

Consultant 10

16 September 2013

Dear Julie

As you can see from the email string below, I have not submitted any further evidence for the enquiry into the private healthcare market since [REDACTED] 2012.

Now that the Provisional Findings Report has been published, I felt I should write.

First, I was surprised to find out that the TOR did not include the PMIs in the same category of investigation as the Hospital Providers and Independent Practitioners (IPs). It does seem an inequality that an economic process that involves three players should not have all three on a level playing field. For example, supposing one or two of the PMIs have a near monopoly and are abusing that power, it seems right that the balance should be restored.

The Report, in the consultants section, alludes to certain PMIs not allowing the shortfall principle. As you know, I have been in communication with Bupa about this, and since I wrote to you, Bupa have demanded that I charge what they say with respect to consultation fees, or they will not reimburse their customers anything. This means that the patients will have to self-fund. This is derecognition, yet their customers have not been informed of it.

The experience of other practitioners is that if they are derecognised by Bupa, then the GPs who refer in will cease to refer any patients to that particular IP, because they (the GPs) do not have the time nor the inclination to constantly find out which specialist is recognised by some PMIs and not by some others. In other words, the action of one PMI could completely destroy the practice and income of an IP.

In the Report, this connection between derecognition and shortfalls does not seem to be made. In the final analysis, after all IPs have been forced into charging what the PMIs want, then there will be no competition on prices, as all charges will converge on the same figure.

If complete transparency regarding fees becomes the norm (which is preferable) there is no reason for the PMIs to have control, as there is no longer a requirement for someone to police consultants' fees. With transparency, it is the patient's choice, which again is preferable. This empowers the patient, and weakens the argument used by the PMIs that top up fees are unreasonable and against the patient's interest. When the patients are aware of fee structures they will be able to choose their provider on the basis of their fees and their expertise.

Since [REDACTED], I have at least [REDACTED] further letters to Bupa and my responses. I attach the key letter dated [REDACTED] from Bupa which is the derecognition letter if I do not comply. Since then, I have had about 6 further letters to and fro, and Bupa have not yet enacted their threat. In my last letter we agreed to wait for the ruling of the CC and OFT. However, if the PMIs are not on the same playing field as the IPs as far as the enquiry is concerned, then there could be an injustice. I would be grateful if you could forward this evidence to the panel for consideration. My feeling is that, at the very least, the shortfall principle should be seen as acceptable. It maintains competition, the patient can choose and it enables the consultants who provide a better and more experienced service to maintain the level of service, which often costs more.