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[www.accc.gov.au](http://www.accc.gov.au)

Dear Interested Party

**Re: Request for submissions: Westpac's proposed acquisition of HealthPoint**

The Australian Competition and Consumer Commission (**ACCC**) is seeking your views on the proposed acquisition of **HealthPoint**, from Dedalus DH Australia Pty Ltd and Dedalus eHealth Australia Pty Ltd (together, **Dedalus**), by Westpac Investment Vehicle Pty Ltd, a wholly owned subsidiary of Westpac Banking Corporation (**Westpac**) (the **proposed acquisition**). Westpac intends to rename the subsidiary on or shortly after completion of the proposed acquisition, currently intended to be named HealthPoint Claims Pty Ltd.

Westpac is one of four major banking organisations in Australia and provides a broad range of consumer, business, and institutional banking and wealth management services. Westpac's Cash and Transactional Banking (**CTB**) line of business supports its customers' cash and transactional banking needs. Westpac's payment solutions business sits within CTB and assists merchants to accept and process card payments, both in person and online. Westpac is the only major Australian bank that does not currently offer an integrated healthcare e-claiming and payment solution.

HealthPoint is an application which enables healthcare providers to process real time private health insurance claiming at the Point of Sale (POS). Through partnership with banking and other channel partners, HealthPoint supports EFTPOS and Medicare functionality. HealthPoint is a business of Dedalus, which is part of the Dedalus Group who is the leading global provider of healthcare and diagnostic software based in Europe.

Further details are provided at **Attachment A**.

The ACCC's investigation is focused on the impact on competition. In particular, we are seeking your views on:

- the ability of Westpac to foreclose or otherwise frustrate the ability of banking or channel providers to compete to provide healthcare claiming POS.
- whether the proposed acquisition could provide Westpac access to commercially sensitive information about HealthPoint's banking and channel partners that could be used to harm competition.

- the importance of HealthPoint being available to multiple banking and channel providers and whether any access restrictions would harm competition.

Further issues you may wish to address are set out in **Attachment B**.

This matter is public and you can forward this letter to anybody who may be interested.

The legal test which the ACCC applies in considering the proposed acquisition is in section 50 of the *Competition and Consumer Act 2010*. Section 50 prohibits acquisitions that are likely to have the effect of substantially lessening competition in a market.

Please provide your response by **16 January 2024** via email with the title: *Submission re: Westpac/Health Point – attention Sahas Annavarapu/Emma Moulds*. If you require more time to respond, please let us know.

If you would like to arrange a time to discuss the matter with ACCC officers, or have any questions about this letter, please contact Sahas Annavarapu on (02) 9102 4048 or Emma Moulds on (08) 8456 3508.

Updates regarding the ACCC's investigation will be available on the ACCC's Public Mergers Register at ([ACCC mergers register](#)).

#### ***Confidentiality of submissions***

The ACCC treats sensitive information it receives during a merger review as confidential, and will not publish your submission. We will not disclose submissions to third parties (except our advisors/consultants) unless compelled by law (for example, under freedom of information legislation or during court proceedings) or in accordance with s155AAA of the Competition and Consumer Act 2010. Where the ACCC is required to disclose confidential information, we will notify you in advance where possible so that you have an opportunity to be heard. Therefore please clearly indicate if any information you provide is confidential.

Our [Informal Merger Review Process Guidelines](#) contain more information on confidentiality.

Yours sincerely



Daniel McCracken-Hewson  
General Manager  
Merger Investigations

## **Attachment A – Overview of merger parties**

### **Westpac**

Westpac is an Australian bank which provides a broad range of consumer, business and institutional banking and wealth management services to its customers through a portfolio of financial services brands and businesses.

Relevant to the proposed acquisition, Westpac's Payment Solutions business assists merchants to accept and process card payments, both in person and online.

### **HealthPoint / Dedalus Group**

HealthPoint is an application which enables healthcare providers to process electronic private health fund claims through EFTPOS terminals and other payment applications.

HealthPoint is being carved out from Dedalus, which is part of the Dedalus Group. The Dedalus Group is a leading provider of healthcare and diagnostic software based in Europe and its software is used widely around the world.

