

Consultant 244

1 June 2013

To whom it may concern

I am a consultant orthopaedic surgeon in practice for [✂] years to date. I notice that many of the consultant submissions are concerned primarily about the private insurance companies reducing their fees and trying to channel private work to lower cost surgeons. Whilst I agree that this is certainly happening, this is, in my view, merely the effect of the strong local monopolies that the private hospitals currently hold in the private healthcare market in the UK.

Aside from Central London, most patients live in an area of the country served, primarily, by a single private hospital. Many of these patients wish to receive their care at this local private hospital for the sake of convenience. Surgeons in these areas have little choice but to undertake their private practice at these hospitals. The majority of these hospitals are run by one of the major players in the private practice market, e.g Spire, BMI etc. These local private hospitals have a virtual monopoly on the private practice market in their localities with little if any competition from other local private hospitals which would be foolhardy to locate themselves in the vicinity of a powerful local monopoly. The private insurance companies such as BUPA, AXA PPP etc have tried to challenge these local monopolies by threatening to not allow their patients to attend hospitals whose fees are deemed excessive. However they have failed and had to back down when they realised that their patients want treatment at the local private hospital. Asking these patients to travel risks losing their business to competing insurance companies.

Some of the hospital fees in the private hospitals are exorbitant to the point of being embarrassing. When I change a plaster cast in my local private hospital the patient is charged almost £300 by the hospital in addition to my own fee of £90. There are many similar examples of exorbitant fee charges.

The private insurance companies cannot do much about these local monopolies for risk of losing patients, so they have decided to come after the doctors to reduce their costs. Doctors are a much softer target than the private hospitals because we work as non-unionised individuals.

The fact of the matter is that the private hospitals have local monopolies which are almost untouchable and, as a consequence, the doctors, who bring in all the business, are now being squeezed by the insurance companies who are too afraid to go after the major private hospital companies to effect cost savings.