

## Consultant 153

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I would like to express some opinions on the state of the UK private healthcare market. I am a consultant surgeon with a full time NHS practice and a private practice and I have been in practice as a consultant for [redacted] years.

Over the last five years the two largest medical insurers who together have 65% of the market have increasingly restricted access to consultants for their clients and have introduced restricted registration for newly appointed consultants.

The classic free market model has the doctor treating the patient who has been referred to him by a general practitioner either by recommendation from that general practitioner, based on how well previous patients have been treated by that consultant, or by recommendation by previous patients. The role of the insurance company is to provide payment for this service up to an agreed level according to the level of insurance purchased by the consumer. The majority of consultants charged within the benefit maxima from the insurance companies and the patients bills were generally paid in full. Thus good service is rewarded and poor service punished by fewer referrals. This is how the free market system should work

The insurers wish to disrupt this model and impose control on the market that is not in the best interests of customers as choice is reduced and also affects the doctors relationship with the insurer and hence the patient.

The new system brought in about 5 years ago by AXA/PPP and 2 years ago by BUPA is that new consultants are tied into a restrictive contract with the insurers. They are not allowed to charge above a level set by the insurers and can be derecognised if they do not follow the fee schedule. This fee schedule has now been significantly reduced by BUPA and the consultants in the "fee assured" system see their remuneration being cut by an average of 36% with nothing they can do about it. This is being forced on consultants by two large companies who have a monopoly control of the market. I believe a bank or an oil company with a 40% share of the market would be highly likely to be forced to reduce in size as they have the power to adversely control the market. This is restricting the consultant's freedom to trade and I believe needs to be explored by the Competition Commission Investigation.

BUPA have recently brought in an open referral system where the general practitioner to consultant relationship is disrupted by the need to refer to a referrals centre run by BUPA who will then try to persuade the patient to go to see a "fee assured" consultant. This may be appropriate for some patients whose aim is to get treated by someone and not have a further payment to make. But many patients wish to see a particular consultant who generally is more experienced and may be a national expert in their particular condition. Although this consultant is eligible to treat BUPA patients the call centre staff will try to persuade them not to go and see them. In several cases, and I can provide details of these patients, they have been told categorically that they cannot see the consultant that they would like to see and have to see one from the "fee assured" list. We have a letter from [redacted] at BUPA stating "It would never be suggested that they transfer their care. The benefit of this for our members is that they will not have to pay additional unexpected fees for their treatment, alternatively they may choose to see a non fee assured consultant" This patently obviously is not occurring and either BUPA call centre staff are acting on their own initiative or are being told to do this by their managers

Even for “fee assured” consultants the playing field is not level. Searching for a consultant on the BUPA website gives a list of consultants in non alphabetical order. Obviously they have been prioritised by BUPA in some fashion, presumably to encourage patients to see the cheapest, but no information has been given to any consultant as to how this has been done and therefore they will have no ability to alter their position in the rankings. This opaque system does not promote free choice for the consumer.

I am also concerned about patient care and safety. BUPA now insist on filling in a form to approve an arthroscopy. This is then seen by a non medical BUPA employee and the procedure is either approved or not. BUPA say they have orthopaedic surgeons who will adjudicate on cases if they are complex. They will not inform the medical profession who these people are and their level of expertise in the field of surgery. I have one patient whose care has been adversely affected by this system and my colleagues all have similar stories. My patient had an injury to the articular cartilage of his knee. This was an acute injury and the treatment for a patient in their late 30s would be an arthroscopy of the knee to debride (trim) the damaged articular cartilage. BUPA refused to permit his surgery saying that he had arthritis and arthroscopic surgery was not indicated. In elderly people with established arthritis this is undoubtedly true but the situation is different in a person in their 30s. They claim the form had been vetted by an experienced orthopaedic surgeon. I do not believe anyone medically qualified ever saw this form, despite BUPA claiming they had, as all the orthopaedic surgeons I have spoken to would universally operate on this type of patient. Surgery was denied and I did his case as an NHS patient with resolution of his symptoms. As a postscript he complained to BUPA and received permission for his operation 3 weeks after it had been done. Is this a satisfactory situation where unqualified clerks are making clinical decisions on patients and even the vetting system means doctors are making clinical decisions on patients who they have never seen? Thankfully this was a semi urgent procedure and not life threatening, but in future someone may suffer a severe complication or worse if clinical decisions are being made by non medically qualified people.

All insurance companies have exemptions for pre existing conditions. Patients then become tied to one company because another will not take over their care without banning care for a condition covered by their previous policy. This prevents the healthcare market from working normally as patients are not free to move their custom elsewhere. Other private healthcare systems in the world ban this to permit free movement between insurers. With large enough numbers any insurance company will lose and gain roughly equal numbers of patients with pre existing conditions and should not be worse off. However, the customer would benefit from free movement between insurers with more choice and competition

One of the issues raised by the medical insurers is that there is not enough competition between consultants. There has been a massive increase in numbers of consultants over the last 15 years. There were 5 knee surgeons in my local area covering 4 district general hospitals in 1997. At the last count there are 19 in the same 4 DGHs in 2012. I am in competition with all of them. This is healthy as it forces me to up my game to get work and this is how the free market works. I think these figures will show that there has already been an increase in competition rather than a reduction as suggested by the insurance companies

In conclusion

- 1) The actions of BUPA and AXA/PPP with 65% of the healthcare market are anticompetitive. They need to be broken up into smaller companies offering real competition in the healthcare market.

- 2) Restrictive contracts between insurers and new consultants who have no other option but to sign up should be banned. By all means allow new consultants to have the option but it must not be compulsory.
- 3) The insurance companies need to be honest with their customers and give strict details of what and how much they will pay for procedures before customers take out policies. More expensive policies could be sold that would guarantee not to leave a gap between fees and remuneration, cheaper policies would guarantee a fixed sum and the patient is liable for the remainder, but they would be aware of this before taking the policy out.
- 4) The system of pre authorising patients for surgery is at best flawed and unethical and at worse dangerous.
- 5) In the law profession experienced barristers are more expensive than newly qualified ones, surely medicine is similar? The BUPA "fee assured" system reduces choice in the market and this is not to the benefit of the consumers
- 6) The practice of limiting available benefit for existing conditions prevents patients from changing insurers and severely distorts the free market in healthcare.
- 7) The increase in consultant numbers has already increased the competition in the marketplace for healthcare.