

Consultant 97

3 August 2012

Dear Sirs

BUPA Osteopathy Network

I am writing to you as the owner of an Osteopathy Clinic and a BUPA recognised practitioner for many years. I have been asked to re-register with BUPA, along with my colleagues who have also worked with BUPA for many years. Unless we re-register on BUPA's terms (completely un-negotiable) we will no longer be accredited to treat the patients we currently help under their scheme. The Competition Commission need to be aware of certain matters in relation to the new BUPA scheme:

- BUPA has a dominant market share of over 40% on the market for private healthcare insurance. This makes it a major player in the market and essential for many practitioners whose financial survival depends on treating BUPA patients. Individual osteopaths do not have the bargaining power to match such a large organisation.
- BUPA clearly feels that it can force us to charge artificially low prices for our services, with the long term consequence that consumer choice is likely to be materially harmed. If however, BUPA continued to allow "top up" payments to be made by patients to us (where fees exceed the BUPA reimbursement rates), competition at the retail level amongst osteopaths would increase, as would consumer choice (both in terms of which osteopath they choose and of which private medical insurer they choose).
- Patients would also be free to attempt to negotiate with BUPA a higher reimbursement rate where the insurance cover falls short of the costs of treatment. This, in turn, could increase competition amongst the insurers.
- To my knowledge, no other private insurance company attempts to set the fees of its osteopathic practitioners. The usual practice of insurers and BUPA's own practice hitherto, is to set a maximum amount in the member's insurance policy for osteopathic treatment for each acute episode. Once the patient's "pot" is used up, that patient can then choose to pay for treatment themselves privately.
- The effect of BUPA's new scheme where we must agree not to charge patients the difference between the fee BUPA will pay and our usual charge is to remove patients' freedom of choice, by denying the patient indemnity at all in respect of a practitioner whose standard charge is above the level of an arbitrary "cap" laid down by BUPA. i.e. BUPA's scheme actually prevents patients from going to their preferred practitioners at all if the practitioner does not agree to bring his entire fee within the agreed cap imposed by the BUPA scheme. Patients may be forced to change to a practitioner who is not their preferred choice but whose fees are within BUPA's cap.
- If we do not sign up then we will not be "recognised" by BUPA (and hence be eligible for participation in the scheme) unless we limit our fee charged to the patient to the BUPA imposed cap.
- Additionally, many patients are insured with BUPA through their employers' schemes and so do not enjoy the freedom to change from BUPA to another insurer which allows them to go to the osteopath of their choice. We have already had complaints about this from our BUPA insured patients.
- Private Health Care Patients should have the same choice as NHS Patients as to who they see – BUPA should not be able to dictate who patients see by imposing incredibly low rates and not allowing Patients to top up so that they can see the osteopath of choice.

- Quite apart from the detriment caused to patients, the effect of the BUPA scheme will be to inflict substantial and lasting damage on the sustainability of the market in osteopathic services. BUPA is abusing its market power to force individual participating osteopaths to cap their fees at an artificially low rate which fails to recognise fundamental distinctions in the market and the costs of applying such services in various localities across the country.
- Among other things, the rates fail to take into account, either sufficiently or at all:
 1. The variable rates which osteopaths necessarily have to charge, depending on the location and structure of their practice.
 2. The variable lengths of practice and levels of skill as between recently qualified practitioners and practitioners who have established and well-justified reputations for clinical excellence and / or particular sub-specialties.
 3. The scheme imposes new and time consuming levels of administrative demand on 'approved' practitioners. They will be required to invoice for fees entirely through the BUPA system as well as provide regular reports and audit their practices in a way not even required by the regulatory body.
- If we bring our fees within the unfeasibly low caps imposed on us through participation in BUPA's new scheme, we will suffer a wholly unjustified reduction in income. Such a reduction may well put some practitioners at risk of going out of business.
- The price of leaving the scheme will reduce our patient-base at a stroke.
- Any decision by an osteopath not to participate in the BUPA scheme comes at a potentially damaging reputational cost because the consequence of a practitioner deciding not to opt into the scheme (for entirely reasonable and justifiable commercial reasons) is that BUPA designates the practitioner as a "non-approved" provider.
- As BUPA well knows, labels such as "approved" or "non-approved" have many connotations in the context of medical care, the most obvious and important of which relates to clinical competence and/or reputation. If patients are told that certain practitioners are "non-approved" providers in connection with the new BUPA scheme, they are likely to form the impression that the practitioner in some sense falls below approved clinical or ethical standards, rather than simply being unwilling to perform services for an arbitrary fee laid down by BUPA for reasons of BUPA's own business.
- Alternatively, but no less worryingly in a competitive market, customers may conclude (quite wrongly) that their preferred osteopathic practitioner is charging fees which are unreasonably high and/or unjustified by reference to the costs of his/her practice or the service he/she provides.
- Given the extraordinarily low rates now being imposed by the BUPA scheme such an impression would be entirely misleading.