

Consultant 1

2 May 2012

Dear Sir,

I am writing to contribute my views on the private healthcare set up to assist your investigation.

I am a consultant orthopaedic surgeon with a maximum part time NHS contract who has been in private practice for over [✂] years.

Private doctors are of course well paid and in a privileged position. They expect no sympathy. But they are not responsible for the high cost of private healthcare.

The fees ("reimbursement maxima") which Bupa and other insurers pay to doctors for common procedures such as hip replacement have essentially not altered since 1992. And are now being reduced further. I cannot think of a single other professional service whose price has actually fallen over 20 years. Furthermore, the price of malpractice insurance is now almost unaffordable. My own premium has risen from £4000 a year 19 years ago to around £25000 while the benefit maxima have withered on the vine.

During this period, hospital charges and private insurance premia have rocketed. The OFT would achieve far more for the provision of private healthcare by concentrating on the profits of these groups rather than doctors.

Bupa - the leading insurer and effectively the rate setter therefore - are also now throttling the market further by forcing new Consultants to sign up to be "fee assured". This is essentially a restraint of trade which reduces competition and removes the free market.

Incidentally, the "kickbacks" issue which has received so much press attention is a red herring. If "kickbacks" do occur - and I have never seen or heard of one -- their effect on what the consumer pays is marginal.