Consultant 137

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Dear Sir/Madam,

I welcome the Competition Commission investigation into the Private Healthcare market. I am a consultant in London.

I appreciate that PMIs are concerned about dwindling subscriber numbers and revenue. They are losing individual subscribers particularly quickly. These are normally older people, and with premiums being set largely according to age, and with individuals not having the buying power of corporate subscribers, I have many patients who pay several hundred pounds a month each, and some who pay up to £12,000 a year for PMI. Contrast this with the typical corporate premium, which benefits from being generally for younger subscribers, and from the buying power of enrolling possibly thousands of subscribers, so corporate premiums can be only £30-40 / month, and in some cases less. This information is correct and comes from HR executives who are also patients.

Some PMIs are enlightened and do what most people think a PMI should do - give them financial support to help them with their medical expenses when they're ill and not to interfere in the doctor/patient relationship. Foremost in this category in the minds of most doctors who deal with PMIs is WPA. At the other end of the spectrum are the larger PMIs such as AXA-PPP and BUPA. These have been increasingly acting like an oligopoly and have been abusing their market dominance in a number of ways:

1. Regulatory authority (approval) - Doctors are appointed as consultants in this country after rigorous postgraduate medical training, multiple exams, frequently years of research with higher degrees, and after an interview process with several independent experts. They can only be appointed as a consultant if they are on the specialist register in their chosen specialty, which is regulated by the GMC. However, we have a situation in this country that insurance companies are not satisfied with a doctor being on the specialist register and being a consultant. They also require doctors to apply to them for approval to be able to treat their customers. This is wrong and should stop.
2. Regulatory authority (de-recognition) - Both BUPA and AXA-PPP have a record in recent years of de-recognising doctors for treating their customers. I know several doctors (and I'd be happy to put you directly in touch with them) who have been de-recognised by either or both of these companies. The reasons for de-recognition range between "failure to reduce fees", causing "administrative difficult", unproven allegations of fraud, and GMC investigation. There are many others. Take the first example. AXA-PPP has always taken a very heavy handed and bullying approach to consultants on fees. There are cases where consultants have been told to reduce their fees or they will be de-listed, and many have been. [✂]. The correct way to handle allegations of fraud is through the courts. If the accused is found innocent they should be allowed to continue to see patients insured with that company. This has not been the case with AXA-PPP. I do not know of any instance of a doctor who has been de-listed by AXA-PPP being reinstated. There are even instances of AXA-PPP making complaints to the GMC about doctors and de-listing them. And after the GMC investigation has found the doctors innocent AXA-PPP still refuses to reinstate them.
3. Setting medical fees - There is no reason why private doctors should be treated any differently from other professionals such as accountants or lawyers. There is a more established market to help customers pay their medical bills but that is all. However

insurance companies have successfully managed to separate the concepts of receiving healthcare and paying for it in the minds of their customers. The most effective way they have done this with respect to doctors is by persuading doctors to send their invoices directly to the insurer, and doctors have fallen into this trap, so we now have a situation where PMIs take the insurance premium from their customers and deal directly with the hospitals and the doctors, so patients think that once they've paid their premium everything is taken care of. That has put power in the hands of PMIs. This has enabled them over time to get into the position they're in now, of being able to dictate medical fees to doctors.

4. Health purchaser - BUPA, and to a lesser extend the other PMIs, increasingly decide what care they will and will not pay for. This is not based on medical evidence, literature, or NICE guidelines. However, none of the PMIs employ any medical experts, and none certainly employ any doctors with qualifications or experience anything like any of the consultants who treat their patients, so we un-trained managers and former junior doctors are deciding on the medical care of patients whom they haven't seen. If these PMI employed doctors were in clinical practice and were denying care that had been recommended by consultants to patients they hadn't seen, these doctors would be the subject of GMC complaints. It will likely be only a matter of time before complaints are made to the GMC about PMI employed doctors.
5. BUPA requires consultants applying to treat its customers, to agree to its fee schedule, and to not pass on any shortfalls to its customers. This is a fee schedule that has seen reimbursement unchanged in nominal terms since 1992, which in inflation adjusted terms has reduced the purchasing power of consultant reimbursement per case fall by more than 70% since the fees were last increased. In addition to this newly appointed NHS consultants will not be recognised by the leading PMIs unless they agree to even lower fee levels.

The CC will be looking at what is best for consumers. To try to put it as succinctly as possible modern healthcare is increasingly driven by technology and the costs of that technology are rising faster than inflation, so medical care is getting more expensive because of technology. Corporate PMI buyers want more for less - it's only human - but there reaches a point where they just can't have it. However, moving away from a fee for service model towards value based healthcare where patient outcome measures become a feature of compensation will improve efficiency in the PH market. In the meantime PMIs should stop peddling misinformation about doctors, and should simply offer what financial support they can to their customers, and let their doctors decide how to treat them.