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Further to my telephone call on 19 October 2012 [✂]. I understand there is an on-going enquiry by the Competition Commission about Private Health Insurance.

My concern is that BUPA's dominant position in the market and lack of external supervision enables them to maximise and increase their profits but restrict benefits to their Clients. I am also concerned by the corporate structure of BUPA which is an enormous business with net assets in 2012 of £4,665.7 billion and a profit of £254.7 million for the first half of 2012, an increase of 7.5% on 2011.

There are no shareholders although BUPA claim in their annual statement that they invest any profits "*to provide more and better healthcare for their Clients*". I do not understand who owns BUPA and since there are no shareholders, there appears to be no external supervision on decisions made by the Board of Directors. There are internal Committees but they cannot be independent because they are paid by BUPA.

I would like the Competition Commission to consider the following:

- BUPA's dominant position in the market is allowing them to arbitrarily reduce reimbursement to surgeons.
- BUPA recommend surgeons who charge the BUPA rates of reimbursement, to the disadvantage of other surgeons, irrespective of training, expertise, and professional standards.
- BUPA uses its dominant position in the market to the detriment of patients by reducing fees to surgeons by dictat rather than negotiation in the same way that supermarkets arbitrarily decide on the fees they pay the farmers for milk. As a result of this policy, patients who pay above inflation in their annual subscription and are left with a shortfall in addition to their subscription.
- Patients are also disadvantaged because they may be unable to attend the surgeon of their choice or the surgeon recommended by their General Practitioner, as advertised by BUPA. In addition patients who agree to go to the surgeons recommended by BUPA, may be required to travel outside their area of residence.
- While recognising the need for BUPA to limit costs, there seems little justification for reducing reimbursements in such a savage manner.