

# NOTICE OF INITIATION

## PRIVATE HEALTHCARE MARKET INQUIRY

1. The Executive Director of the Competition Commission (the Executive Director) hereby notifies stakeholders of the initiation of the market inquiry into the supply of private healthcare services, referred to as ‘MI001 - Private Healthcare Market Inquiry’, pursuant to section 51B of the Competition Act 2007 (the Act).
2. The Executive Director has reasonable grounds for suspecting that certain features of the market for private healthcare services may be impeding effective competition to the detriment of customers. There are high levels of concentration across the supply chain that may lead to the exercise of market power; unbalanced bargaining power between private hospitals and health insurers, which can impact on premium, health coverage and ultimately costs to both insured and uninsured customers; the existence of preferred-provider networks that may foreclose customer access to smaller clinics; a lack of transparency and standardised information on success rates and procedure pricing, which may impact on customer choice; and financial incentives for doctors by private hospitals which may result in steered referrals and inflate costs of diagnostics and treatments.
3. The Executive Director has therefore prioritised the MI01 – Private Healthcare Market Inquiry. The issues identified may adversely affect competition and market outcomes for customers in terms of fees and charges for medical procedures and associated services. However, at this stage, there are no findings of such adverse effects on competition in the market for private healthcare. It is only when the relevant facts are gathered and analysed in the context of the market inquiry that accurate and thorough findings can be concluded for evidence-based policy recommendations or enforcement actions.
4. This notice of initiation, issued in accordance with CC 8 – Guidelines of Market Inquiries, provides a brief overview on private healthcare for context, highlights the main concerns identified based on the preliminary assessment, and sets out the scope and process of the inquiry.

### A. Overview of private healthcare

5. Private healthcare is an important component of the dual health system along with public healthcare. The public healthcare sector provides universal access to free healthcare at point of delivery and is financed mainly through taxation. In contrast, the private healthcare is provided on a user-fee basis and is mostly profit-driven.
6. There is a growing demand for private healthcare in Mauritius, which customers perceive as higher quality of service for reasons such as shorter waiting times, faster access to treatment, the ability to choose practitioners, and personalised treatments. This is reflected in terms of the high share of private health expenditure in the total health expenditure. For instance, in 2023, private health

expenditure<sup>1</sup> amounted to Rs 19 billion or 53% of the total health expenditure. It is to be highlighted that Rs 16 billion or 84% of the private health expenditure were from 'out-of-pocket' of households and Rs 3 billion from health insurance.

7. From January 2020 to January 2026, the costs of private healthcare rose considerably. Doctors' and clinics' fees escalated by 65% and 41%, respectively. Medical insurance went up by 27%. For the same period, pharmaceuticals became 43% more costly. Laboratory services were the least affected with an increase of 17%.<sup>2</sup> In comparison, the inflation rate was around 35%, indicating that doctors' fees, clinics fees and the price of pharmaceutical products have increased at a pace exceeding the general inflation. The rising costs could limit access to affordable private healthcare, leaving patients at financial and medical risk from health emergencies particularly in cases where capacity constraints in the public system may limit timely treatments.

## **B. Potential competition concerns**

### **High levels of concentration and potential exercise of market power**

8. Preliminary assessment suggests that the broader market for private healthcare services is highly concentrated, with an estimated combined market share exceeding 80% for the top three private hospitals and a market share of over 50% for the largest one<sup>3</sup>. Similarly, the medical insurance market is highly concentrated<sup>4</sup> with the main operator holding around 50% market share.
9. While market concentration may not be an issue, it may raise some concerns in the private healthcare market such as exercise of market power by party with superior bargaining power. A case in reference is that of the Competition Commission of South Africa<sup>5</sup> which found that the 3 dominant hospital groups in the country had secured exclusive arrangements with leading specialists by offering them lucrative inducements. Independent hospitals, due to their low bargaining power, were unable to attract top specialists, creating exclusionary effects that limited competition.

### **Steered referrals due to financial incentives and preferred provider networks**

10. Doctors refer patients for diagnostics and treatments based on their independent professional assessments. However, such referrals can be distorted when they are incentivised for financial gains. Such practices can result in an overutilisation of services and higher costs of treatments. For instance, the Competition Commission of South Africa found that specialists were incentivised to increase hospital admissions, creating unnecessary supply-induced, leading to over-utilization without necessarily improving health outcomes to the detriments of patients<sup>6</sup>.

