

5 February 2024

Submission re: Westpac/HealthPoint  
Attention Sahas Annavarapu/Emma Moulds  
By email: [mergers@acc.gov.au](mailto:mergers@acc.gov.au)

Good morning

**Re: proposed acquisition of HealthPoint by Westpac Banking Corporation**

Thank you for providing the Australian Dental Association (ADA) an opportunity to comment on the Australian Competition and Consumer Commission's (ACCC) consultations on the proposed acquisition of HealthPoint by Westpac Banking Corporation (Westpac).

**Context**

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

Westpac considers 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.

**Our comments**

On the basis of information currently known to us, we do not oppose the proposed acquisition of HealthPoint by Westpac. We discuss below some areas that the ACCC may like to consider enquiring about in relation to this matter.

We hope to highlight how arrangements in one market, i.e. financial services, can affect another, i.e. healthcare services. Consumers should be entitled to benefit through competition in each market. This requires some vigilance towards how conduct driven by financial services providers could potentially impact competition in healthcare services.

*Claims and payment data*

We are not aware if HealthPoint's business model involves attempting to extract value from patient claims and payment data. We have some concerns about concentration of ownership of data relating to patient treatment and claiming patterns.

*Unilateral contract terms*

The below discussion relates to another company operating in the same market as HealthPoint. We refer to certain terms present in the HICAPS Provider Agreement Terms and Conditions<sup>1</sup> that are of some concern.

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<sup>1</sup> Provider Agreement Terms and Conditions (no date) HICAPS. Available at: <https://www.hicaps.com.au/support/hicaps-agreements/provider-agreement-terms-and-conditions> (Accessed: 5 February 2024).

By simply processing a payment through a terminal, the processing intermediary seems to impose obligations on a health practitioner, that they owe to a private health insurer, which appear relatively onerous and may tend to reach into the patient / practitioner relationship. For example:

*To the extent you are granted access to the HICAPS System for the purpose of processing claims for the payment of qualifying goods and services by private health insurers, and processing related transactions, you acknowledge and agree that:*

- a) *your access to, and use of, the HICAPS System for such purposes is governed by and subject to PHI Fund Terms & Conditions; and*
- b) *the PHI Fund Terms & Conditions constitute a contract between you and each private health insurance fund with whom you transact using the HICAPS System.*

*In relation to a health insurance claim to be made on a Fund You must do the following:*

- *where the claim is to be processed through a Terminal:*

*(vii) provide a Fund with evidence, including treatment plans, treatment records, laboratory records, appointment schedules, signed receipts, copies of Tax Invoices, and other supporting documentation as requested, by the Fund acting reasonably, of a Transaction processed for the purposes of that Fund within 10 Business Days of the Fund requesting that evidence or such reasonable period requested by the Fund;*

- *where the claim is to be processed through an Online Application:*

*(v) provide a Fund with evidence, including treatment plans, treatment records, laboratory records, appointment schedules, signed receipts, copies of Tax Invoices, and other supporting documentation as requested, by the Fund acting reasonably, of a Transaction processed for the purposes of that Fund within 10 Business Days of the Fund requesting that evidence or such reasonable period requested by the Fund;*

(Emphasis added)

We hope that some increased competition in health claiming systems might lead to a reduction in unilateral contract terms, such as these, that health practitioners may find problematic.

### *EFTPOS rates*

We would hope that transaction fees applied to health payments occur at the most competitive rates possible. We gather that when using a health claiming system, the EFTPOS rate applied could be higher than for some other transaction types.

### *Customer choice*

We would generally prefer that practice operators be able to freely choose which payment / claim processing service they use, rather than be instructed which to use by a financial services partner.

### *Other background information*

The ADA has engaged with the ACCC on a range of issues relating to private health insurance and wider issues of how a market for financial services (insurance) can impact a market for healthcare (dental services). By way of background, it might be helpful for the Mergers team to review the following documents we have previously supplied<sup>2</sup>:

- a) the ADA's 1 May 2023 submission on wider PHI issues,

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<sup>2</sup> Please advise the ADA if supplying a copy directly would be helpful.

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- b) the ADA's 2 November 2023 submission on the ACCC's draft determination re HCF, and
  - c) the ADA's 26 July 2023 submission on the ACCC's draft determination re Health Partners.

We would be most happy to discuss the comments provided herein. Should you have any questions, please do not hesitate to contact me on 02 8815 3333 or at [ceo@ada.org.au](mailto:ceo@ada.org.au).

Yours sincerely,



Damian Mitsch  
Chief Executive Officer