Oral submission made by

Private Healthcare Australia (PHA) application for authorisation and request for interim authorisation AA1000545 lodged with the ACCC on 3 March 2021.

Oral submission taken by Simon Bell from the ACCC on 12 March 2021.

commented on each element of the proposed conduct as set out in paragraph 5.9 of the PHA application for revocation and substitution of authorisation (see 'Background' below).

comments are summarised below:

- No comment in relation to broadening coverage under health insurance policies to include treatment for Members that contract COVID-19.
- In relation to broadening health insurance cover for treatment received by telephone or
 videoconferencing or other modes of treatment that substitute for face-to-face
 interaction; PHA should be required to demonstrate what health insurers have done
 under the existing authorisation and establish the need for these services to continue
 (including the interim authorisation, which was granted on 8 April 2020).



- Providing financial relief for Members from paying health insurance premiums such as
 postponement of premium increases and premium waivers, and broadening the category
 of dependents that are able to remain on an adult's health insurance policy is currently
 before Parliament, is a non-controversial piece of legislation that is likely to pass
 unopposed and there seems to be little benefit in engaging in this aspect of the proposed
 conduct.
- Regarding utilising unreleased deferred claims liability, it is unclear how this aspect of the
 conduct would be beneficial. HBF has already committed to returning surplus funds to
 members without the need for authorization to do so. If this part of the application is
 granted, there is potential for significant public detriment if health funds agree to limit the
 amount of deferred claims liability to be returned or to defer or delay returning these
 funds to members. This is particularly the case as the largest health insurers with the
 largest deferred claims liabilities would be covered by the proposed authorisation.
- Regarding any other measure formulated in response to the COVID-19 crisis or its
 economic or social effects, as notified to the ACCC by PHA, this seems very open ended
 and would allow the parties to engage in a wide range of measures after notifying the
 ACCC, and is therefore opposed

As a general comment, said that the application has not identified or quantified the benefits from the current authorisation, which has been in place for about a year.

Background

Paragraph 5.9 of the application for revocation and substitution of authorisation states:

5.9 The Participating Parties seek authorisation to make, and give effect to, any contract, arrangement or understanding between them, and to discuss, engage and share information with each other, in relation to:

- (a) broadening coverage under health insurance policies to include treatment for Members that contract COVID-19;
- (b) broadening health insurance cover for treatment received by telephone or videoconferencing or other modes of treatment that substitute for face-to-face interaction;
- (c) providing treatment in Members' homes as a substitute for an admission to hospital;
- (d) providing financial relief for Members from paying health insurance premiums such as
 postponement of premium increases and premium waivers, and broadening the category
 of dependents that are able to remain on an adult's health insurance policy;
- (e) utilising unreleased deferred claims liability that was provisioned for during the COVID-19 pandemic to implement favourable measures for Members;
- (f) any other measure formulated in response to the COVID-19 crisis or its economic or social effects, as notified to the ACCC by PHA,

(the Proposed Conduct).