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<sup>1</sup> [Global Health Expenditure Database \(GHED\)](#), World Health Organization; accessed March 2026

<sup>2</sup> T2a, Historical Series, [Consumer Price Index](#), Statistics Mauritius (updated February 2026)

<sup>3</sup> Calculated using turnover figures on Registrar of Companies portal.

<sup>4</sup> Calculated using figures from Financial Services Commission for the year 2022.

<sup>5</sup> [Healthcare Market Inquiry](#), Competition Commission South Africa

<sup>6</sup> *ibid*

11. The Executive Director is concerned that similar arrangement for steering referrals may also be present in local context. Private hospitals may have financial incentives which may encourage doctors to recommend unnecessary tests or procedures. Patients may consequently be subjected to over-treatment and higher costs.
12. The “preferred provider” networks practiced by insurance companies can also influence competition in the private healthcare sector, especially given that the Mauritian health insurers’ market is highly concentrated and can subsequently restrict smaller healthcare providers’ access to consumers.

#### **Lack of transparency and information on success rates and procedure pricing**

13. In many countries, including India<sup>7</sup>, Australia<sup>8</sup> and UK<sup>9</sup>, there exists a legal requirement for fees and charges in private healthcare to be published on websites or made publicly available. For example, in India, the Clinical Establishments (Registration and Regulation) Act, 2010 and the Clinical Establishments (Central Government) Rules, 2012 require both public and private clinical establishments to clearly display the rates charged for services and the facilities available in a conspicuous manner for patients. Fees to be charged should further be within the price ranges determined by the authorities.
14. The Executive Director is concerned that there is a lack of information and transparency on procedure success rate and pricing in Mauritius. This affects patients’ ability to make informed decisions which have a direct incidence on the cost incurred for treatment.

### **C. Scope of market inquiry**

15. The market inquiry will primarily focus on the state of competition for the provision of healthcare services by private hospitals, commonly referred to as private clinics. In this regard, the inquiry will consider the arrangements between private hospitals, doctors and insurers.
16. The main objective of the private healthcare market inquiry is to assess whether market features such as concentration, information asymmetry, interdependencies and commercial relationships between the various actors, and regulatory frameworks are preventing, distorting or restricting competition in the private healthcare sector, to the detriment of customers.
17. In line with the issues identified, the market inquiry will:
  - Assess the market structure of the private healthcare sector, including any barriers to entry and expansion, and the existence of market power among the concerned operators and the potential exercise of market power or superior bargaining positions.

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<sup>7</sup> [Press Release, Press Information Bureau](#), Ministry of Health and Family Welfare, India

<sup>8</sup> [Health funds welcome plan to reveal thousands of specialist doctors’ fees for the first time - Private Healthcare Australia \(PHA\)](#)

<sup>9</sup> [Private Healthcare Market Investigation Order 2014](#), Consumer and Market Authority, UK

- Explore the interactions, nature of agreements and conduct between the various stakeholders across the value chain, including referral practices, preferred provider networks, and vertical integration, and evaluate the subsequent impact on competition.
- Review the existing regulatory framework to identify any loopholes that might limit competition and transparency in the sector.
- Develop recommendations to enhance competition and improve transparency for private healthcare.

#### D. Process and timeline

18. The Commission will assess the issues through a comprehensive approach involving desk research, data analysis, expert consultations and stakeholders’ submissions/interviews, and surveys as required.
19. The intended timeframe for the market inquiry is outlined in the table below:

Indicative Period	Major stages of the inquiry
<b>24 April 2026</b>	Launch of Market Inquiry
<b>24 April – 28 August 2026</b>	Information gathering and analysis
<b>March 2027</b>	Issue of preliminary report
<b>April - May 2027</b>	Stakeholders’ feedback on findings and recommendations
<b>October 2027</b>	Publication of final report

#### E. CALL FOR SUBMISSIONS

20. The Competition Commission hereby invites all interested parties, including market operators, industry associations, public bodies, consumer associations, and other stakeholders concerned to submit information, views or queries relevant to this inquiry.
21. Written submissions can be sent to the Executive Director through post or email with reference ‘MI001 - Private Healthcare Market Inquiry’ on the addresses provided below. Furthermore, the Competition Commission may contact stakeholders for a meeting to gather information or views.
22. Deadline for written submissions is on **30 June 2026**.
23. Concerned stakeholders are advised to refer to the CC 8 – Guidelines on Market Inquiries available [here](#) and on the Competition Commission’s website. It is highlighted that the powers to gather information during market inquiries are similar to formal investigations, including the production of documents.

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