

24 May 2013

Julia Hawes  
Inquiry Coordinator  
Competition Commission  
Victoria House  
Southampton Row  
LONDON  
WC1B 4AD

Dear Ms Hawes

**Private Healthcare Market Investigation**

PPF has followed with considerable interest the progress of the Commission's investigation. PPF believes that the results of the Commission's work will be to the benefit of patients. They, after all, either directly or indirectly pay for everything in the private healthcare sector.

Our perception is that the private healthcare market dynamics are changing but not yet to the full benefit of the patient. The insurers' price pressure on hospitals and consultants helps but may have unwelcome consequences. PPF believes that new provider and insurer entrants are likely to have the positive effect of reducing costs and extending choice. PPF wishes that we were able to encourage this. It is a hoped-for outcome from the Commission's investigation.

The Commission's annotated issues statement is important and we support its analysis. Theories of harm 4 (Buyer power of insurers in respect of individual consultants) and 6 (Limited information availability) are directly relevant to patients. PPF believes that quality and price information are central to informed choice. The lack of patient accessible data<sup>1</sup> and, despite the possibility of its lowering costs to patients, the reduction in choice of consultant resulting from 'Open Referral' is contrary to the best interest of patients. So, also, is the exclusion of top-up fees.

PPF continues to be very concerned about the direction of travel here. The significant number of insured patients within employer-led schemes will have no choice save to accept 'Open Referral' which is an economic choice for the employer. These patients will be less able to demand their own or their GP's choice of consultant or hospital.

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<sup>1</sup> PPF has welcomed the arrival of the PHIN website ([www.phin.org.uk](http://www.phin.org.uk)) and looks forward to more meaningful and detailed data becoming available both for GPs and patients.

*choice in the hands of patients*

Correspondence:  
Suite 314  
10 Great Russell Street  
London WC1B 3BQ  
[contactus@privatepatientsforum.org](mailto:contactus@privatepatientsforum.org)  
Company No: 07305858 - Registered in England & Wales

In our initial submission to you, we expressed concern about incentives for doctors and were pleasantly surprised to see the low numbers reported in the GfK survey results, 3% in each case, offered to GPs and to consultants (Slide 46 in the Professionals Report). We did wonder if this was a matter of definition or, possibly, of reluctance to report. We have no figures to bring to this comment.

PPF welcomed the Commission's special attention to the matter of anaesthetists as their charges have been the subject of patient complaint to PPF.

We were disappointed not to see any reference to the issue of the problems encountered when seeking alternative insurers noted in our initial submission (arising from the exclusion of pre-existing conditions). We did see the ABI's comments relative to this problem<sup>2</sup> and regret that individual insured patients find considerable difficulty because they are not in a large enough risk pool. PPF wishes to encourage any solution to this problem and notes that ABI may (at its 4.5) be suggesting a way forward.

Should the Competition Commission wish for clarification or discussion on any of the points raised or of other patient-related matters, PPF will welcome the opportunity to help.

Yours sincerely

D J Grocott  
Director  
[don.grocott@privatepatientsforum.org](mailto:don.grocott@privatepatientsforum.org)  
[www.privatepatientsforum.org/](http://www.privatepatientsforum.org/)

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<sup>2</sup> ([http://www.competition-commission.org.uk/assets/competitioncommission/docs/2012/private-healthcare-market-investigation/130319\\_association\\_of\\_british\\_insurers.pdf](http://www.competition-commission.org.uk/assets/competitioncommission/docs/2012/private-healthcare-market-investigation/130319_association_of_british_insurers.pdf))