

5 October 2021

Director
Private Health Industry Branch
Department of Health

23 Marcus Clarke Street Canberra ACT 2601 GPO Box 3131 Canberra ACT 2601 tel: (02) 6243 1111 fax: (02) 6243 1199

www.accc.gov.au

Dear

Publication of individual medical specialists' fees for certain common services

Thank you for meeting with me and other representatives of the Australian Competition and Consumer Commission (ACCC) on 27 September 2021, where we discussed the Department of Health (the Department)'s proposed changes to the Medical Costs Finder website (the website). More specifically, the Department's plan to publish individual medical specialists' fees for certain common medical services on the website.

The purpose of this letter is to confirm our understanding of the likely changes to the website and provide you with an indication of the types of conduct by medical specialists that could raise concerns under competition and consumer law.

The proposed change to the website

In December 2019 the Department launched the website, which currently shows typical out-of-pocket costs for common treatments and procedures in the private system, based on a person's location. At the time of launch, it was noted there would be future expansion of the information available on the website to provide both policyholders and referring doctors with increased transparency over information about individual non-General Practitioner specialists' fees for certain common services.²

We understand that the proposed changes to the website are intended to raise consumers' awareness about the potential cost of particular procedures/treatments provided by specialists in Australia, and to help consumers choose between specialists.

We understand that as part of the forthcoming changes:

- the Department intends to publish information that identifies individual specialists and includes their relevant information on a voluntary basis;
- the Department intends to seek an undertaking from participating specialists that they will
 not charge booking fees or administrative fees in addition to their service fees; and
- the Department is looking to publish this information on the website iteratively, and currently intends to commence doing so from early 2022.

https://www.health.gov.au/resources/apps-and-tools/medical-costs-finder.

The Hon. Greg Hunt MP, Minister for Health and Aged Care, New website to improve consumer understanding of medical costs, 30 December 2019; Ministerial Advisory Committee on Out of Pocket Costs Report, November 2018.

ACCC consideration

Medical specialists' provision of pricing information to the Department for publication on the website, in the absence of additional conduct by doctors, is unlikely to raise issues under the *Competition and Consumer Act 2010* (the Act). The publication of this information by the Department is also unlikely to raise competition concerns.

The Act sets out a range of current obligations that apply businesses, including medical specialists. These obligations apply to medical specialists whether or not they provide information to the Department for publication on the website. Based on our understanding of the website, there are some ways competition and consumer concerns could arise in that context:

- Where competing medical specialists used the website to set prices or limit competition between themselves in some other way, for example agreeing to only supply services to patients from particular locations or by signalling future pricing intentions.
- Where pricing information is inaccurate leading consumers into error. To minimise
 the likelihood of such issues arising, I understand the Department is taking steps to
 support specialists in keeping their pricing information up to date and clearly
 indicates the services covered by the fees listed against each specialist.

These are our views based on our current understanding of the website and associated process. Should we receive any competition or consumer law concerns, they will be considered in our usual way.

If you have any queries about this letter, please contact Simon Haslock on (03) 9290 6919 or by email at simon.haslock@accc.gov.au.

Yours sincerely

Richard Fleming General Manager

Consumer and Compliance Strategies