

## PRIVATE HEALTHCARE INVESTIGATION

### **Notice of Competition Commission's intention to open a data room to allow further review on items of analysis carried out by the Competition Commission in support of the private healthcare investigation**

As part of its investigation, the Competition Commission (CC) has undertaken several detailed pieces of analysis, including:

- A catchment area analysis. A catchment area analysis examines within what local area each hospital draws the majority of its patients from.
- A concentration in local markets analysis (LOCI and fascia counts). LOCI and fascia counts are two measures of concentration: a hospital's fascia count is computed by summing the number of competitors that lie within each hospital's catchment area; LOCI is a concentration measure based on market shares and has been constructed as an alternative to the fascia count.
- A price concentration analysis for self-pay patients. A price-concentration analysis examines the relationship (if any) between the price for a service and the extent of competition to supply that service in local areas.
- An anaesthetist group price analysis, where we have compared the price levels of a number of anaesthetist groups with different comparators including a regional average price over time, pre- and post-group formation prices, the prices of independent anaesthetists and/or the prices charged by independent anaesthetists in nearby hospitals.
- Insured price analysis where we have analysed the prices charged by the private hospital operators to different insurers.

Further information on these pieces of analysis including methodology and initial results can be found in the [annotated issues statement](#) published on the CC's website on 28 February 2013. We anticipate publishing further information on our price-concentration analysis for self-pay patients at the end of March. The CC may also include additional pieces of analysis in the data room and if this is the case a further notice will be published by the end of March.

The pieces of analysis described above are partly based either on publicly available information (for example, data on hospital postcodes) or on confidential data relating to a range of parties, including hospital operators, anaesthetists and insurance companies.

The CC has decided it is necessary to disclose certain data used in these pieces of analyses to interested parties. The CC now proposes to open a data room to grant access to data used in these pieces of analysis. The CC will be making available to interested parties' professional economic advisers the underlying data (some of which is confidential), as well as the 'do files' used in STATA, a specialist software.

The CC will also be holding a round table on 9 April 2013 at 10am at the CC to explain the methodology for the LOCI analysis and the self-pay price-concentration analysis. The round table may cover additional pieces of analysis if the CC considers it appropriate. If this is the case a further notice will be published by the end of March.

The CC considers some of the data to be included in the data room to be specified information which relates to the affairs of an individual and the business of an undertaking. The

CC will therefore, and in line with usual data room procedures, operate strict rules governing access to the data room, which will only be open to interested parties' professional economic advisers and not to parties or their staff themselves. A detailed protocol for using the data room will be sent in advance to those whose access will be granted by the CC and only advisers and their employers who have signed the CC confidentiality undertakings will be allowed access to the data room. Numbers of individuals allowed access to the data room are likely to be limited at any one time.

The data room will be open from 15 to 19 April, 9am to 5pm, although it may be necessary to extend the period depending on the number of interested parties requiring access.

To make use of the data room and/or to attend the round table, expressions of interest explaining the interest and stating the reasons for requesting access to the data room and/or attendance at the round table together with details of the party's professional economic advisers (where access is requested to the data room) must be sent by 22 March 2013 at the very latest to the private healthcare investigation team at [Private-Healthcare@cc.gsi.gov.uk](mailto:Private-Healthcare@cc.gsi.gov.uk).

15 March 2013