

Consultant 154

11 October 2012

I have been advised by our association [X] that the deadline for comments from Consultants has been extended.

I write as a provider of [X] services in the [X] region operating as a group practice [X].

If I may have the liberty to inform you of some rather unusual practices in the private healthcare market that have a direct impact on consumer (patient) choice and the restrictions on allowing new providers to enter a very skewed market with few players.

1. Fee discrimination

I work with a number of other consultants within our practice all of whom are registered with the large PMI providers. For some bizarre reason one of the large insurance companies will happily reimburse my colleagues fees in full but will only reimburse 60% of the fees of another consultant within the same practice despite the fee being exactly the same and generated by the same practice. When patients enquire as to why one consultants fees are only partially reimbursed they are informed by the insurance company that it is because that consultants charges are too expensive. Yet the other consultant's fees are fully reimbursed.

2. One of our consultants had signed up to a "partnership" agreement with one of the large PMI's which had certain advantages in that patients were encouraged to visit that specialist by the insurance company, a 10 % annual bonus is payable on procedure fees providing that the consultant followed the insurance fee schedule. Early this year that insurance company took a unilateral decision to cut the cost of 2 of its most common procedures by 70% without any prior discussion or agreement. Our practice continued to charge at the "old" rate and the PMI took a decision to terminate their partnership agreement and now actively dissuades patients from seeing that consultant.

3. The PMI's have created a perception for their members/ customers that consultants are working for them and encourage invoices to be sent to them directly rather than to the patient. Whilst this is very convenient to the patient this arrangement implies a relationship between the consultant with the insurance company which is not the case.

4. Our practice is trying to become a facility provider for outpatient diagnostic services that are only currently available through one other provider locally. The bigger insurance companies have declined approving this facility for the reason that it is not recognizing new facilities in our area. This approach does not allow new providers to enter the market and compete on price and offer patients an alternative choice to the current monopoly of one provider

5. Our practice has taken an active decision to use the 3 hospital providers for childrens services in the [X] area. This is not perceived well by the hospital providers who exert pressure on consultants to direct their surgery to their facility. As many consultants have attractive outpatient agreements allowing discounted rates there is pressure on them to admit patients to that hospital provider.

I hope that this is helpful