Consultant 28

17 September 2013

Competition Commission Inquiry into the Medical Insurance Industry

Further to the interim report and request for representations in respect of remedies.

Abuse of market position by insurers: consultant recognition:

I have submitted evidence and patient complaints of examples where the insurers have used the market dominance and efforts to reduce medical costs to the detriment of patient care and wellbeing.

[✂]

I now additionally attach correspondence with PruHealth (not published here). You will see that whilst PruHealth refuse to pay for an existing long term patient due for a review informing them that I am not recognised. However simultaneously they pay for a new patient. Further PruHealth have used their market power in an attempt to ask me to refund monies they have paid in respect of treatment which was detailed in advance to the patient, authorised by in advance by PruHealth and paid by them. Thus they have used their market power unfairly against me and tried to impose an unfair and unjust financial penalty on my practice. In order to enforce this they have used another unrelated long term patient as a "pawn" damaging his long term care, medical interest and confidence in the treating doctors.

Your preliminary findings make no mention of the way insurers use their market position and a false claim of "quality" to direct patients to cheaper surgeons. Clearly the real reasons are entirely cost. Your comment that "this is what patients would expect insurers to do" appear extraordinary. It is clear that patients expect the choice of the very best consultants at any reasonable price rather than the cheapest option. I have presented evidence where this damages patient care, wellbeing and choice. Further i have where possible supplied evidence directly from the patients about their complaints and damage to their interest.

I therefore find it extraordinary that your preliminary findings makes no recommendation that recognition should be left with the statutory body; the GMC and that insurers should clearly identify their maximum benefits (and adhere to these), leaving patients freely to choose whether or not to meet any shortfall themselves.

New entrants to the Consultant Market: blocked by Private Hospital Policies

I previously wrote to you with details of the BMI ([✂]) expressed policy of excluding all consultants who were not locally practicing NHS consultants. I expressed this as my universal experience in Bristol, Cheltenham, Banbury and London in respect of local consultant practicing privileges. This is an absolute bar to new entrants into the marketplace.

Your preliminary finding make no mention of the difficulties of private independent consultants not currently employed in the local NHS from obtaining hospital admission rights and how this is an absolute bar to new entrants to the market. Thus local NHS consultant's express their market control, dominance and behave in an anti-competitive behaviour by excluding new competing consultants from entering the local market through their presence on the MAC of the local private hospitals.

Indeed I cannot see where in the preliminary report that any significant consideration has been given to the market forces in respect to real medical quality, patient choice and

oppressive market forces used by insurers against consultants. The insurers use this dominance to direct patients to cheaper consultants, and to drive down costs. This is unbeknown to patients who are in a weak and vulnerable position and believe only that clinical quality criteria are used by insurers not simply cost. This is not what patients would expect from their insurers but to allow them to see the very best consultants available based on quality and area of clinical special interest.

The preliminary report appears to suggest that the dominance of the insurers in driving down medical consultants' costs is having no material impact. This is on the basis that there is still an adequate supply of consultants practicing in the private sector. To a clinician from the competition commission this seems perverse. It is also not the criteria used by the competition commission when analysing the dominant effect of the other participants in the market: namely the medical insurers and hospital groups whom the report identifies as making "excessive" products. The inquiry appears fundamentally and critically flawed if the market participants are being assessed on widely differing criteria.