Member of the public 7

17 September 2013

Dear Mr Whitcomb

I have read the summary of the provisional findings of the Competition Commission's investigation into PMI provision in England. To say I am bitterly disappointed in its contents is an understatement.

1 My disappointment

a) I find the initial report to be an attempt to sort out a dog-fight between two arms of big business who accuse each other of greed, while the hard pressed premium payer is left playing piggy in the middle with absolutely nowhere to go.
b) As an individual policy holder who has made a claim I have two options only: pay up on whatever terms my current insurer presents or push off out of the PMI system. It is clear that no consideration has been given to the question of how competition would make the system more fair and competitive for policy holders.
c) What is going to be done to redress this situation?

I am not a fool and realise you will be dealing with a mass of data and statistics, so people, as such tend to get lost in the equation. However, as an end user I wanted to have some kind of voice, but can only conclude individual voices were not going to be heard.

Although not an expert in statistical techniques, I read your summary report with care. While I am sure that there is much in what you say, **I just do not recognise the picture you paint regarding the position of HCA in London**.

2 My experience of fees in London

a) When I was diagnosed with breast cancer in [✂] I had the choice to be treated either locally, at a BMI hospital in [✂], or at the HCA facility at London Bridge.
b) I discussed this with my insurers, Axa/PPP and the advisor recommended the HCA's London Bridge Hospital so I would be treated by the Guys/St Thomas' Hospital team, with separate specialists in surgery, chemotherapy and radiotherapy. Each of these specialists was highly regarded by peers in the field of expertise and at the forefront of treatment.
c) The BMI facility would provide one specialist working out of the local NHS Trust at Woolwich, which was in financial and other trouble at the time, with a deteriorating situation. The local specialist had had some training at Guys/St Thomas' (under the team by which I was going to be treated at London Bridge) but has no wider profile in the treatment of cancer.
d) Ironically, the local consultant had fees pitched at a higher level than those of the specialist of international reputation who had trained him and who treated me at the HCA facility at the London Bridge Hospital.
e) **This fee discrepancy remains to this day,** yet with further irony, Axa/PPP will no longer pay the specialist at London Bridge Hospital in full, while they will still fully fund the local man. The insurer will not explain why this is so; therefore, **I do not understand this stance, and probably never will.**
f) Some two years later, I had a minor gynaecological condition for which I sought private treatment. By this time the strategy of fee-capping had started to operate widely, and at Axa/PPP's behest I was obliged to shop around for a package they would fund in full. Once again, I found that the BMI hospital, which is my "local" private facility would have charged **far more** than the package I got from London Bridge, although I was not able to receive treatment from my first choice surgeon there.

g) In my experience self-funders actually pay lower fees, because of lower administration costs.

3 Method of referral

There is also a suggestion in the report that patients are referred to particular consultants by GPs or consultants who receive benefit from this. Again, I can categorically state that the decision to be privately treated was mine alone (after experiencing the traumatic horrors of my local NHS Trust for diagnosis). My GP practice and the consultant who delivered the diagnosis had no input into that decision or the hospital group/consultant chosen; the recommendation for the latter came from my insurers.

4 Variations of staff experience between hospitals

Obviously, you will have a broader picture than mine and may well have found the central London based HCA hospitals more expensive than is justified by their overheads, although from personal experience I have not found this to be so. However, I could account for the greater expense in general terms because of the type of staff who opt to work at HCA facilities. These are generally top class practitioners, with international reputations, who might naturally be paid more for their knowledge, expertise and experience, in much the same way that an opera buff might pay more to hear a top flight diva than the lass from the local amateur operatic society! You do acknowledge that Axa/PPP uses its market position "clout" to achieve "significantly lower prices" than smaller insurers, while simultaneously pointing out that HCA charges to PMI providers are too high. **I find this position contradictory**.

5 Changes to terms and conditions passed off as previous errors

a) My particular type of cancer is not treatable by any drug therapy. Therefore, the only way forward for me is careful monitoring for recurrence of disease either at the primary site or as a secondary. In order to do this, my specialist's clinical judgment is that in addition to an annual mammogram and blood test, my lungs and liver need checking. Perhaps in another case, this would be "over diagnosing", but not in mine. You will not doubt realise that each cancer case is an individual one and they cannot be compared one against another. So, I find it shocking that my insurers have not only fee-capped my specialist but refuse to give me an explanation.
b) Furthermore, having paid for the lung and liver tests for a number of years, my insurers (Axa/PPP) have pulled the plug on the funding for this (justifying previous payments as "error"). **Axa/PPP will not grant my request for independent medical adjudication, so my choices are to cut down on heating and eating so as to afford these tests next year or risk my health by not having them**

6 Dangers to consumers from cost driven advice

I note that the Competition Commission considers there to be sufficient information about treatment options in the public domain, while stating that there is insufficient information about fee structures and performance indicators.

