

## Consultant 8

30 April 2012

To whom it may concern

I am a consultant orthopaedic surgeon in [REDACTED].

I have concerns that the Private Medical Insurance companies are preventing market forces from operating in private medical care. Approximately three years ago BUPA and AXA-PPP decided that they would not allow newly-appointed surgeons to see private patients insured with their companies unless these new consultants signed a contract to limit their fees to rates set by the insurance companies. These included reimbursements for outpatient consultations and surgery. The restricted fees for outpatient consultations are significantly less than the current market fees charged by established consultants like myself. Hence a two-tier system has been established where newer consultants have to work at considerably reduced fees if they wish to treat BUPA and PPP patients. They have no freedom to set their fees at market rates because they have signed a contract which forbids this and for which BUPA and PPP will withdraw their provider status if they do so, ie they either work for reduced rates or they don't work at all. This seems like a restraint of trade as these newer consultants are fully qualified doctors and should be allowed to charge for their services according to market forces.

BUPA and PPP are now trying to direct as many of their patients to these newer consultants for cost reasons regardless of patient wishes and quality of care and are thus removing patient choice from the system by informing patients that consultants who charge rates according to market forces are 'overcharging'. This is [REDACTED] when one considers that there has been no increase in reimbursement for surgical procedures for the past 20 years, representing a substantial reduction in surgical fees in real terms.

I hope that the Competition Commission can act to allow market forces to be re-established for doctors working in the private healthcare market.