pty Ltd
Rob Seljak	Queensland Teachers' Union Health Fund Limited
Adam Stock	HBF Health Limited
Simone Tregeagle	Railway & Transport Health Fund
Lisa Minchin	PHA
Tim Tez	AIA Health Insurance (MO Health Pty Ltd)
Gerard Fogarty	Defence Health Limited
Andrew Wilson	Medibank Private Limited
John Van Der Wielen	HBF Health Limited
Jodie Jansen	BUPA HI Pty Ltd
Glenn Oellermann	HIF Pty Ltd
Joanne Kadlecik	Defence Health Limited

Open

The Chair, Mr Hill opened the meeting at 1pm.

Mr Hill noted the following apologies:

- Emily Amos from BUPA HI Pty Ltd
- Steve Chugg from CUA Health Limited
- Andrew Wilson from Medibank Private Limited
- Mark Fitzgibbon from nib Health Funds Ltd
- Dario Molina from CBHS Corporate Health Pty Ltd
- Brad Joyce from Teachers Health Fund
- Gerard Fogarty from Defence Health Limited
- Justin James from HIF Pty Ltd
- Amanda Lean from Bupa HI Pty Ltd

General update

Dr David provided an update regarding the Budget and advised that she, Ben Harris and Jennifer Eddy all attended separate Budget release events.

The group was informed that Private Healthcare Australia sent a communication covering the key Budget points.

Dr David informed the group that the original intention of the Budget was not focused on Private Health but shifted due to the need for economic recovery. As such attention is now on aged care and it is expected that the Private Health Insurance reform process will be more present in the next Budget.

The current Budget, however, contains short term measures and the following key issues:

- Health Funds can extend dependent cover up until the age of 31. (This is an option only and not compulsory.)
- Out of hospital care
- Push to offer zero gap pay for Mental health services and offer substitute day programs.

[REDACTED]

Dr David also noted that it is expected that a further announcement will be made regarding a review of and possible changes to community ratings. An expected \$2.5M has been set aside to undertake a full policy review and establish a better approach for equity that does not penalise.

[REDACTED]

A brief budget update was also provided in relation to the Medicare levy surcharge and rebate and Public Hospital elective surgery.

Update by Ben Harris

Mr Harris advised that he had been part of the embargoed access to the Budget material on Tuesday 6 October.

Mr Harris advised that discussion regarding the Medicare rebate is not a policy change but rather natural attrition.

Mr Harris also provided further information regarding the Protheses list and advised that PHA provided a submission on the General Miscellaneous category of the Prosthesis List in March 2020. [REDACTED]

[REDACTED]

Mr Harris also advised that the wording in the portfolio budget statement hasn't changed since last year.

A brief discussion was also had regarding the Medical Costs Finder developed by the Department of Health.

Update by Jennifer Eddy

Ms Eddy informed the group that she attended the face to face briefing in Canberra which was attended by Hon Ben Morton MP and Senator the Hon Mathias Cormann, Minister for Finance.

A brief update was provided regarding

- Welfare;
- Temporary nature of stimulus; and
- Capital assets.

Ms Eddy also advised that Dr David will be conducting a number of interviews in response to the Budget.

It was also noted that the Premium Increase media response was well received.

Questions

It was queried if there is a realistic expectation in relation to the rebate.

Discussion was had that there is no viable option to fund elective surgery through other methods such as handouts.

The meeting closed at 1:23pm.