While I agree that a potential patient may well have to make enquiries about fees and costs, the public profile of my own consultant is readily available online. My biggest problem is that Axa/PPP has, for some unstated reason, "taken agin him" and will not fund his services in full, although his charges are lower than many consultants they will fund in full.

When I asked Axa/PPP for a list of breast **cancer** consultants whom they **would** fund, the medically unqualified "advisor" included the name of a gender reassignment specialist (presumably because the word "breast" came up in his profile). When I checked further, it became clear that he dealt with breast reconstruction: his expertise was in implants and his cancer knowledge was no greater than any GPs! **With medically unqualified clerical personnel driving selection of treatment options (presumably cost driven) this cuts CONSUMER choice and if my experience counts has the potential to put the consumer in harm's way.**

Anyone who seeks initial cancer treatment from a breast reconstruction specialist could lose valuable treatment time. I can affirm that when one has an adverse diagnosis one may not be in the best frame of mind to make decisions and therefore be over-reliant on advice from one's insurer, which is not guaranteed to be reliable.

7 Gimmicks versus patient care

An area of policy cover that did not appear to be looked at was the percentage of the premiums actually spent on treatment. I realise that insurers have overheads and need to make a profit. However, my own insurer takes pride in making charitable donations, publishing a magazine and veering alternative therapies of dubious medical value, as well as publicising special offers for chocolates and spa treatments! I must ask how this affects competition in its truest sense.

8 Lack of fairness in fee setting and premium calculation

A second significant omission was no real consideration of how the setting of fees and fee-capping operate across the country.

a) Inasmuch as I have been able to investigate the matter with my own insurer, fee levels to consultants for treatment/procedures are set nationwide whereas clients pay premiums based on where they live. London/South East policy holders pay higher fees to take into account higher costs. However, this same cohort appears to be the one most affected by fee-capping.
b) Also, provincial clients who pay significantly lower premiums may opt to be treated in London. Obviously they would have to pay any top up fees, but this would be offset by their lower premiums. My insurer will not/cannot supply any data on this issue as it is deemed "commercially sensitive".

I cannot see this as being a fair or competitive practice.

9 Lack of portability in PMI cover

a) The final area on which I could find **nothing** in the report is **portability for the policy holder**. In every other area of insurance in my life (car/home/contents/travel) I am encouraged to change providers annually to get the best deal. However, with PMI this is a closed door, if one has had to make a claim.
b) I have trawled the range of PMI providers and, not unexpectedly, find that cancer would be an excluded pre-existing condition if I changed PMI provider.
c) So it seems to me that there is nothing in the preliminary report to encourage insurers to be more competitive as far as policy holders are concerned.

I trust these matters will inform your deliberations before a final report is delivered; and it is to be hoped that the lack of competition for **policy holders** will be put into the equation as well as the profit margins of two arms of big business.

SUMMARY OF AREAS OF DISAPPOINTMENT IN REPORT COVERAGE

a) The report only deals with areas of dissatisfaction between hospital groups and insurers. The lack of competition between insurers for Policy holders does not feature.

b) My experience of private health care provision has been that BMI (my local hospital) has been more expensive than the HCA costs (central London) and that self funders actually pay less because of lower administrative costs.

c) My experience is that I chose to be treated privately and following Axa/PPP recommendation, I chose the location, not my GP. Incentives for recommendations could not have featured.

d) The Report does not take into account the differences in experience and expertise that exists between many private hospitals that may account for different costs. Many are staffed by local consultants whose professional profile and expertise are lower than that enjoyed by central London hospitals drawing on the consultant base of the best teaching hospitals

e) There is no account taken by the Report or by insurers of the variability in case histories between people with the same disease. What may be "over diagnosing" in one case may be essential in others.

f) There is no account taken of how insurers may change policy terms and conditions, even during a contract year, and seem under no obligation to inform the policy holder

g) There is no account taken of the practice of "guided referral" and its potential for patient harm. The clerical staff who make recommendations have no medical training and currently seem driven more by lowering cost than matching the patient with the best possible specialist and care.

h) No account is taken of the marketing and other gimmicks being funded from policy holders and its effect on premium levels and policy terms/conditions.

i) No account is taken of the way in which insurers set fee/procedure levels and calculate premiums. Fee/procedure levels are set nationally. Premiums are calculated regionally. Patients may opt to be treated wherever they choose. The anomalous situation is that those paying the highest premiums to cover higher regional costs may well be subsidising those whose premiums are lower while simultaneously suffering more from fee-capping.

j) There is no real portability in cover and thus no real competition for policy holders. Any claimant is committed to their current insurer as their pre-existing condition is excluded from cover. While this may be a mere moratorium for minor conditions, cancer tends to be a total exclusion.