

## Consultant 130

3 October 2012

Dear Sir/Madam

As a new consultant ([✂]), I have not had very much to do with private practice. However, it is painfully obvious even to me that private medical insurance companies (PMIs) are behaving in an inappropriate, improper, and (in my opinion) immoral manner.

Please allow me to elaborate.

PMIs have a set fee schedule, which is understandable. They should not feel obliged to pay whatever a provider decides they will charge the patient. However, this fee schedule should represent what the PMIs are willing to pay the provider for consultations/procedures - it should not be a requirement that providers charges should be set at this level. Providers should charge at a rate they are happy with, allowing for market forces/competition between providers to determine where a patient would like to seek medical advice.

Moreover, the level of reimbursement from the PMIs to providers is a determining factor when patients come to select an insurance company, which leads to healthy competition between insurance providers.

By trying to prevent providers from charging over their fee schedule rates, insurance companies are preventing competition within the private healthcare sector, and providers are effectively employees of the insurance companies.

Furthermore, by threatening to de-recognise providers who do not conform to their fee requirements, these companies are quite possibly restricting patient access to the most appropriate provider for their healthcare needs.

Competition should be allowed to flourish between the various PMIs, as well as between healthcare providers. This is why I feel that the Competition Commission need to look very carefully at the specific issue relating to this behaviour of PMIs within the whole issue of provision of private healthcare services within the UK, which I feel prevents competition on both these levels.