

Consultant 65

19 June 2012

Dear Mrs Kent

I understand that you are involved in the Competition Commission's review of private medical practice.

[✂] PruHealth are asking me to reduce my fees because I charge more than their average. I am sure that you will appreciate that if all the doctors who charge above the average reduce their fees to the average, then the average moves lower and the whole process starts again with a greater and greater proportion of PruHealth's customer's subscriptions turning into profit for PruHealth.

[✂] If I do not comply with their anti-competitive demand, then I will no longer be recognised by them as a health care provider. This, of course, influences the market and reduces the choice by patients and thereby reduces competition.

I am sure you have heard from many other doctors the problems that we have with healthcare insurers. They have not increased what they pay doctors since 1995, despite increases to their subscribers each year and increased payments to private hospitals every year. This refusal to increase payments has resulted in an inflation based erosion of about 1/3 over the time period, whilst of course all our expenses have increased in this time. This is clearly not a tolerable situation, and yet some insurers such as AXA PPP are now actually trying to reduce what they pay for procedures and are refusing to recognise new consultants unless they enter into a contractual arrangement agreeing to this. This, in my opinion, represents a monopolistic practice and clearly reduces competition, since insured patients are effectively prevented from accessing the doctor that they would like to choose.

Finally, I would just like you to be aware that all my new patients are informed of the possibility (which is becoming a likelihood) that their insurance policy may be inadequate and that they will have to pay a shortfall. This information is provided in a patient information leaflet, for which the patient signs receipt. I therefore believe that I am doing all I possibly can to ensure that patients are aware that private healthcare insurance companies are doing all that they can to maximise their profit and are, as a result, distorting the free market.