

Member of public 3

15 May 2012

Dear Sirs

I refer to the Times report of 9 Dec 2011 about the OFT considering whether to refer Private Hospitals to the Competition Commission. The Chief Executive of Nuffield Health supported such a reference on the grounds of the transparency of their proposals, offering consumer choice. I wish to say that Nuffield Health of [redacted] provides no such transparency. I have used their facilities many times since 2010 both for diagnostic tests and operations, and have been severely overcharged throughout. The methodology for charging, and my comparison with charges by other private hospitals makes it clear that there is no competitive element in the charges made, which in one case implies price fixing between hospitals.

1. Diagnostic tests

- (a) I have been charged [£477-£500] for several MRI scans, over the last two years. Whereas a relative of mine paid [£300-£350] in 2011 at the [redacted]. Also MRI scans are charged [£200-£250] at the [redacted]. As regards these tests, Nuffield Health [redacted] tell me "I can confirm that a national pricing is in place for self funding diagnostics throughout Nuffield Health, the charges for which are set by head office." (e-mail of [redacted]). They also say: "our pricing structure is in line with the national tariff set throughout Nuffield Health." (Their letter dated [redacted].)
- (b) On [redacted] I was given a simple diagnostic hip injection (code W9030) and the Hospital charge (excluding the consultant) was [£800-£850]. I complained about this, and asked how it was compiled and I summarise the reply:-
The Services provided are divided between Clinical Services, and Overhead and Admin Services, (The letter of [redacted]). The teams employed were:
Clinical Services:
Pre-assessment from the nursing team.
Operating team in the theatre of 3 nursing/paramedical staff
Overhead and Admin Services
Booking Team
Reception team
Ward Clerk
Business office team
Procurement team
Housekeeping team
It was clear to me that using 8 teams of staff for a simple hip injection, with no anaesthetist, was an excessive deployment of staff. I was often asked the same questions more than once by difference nurses.

2. Operations

On [redacted] I was given an Arthroscopy exploration (code W8620) and the Hospital charge alone was [£4,100-£4,200]. Again too many staff were employed. I asked for details of how the charges were assessed. I was told in an e-mail of [redacted] that for operations "head office sets the charges associated with the hospitals allowing some autonomy to make local adjustments to reflect and respond to local market pressures."
The only other information forthcoming was in the following statement from a letter dated the [redacted]: "the hip arthroscopy procedure pricing is set in line with the NHS tariff price ... with the opportunity to increase our fees ... within the private sector" There is no indication of the percentage increase involved.
I decided to test this case, so today I telephoned the Spire Hospital, [redacted], and asked for a quote for an identical hip operation with the same code number, and the reply was a total charge of [£5,500-£5,550]. The total charge I paid at the Nuffield [redacted] (including fees for

the consultant and anaesthetist) was [£5,000-£5,500], a difference of only [£100-£120]. This suggests some form of implicit price matching.

3. **CONCLUSIONS**

- (a) The charges for MRI Scans and other tests are ignoring the much cheaper quotes available in the South of England, so that the competition factor is not visible.
- (b) The charges for my hip operation were based on a comparison with the NHS plus an unspecified percentage. That was also uncompetitive because the difference I found in the Spire Hospital quotation was a mere [£100-£120].
- (c) I request that action by OFT/Competition Commission be taken into the charges made by Private Hospitals in the South of England. I have available for you hard copies of the letters I have mentioned above (amounting to six and a half pages), together with many e-mails between me and [X], who has clearly done what she can to inform me of the facts. I am told that no refunds can be made for the charges imposed. Please let me know if you would like any more information.