

Consultant 189

7 December 2012

Dear Sir/Madam,

I wish to register my concerns about restriction of competition within the private healthcare industry, particularly the practice of fixed-fee schedules for consultations by two major healthcare insurers (BUPA & AXA-PPP).

I have been a consultant neurologist for over [X] years and provide a NHS neurology service in a part of [X]. I have built up a good relationship with local GPs who in turn would like to refer their patients to see me privately.

When I started private practice around [X] years ago, I tried to register with BUPA and AXA who collectively hold a substantial amount of the private health insurance market. As a new consultant, I was told that I must sign up to their fixed-fee schedules if I wished to see their members. The proposed consultation fees are approximately 40% less than the average consultation fees for a neurologist in [X]. I tried to explain that the fixed fees do not take into account the longer consultation times for a neurologist or the higher costs of practising in [X] (the rates are the same for regardless of consultation time or location). I was told that I could not charge patients a top-up fee to make up the shortfall in my consultation fee and if I did, I would be automatically de-registered. The proposed fixed fees were not acceptable to me financially and I declined to register with either insurer. I subsequently received several phone calls from BUPA trying to persuade me to accept their fixed fee schedule which I again declined.

Over the last two years, I have had requests directly from patients and local GPs for me to see a patient privately. Many have been for patients who are insured by BUPA or AXA. In every single case, the patient was informed by BUPA or AXA that they were not allowed to see me, even though my fee is no more than other consultants who registered with BUPA or AXA before the fixed fee schedules were introduced. As a consequence, my private practice remains very small and I still receive referrals from BUPA or AXA insured patients who I am not allowed to see.

The fixed fee schedules introduced by BUPA, AXA and perhaps other insurers clearly restrict the choice of a patient in terms of which consultant they can see. We are in a perverse situation where a patient referred for a NHS consultation can choose which consultant they want to see by the NHS Choose & Book system whereas a patient insured by certain private health insurers has restricted choice.

I would urge the Competition Commission to look carefully at the practice of setting fixed-fee schedules by private insurers.