

Consultant 24

20 September 2013

I wish to submit this letter to the competition commission in its investigation of the private healthcare market, specifically looking at 2 areas.

The first concerns the disincentives for new entrants in the private practice market as a result of control of the market by the dominant 2 main insurers.

I work in a large NHS teaching hospital in London and over the last 3 years we have had 5 newly appointed Paediatric anaesthetists none who have chosen to enter the private practice because of the control of the market by the dominant 2 insurers and the downward trend for the fees payable to anaesthetists. This has had a significant impact on the choice of anaesthetists available to perform Paediatric anaesthesia in the London market. Whilst this has benefited those consultants who are currently established it is of great concern to surgeons who are having increasing difficulty with the restricted choice of anaesthetists. The situation will only worsen as the existing Paediatric Anaesthetists retire with no new entrants taking their place. The approach and strategy of the 2 dominant insurance companies has reduced competition and choice in this area of the market.

The second issue relates to transparency of the remuneration arrangements between Consultants and PMI's and how these are communicated to patients.

One insurance company has taken a position whereby if a consultant chooses not to sign up to their rates, their members (patients) who choose to see that Consultant are financially penalized for doing so.

The PMI asks the consultant to agree to a fee rate of £185 for a new consultation. The consultant's fee is 210 (unchanged for 5 years and chosen not to agree to the fee schedule proposed by that PMI). The PMI informs the consultant that it will only reimburse £150, despite proposing a fee of £185, resulting in the patient with a greater shortfall for having chosen to see that consultant.

This becomes even more confusing for the patient when they see different consultants whose fees are fully reimbursed despite the fees being over the 185 mark. For some reason some consultants slip past the radar of this PMI whilst others (usually those with larger practices) become "blacklisted" and are penalised. Patients are naturally confused and unhappy as to why for some consultants the fees are fully reimbursed and for others they are required to pay a shortfall despite the fee being the same.

This surely is anticompetitive and discriminatory with the consumer, the patient being the loser.

As with the recommendation that consultants publish their charges in advance should not PMI's be required to publish the amount they will reimburse for consultation fees and not shroud this in mystery. The patient is then able to take a considered decision whether to choose to see a consultant and pay the shortfall if their fee exceeds this amount.

I will be happy to be contacted to provide further details on these 2 issues if this would be of help.

Being a consultant providing private healthcare and also having the experience of being a patient using the system allows a unique perspective of the private healthcare market and it really does not make much sense.

In comparison with other insurance industries such as the motor industry a customer wishing to use their PMI becomes subject to a whole array of restrictions and complexities which do not serve the patients best interests.

If a customer whose car is involved in an accident chooses to have their car repaired by a garage of their choice and not the preferred provider of the insurance company, they are free to do so. They may be encouraged to go to the garage of their choice with added incentives of having a replacement car and not paying any excess but ultimately the choice of where they choose to take their car to be repaired is theirs. It is most surprising that in healthcare where the choice of a consultant in looking after ones health, dare I say it is more important than repairing ones car, is of no consideration.

Many of my patients ask why this cannot be the same with health insurance and their choice of doctor, diagnostic or hospital facility and as both a patient and a Consultant I share their views.