

## Consultant 151

15 October 2012

Dear Sir or Madam

As an individual consultant - and independent provider of private healthcare - I have made the following - I believe relevant in the context of your investigation - observations in the market since starting in [redacted].

When starting to offer services I was initially free to set my fees independently, although strongly encouraged to set my fees within the maxima set out by PMI's in their fee lists. This has come under increasing pressure since ca. 2008, when several private insurers (Axa and BUPA to name two I have been in contact with) started registering independent consultant providers only if they signed up to charge fees set by their relative reimbursement maxima, in effect limiting new colleagues entering the market to set independent competitive fees. Continuing to set my fees independently, I witnessed insurers instructing their clients not to pay fees exceeding their maxima, even though the patient contract clearly stated that patients remain liable to pay shortfalls after being informed in advance about fees and that they may exceed their insurers maxima. To be fair, since explicitly writing to all patients in advance listing fees and explaining that they are liable to pay I have not had problems.

As a consequence of this independence, however, I stopped receiving referrals from BUPA, who require GP's to refer their clients only to "preferred" providers agreeing to charge within accepted limits. As a result, private patients do not have choice of their preferred provider and GP are influenced to refer to PMI-selected providers only, rather than most appropriate, and will find it difficult to adhere to their professional obligations of ensuring the doctor they refer to has the required expertise and qualifications.

I have also witnessed a de facto de-recognition by BUPA as consultant on the specialist register (Chronic Pain/Anaesthetics); patients have been required to see non-pain-medicine qualified providers to refer them to me. It is unheard of, that private companies select clinical referral pathways and make decisions about most appropriate care - or denial of certain treatments - from administrative employees in offices, who have neither suitable recognised qualifications nor have seen and assessed these patients.

Interestingly, looking at the PMI fee lists anaesthetists have always been reimbursed at about half the rate of surgeons for approximately the same amount of work per case. While there may not be much this investigation can do about this, it remains surprising and should be dealt with through free competition, rather than capping fees of certain professional groups.

I would highly welcome a decisive liberation of the private healthcare market, resulting in free choice and competition, driving quality and outcomes. The current development goes in the opposite direction, with PMI restriction choice of their clients and freedom to provide treatment according to professionally set standards, rather than dictated purely by costs. I do not think PMI clients when choosing an insurance provider have access to sufficient amount of information about their choice of provider, coverage of fees and are ill informed in sufficient detail about comparative costs and service provision. This should be noticeably improved alongside options to facilitate changing insurers with fees or coverage changes, comparable to energy providers or insurers in other market sections