

Consultant 29

28 September 2013

Dear Julie,

I would like to express my views on a few points mentioned in the notice of provisional findings and possible remedies published by the CC on the 28/08/2013 and 02/09/2013

1. I am thankful for CC to recognise (page 13 point 52, provisional findings report) that PMIs have 'buying power in relation to consultants'.

However, in CCs list of possible remedies I could not see any remedy to reduce this buying power of PMIs in relation to consultants.

I am very concerned that CC has completely ignored the submissions by several consultants, BMA and patient bodies how this is harming the market and has the potential to harm the market further as other insurers follow suit and limit the choice of available consultants to the patients and GPs.

I would like to know what has CC done to collect further evidence in this regards.

I request that CC considers this issue and its implications and suggests a remedy to this. I would think that having the same prescribed fee (dictated by the insurers) for all consultants would be anti-competitive. Practices like 'open referral', 'new consultant recognition (and de recognition)' based on fee, lack of choice to pay for shortfalls to see consultant of their choice, all seem anti competitive.

In my day to day practice I see examples where PMIs particularly BUPA is increasingly restricting the choice and how consultants are becoming desperate to the point that they are unable to offer their services to patients insured by certain insurers.

I have personally stopped offering my services to BUPA patients from this year as BUPA reduced the benefits available to its members in 2012. I had to sign up to their 'Terms of recognition' in 2010 to be able to see patients insured with them. CC is probably aware that these fees had not changed for nearly 2 decades.

These unilateral actions by BUPA including 'open referral' and 'new consultant recognition' threaten to change the fabric of the whole private medical care in the UK eventually to the detriment of the patients.

BUPA has adapted this aggressive approach (almost akin to bullying of consultants and hospitals) in the name of decreasing cost to its members.

However my patients tell me that their BUPA premiums have gone up year on year and no wonder that BUPA's profits have soared in the UK since they have significantly reduced the benefits available to their patients again.

I am not surprised that many more patients are choosing to leave BUPA and they have lost nearly 200,000 members in the last year.

Several of my BUPA patients have now become self-paying instead and others have chosen to be cared under the NHS. BUPA will not even pay the basic level of benefits that it provides to 'new' consultants and let the patient have the choice to pay the shortfall.

It seems that BUPA patients probably now have worse benefits than those available to the NHS patients. Choice for patients is increasing in the NHS with the adaptation of NHS constitution but the same can not be said of the private healthcare where PMIs are restricting the choice based on fee rather than quality.

I note that one of the other consultants has mentioned in their submission to the CC that BUPA even offered to pay one of the patients to have the surgery done on the NHS. I can believe it but find that it totally unacceptable.

I am aware that BUPA is actively referring the patients to have surgery like cataracts done at high street chains like optical express. I expect that the majority of surgeons who operate in these facilities are those who are either not eligible to get a substantive consultant post in the NHS or have failed to do so due to lack of adequate training.

For patients to pay for Private Medical insurance and then not be able to get treatment at the facility and by consultants of their choice does not seem fair to me.

2. I welcome that patients should have more information on Consultant's fees.

I would however like to point out that this is made difficult by the different level of fees dictated by different PMIs e.g. BUPA would allow 140 for a new patient, AXA will allow 120. Consultant fees also varies depending on the facility where they see patients e.g. central london locations have higher room rental and other overheads so that charges are different as compared to outer London or perhaps the rest of the country. However PMIs do not take such considerations in to account while stipulating their maximum payable fee.

As regards information for the fees for the procedures the situation with PMIs is even worse as the benefits available to the patients are not very clear.

Particularly BUPAs 'benefit maxima' is very confusing as instead of stipulating the fees for the various codes it groups the procedures together arbitrarily in to different levels.

Again every PMI has different benefits for different procedures so would CC suggest that the consultants list their fees for different procedures and then the patients find out from the PMIs how much they would be covered for. Should the patients then be responsible for the shortfall?

3. I understand that CC would like to restrict ownership of equipment and facilities by Consultants. I can understand the argument that incentives can lead to variation in utilisation of tests.

Does the same argument not hold true for ownership of facilities by the PMIs. Insurers have the power and the incentive to preferentially refer the patients to their facilities and also to consultants who are 'fee assured' although it may not necessarily be in the best interest of their patients.

Will the CC consider restricting ownership of facilities by the PMIs and remove 'fee based consultant recognition'

4. CC has not considered the issue of choice and ease of change of insurers by the patients-

Currently patients can get stuck with their insurer (although they may not be happy with them) as a new insurer may not cover for 'pre- existing' conditions.

This restriction of choice of insurers available to the patients seems restrictive and anti-competitive to me. I hope CC would look in to this aspect.

I hope that CC considers these issues in further details before finalising their recommendations as their decisions will have long lasting impact on the private healthcare market.

I believe that failure to investigate further and to address the issue of 'power of PMIs in relation to consultants' and the other issues raised above will lead to further disillusionment and lack of confidence in the processes adopted by the CC in this investigation.