The Dedalus Group acquired HealthPoint in 2021 as part of a wider \$525 million transaction of the healthcare software business of DXC Technology. HealthPoint was launched in 1998 when iSoft sought to create similar technology to HICAPS. iSoft was subsequently acquired in 2011 by CSC which then became DXC Technology.

### **The proposed acquisition**

After a sale process commenced by Dedalus, Westpac and Dedalus entered into an agreement on 2 November 2023 whereby Westpac proposes to acquire HealthPoint from Dedalus. The proposed acquisition is subject to approval by the ACCC and other conditions precedent.

Westpac considers that the proposed acquisition will allow it to expand its payments offering to support small business and commercial customers in healthcare – such as GPs, physiotherapists and other specialists – to provide on the spot e-health claiming for their patients. Westpac intends to set HealthPoint up as a subsidiary which would continue to provide services to HealthPoint's existing partners.

## **Attachment B – List of questions**

### **Overview of interest in proposed acquisition**

1. Provide a brief description of your business or organisation.
2. Outline the reasons for your interest in the proposed acquisition, including any commercial relationship/s with Westpac and/or HealthPoint.

### **Competition in the supply of real time private health insurance claiming**

3. What is your relationship with HealthPoint? For example, are you a customer who supplies services through HealthPoint, or are you a customer who uses HealthPoint in your medical clinic or healthcare business?
4. If you are a customer of HealthPoint, please outline the reasons for which you use its services.
5. What businesses compete with HealthPoint in the supply of real time private health insurance claiming?
6. On what basis do suppliers of real time private health insurance claiming typically compete? For example, on price or service quality?
7. Is there a benefit of using more than one real time private health insurance claiming system? If there is a benefit, describe the benefit and explain the proportion of claims processed via HealthPoint compared to other payment systems and why.
8. What is the benefit/s of having an integrated real time private health insurance claiming platform, both commercially and for patients?
9. Are there any benefits associated with a supplier of private health insurance claiming not being owned by a bank or channel partner?
10. If you are a customer of HealthPoint, what proportion of your PHI claims are claimed at POS compared with being claimed with the insurer directly?

### **Competition for healthcare provider customers**

11. Who are Westpac's closest competitors in the supply of payment services to healthcare customers?
12. Describe the payment services you receive, including whether:
  - a. these payment services are exclusively supplied by Westpac, or if multiple payment service providers are used;
  - b. the payment services are integrated with HealthPoint, or any other real time private health insurance claiming systems.
13. If you are a competing supplier of healthcare payment services, please explain the value, if any, of HealthPoint's data to your business and any other services you may supply. In your answer, please provide details of:

- a. how you use, or would use, the data, and how the data may improve the provision of your own services;
- b. whether Westpac having access to this data would hinder competition in the supply of healthcare payment services.

### **Impact of the proposed acquisition**

14. Provide your views on whether, post-acquisition, Westpac would have the ability or incentive to:
  - a. limit or deny access to HealthPoint for competing healthcare payment service providers (including worsening the terms on which access is provided)
  - b. Combine services together (including bundling healthcare payment services with HealthPoint)
  - c. raise any barriers for entities other than Westpac to integrate with HealthPoint
  - d. increase prices for the integration with HealthPoint, and/or
  - e. use commercially sensitive information regarding Healthpoint's banking and channel partners to obtain a commercial advantage over competing healthcare POS providers.
15. Provide your view on whether the proposed acquisition could affect the incentives of Westpac or current or future healthcare payment service providers to compete in real time private health insurance claiming by entering and/or developing their own real time private health insurance claiming platform.
16. Comment on whether an alternative real time private health insurance claiming platform could be developed. Include in your response considerations on the benefits and challenges associated in the development of an alternative system, such as technology, cost, and integration requirements.
17. Comment on whether there are any likely short to medium term industry developments that would impact competition in the supply of:
  - a. healthcare payment services,
  - b. real time private health insurance claiming software.

### **Additional information**

18. Provide any additional information or comments that you consider relevant to the ACCC's consideration of the proposed acquisition.