

**Non – Confidential**

Ms Julie Hawes  
Enquiry Coordinator  
Competition Commission  
Victoria House  
Southampton Row  
London WC1B 4AD

12 December 2013

Dear Julie,

With reference to previous questions asked by the Competition Commission, there have been some developments that we think are important enough that they should be brought to your attention, especially as we have now been informed that the provisional decision on remedies will be published in mid-January. ✂

**Clinical Outcomes - Alignment between the NHS and the Private Sector**

In previous correspondence with FIPO the CC has asked about clinical outcomes and comparability between the private and NHS sectors. We have discussed the difficulties in achieving this in FIPO's Response to the Competition Commission's questions on quality data and the relationship with PHIN (18 October 2013). We have iterated that due to case mix differences it is difficult to make comparisons between NHS and private patients.

However the Intensive Care National Audit and Research Centre (ICNARC group), which provides a detailed externally managed and fully independent audit of intensive care patients (paid for by the hospitals concerned), have now been able to analyse a large number of cases in the intensive care units of four HCA hospitals and have shown that the results are identical with those in the NHS (✂).

The Competition Commission will appreciate that the death rate in ITU's is generally high because only very sick patients are treated there but it is encouraging to see these results which show low and comparable outcomes in the specific groups analysed (post-operative patients).

We hope by looking at the detailed information and analyses in this report that the CC will appreciate the difficulties of making quality assertions and identifying clear outcomes. The report comes at an appropriate time and is very good evidence that quality outcome data cannot be based on just a volume analysis, and even less so on the sketchy and incomplete volume analysis derived from the limited number of patients treated who happened to be insured with a specific PMI.

**Transparency of PMIs**

FIPO has highlighted the issue of information asymmetry between the PMIs and policyholders in its Reply to the CC's Provisional Findings and Remedies Notice, as a "missing remedy". The CC's Provisional Findings Report notes at paragraph 7.80 of the PFR; *"It is clearly important that policyholders understand the terms of their policies at purchase and renewal. This includes being made aware and fully informed about changes to reimbursement notes and the recognition of consultants which will have a direct impact on the nature of and value of benefits available under their policies"*.

In FIPO's reply we argued for an agreed national statement applicable to all PMIs to allow the patient at pre-authorisation to be able to assess the benefits available to them for the anticipated procedures), and included an example wording of such statement at paragraph 6.8. If this were in place it would ensure PMIs were providing agreed benefits to subscribers, in accordance with the specific terms of their policy. We also highlighted this in our letter sent to the CC on 25 November 2013.

✂, and highlights why such a system of transparent information is crucial for policyholders. The CC will see that Bupa have ✂. This treatment option has now been withdrawn for new patients but until this point in time, it was included amongst the benefits that the patients were entitled to. We do not believe that Bupa subscribers have been told that Bupa has made these changes, so they would be entitled to believe that the treatment (continues to be) available. ✂.

This decision by Bupa will put patients at considerable risk ✂

✂ in many other diseases an acute process is supported by the PMI and at a later stage if an acute condition becomes chronic it is not unreasonable for funding to be withdrawn.

We believe that there has been a blurring of these distinctions and the outcome here is likely to be extremely detrimental to a number of Bupa subscribers. Subscribers will not realise that they have no cover until ✂.

Instances such as these, where terms and conditions are changed at the whim of the PMI are frequent. ✂.

Yours sincerely