

06 January 2022
Mr David Hatfield
Director
Competition Exemptions
Via email: exemptions@acc.gov.au

Re: South Australian Department of Health and Wellbeing - application for authorisation AA1000591—draft determination & interim authorisation consultation

Dear Mr Hatfield,

ASOS responds to the above application.

The balance between private and public hospital sectors is important for the maintenance of public confidence in the high standards of orthopaedic surgery in Australia.

ASOS is concerned that contingency plans to quarantine private hospitals for a possible surge in covid demand and to transfer public patients into private hospitals to clear backlog surgery is now being used for a more permanent change in the balance between public and private hospitals to the detriment of patients with private health insurance and to the overall detriment of the growth and resourcing of Australian public hospitals.

ASOS has evidence that in some public hospitals, elective surgery capacity is been significantly under-utilised and that state health departments may be responding to incentives paid by the Commonwealth for public-in-private patient treatment rather than meeting patient needs.

Orthopaedic surgeons have accepted the need to ensure plans have been made for a worst-case scenario resulting from Covid 19. However, as Australia enters a more mature phase of the pandemic, there is an imperative to restore the ability of private hospitals to meet the demands of privately insured patients many of whom have had surgery delayed.

ASOS is concerned that health departments are using the pandemic as justification to extend public-in-private arrangements beyond necessity. This results in detriments to medical training, rural specialist practice and patient care (fragmented treatment pathways). There has been major disruption to private practice arrangements with private hospitals leading to the loss of productivity and a timely response to medical and surgical needs.

Should the ACCC decide to extend approvals, it should only do so on the basis of conditions and for a time period of six months before further approval is needed. By doing this, the ACCC will help to ensure that such arrangements will limit any further disruption to the successful model, which relies on a balanced public and private hospital sector.

The ACCC should also include conditions that give it the ability to revoke the authority at any time, should it come to the view that the authorised arrangements are not being used for the specific purposes that gave rise to authorisation.

Dr Simon Coffey



ASOS National Chairman

Mr Stephen Milgate AM

ASOS CEO

