

## Consultant 89

23 July 2012

Dear Sir,

I wish to submit evidence concerning distortions in the market brought about by the policies of the large insurance companies. The great majority of patients are insured and consequently without provider recognition from the large insurers it is almost impossible to enter private medical practice. In the last 3 years or so these companies (first AXA PPP then BUPA) have set limits to the fees that they will reimburse for appointments, significantly lower than is the norm amongst established colleagues in the local area.

For example an established neurology consultant in the [redacted] region may charge £250 for a new patient consultation and £150 for a follow-up. BUPA and AXA continue to pay these fees for established consultants. However for \*new\* consultants they cap the fees at £150 for a new, £100 for a follow-up typically. If a patient is referred to one of these newer consultants (thereby exercising their choice as advertised by the insurance company) the consultant is not at liberty to charge his chosen fee. This is because if ([redacted]) one attempts to pass on the difference to the patient or indeed pass the patient onto a colleague who charges less, then the insurance company can simply withdraw provider recognition. They thereby co-erce the provider into charging the set fee which is below local norms.

I imagine the aim is to wait until the older, established consultants retire and thereafter all will be left charging the fees determined by the insurance companies. Whilst they are in my opinion entitled to set limits to what they will reimburse they should not fix the fee in this manner that can be charged. This blocks any competition on price amongst small providers.