

3 December 2013

Thomas Wood Esq
Inquiry Manager
Competition Commission
Victoria House
Southampton Row
LONDON
WC1B 4AD

Dear Mr Wood

Private Healthcare Market Investigation

The Private Patients' Forum (PPF) wishes to press a point it made earlier and to ask the Commission to give weight to other issues in the private healthcare sector which we believe adversely affect patients.

In our previous submission we noted that, whilst accepting that *'the market(s) for private medical insurance were not referred to the Commission for investigation'*¹, we continue to be concerned that the role of insurers in this market has not been reviewed by the Commission. PPF has always contended that insurers have a very significant effect on patient benefit in the use of private healthcare which does not always operate in the interests of patients. This should, in our view, have been a whole market investigation.

The further points that PPF would like the Commission to consider before it makes its final report are:

- The role of Private Medical Insurers (PMIs) as commissioners of healthcare:
Even if evidence supports the concerns expressed in the Bupa Response to Provisional Findings² about over-treatment, PPF does not believe that the remedy lies in PMIs taking the role of commissioners of healthcare. Patient choice will be further restricted by this and the desired free market will be undermined. The OFT noted in its report that clinical performance data are not available to PMI providers³. Whilst accepting that these data are currently also not available to GPs or patients, PPF is concerned that, even when they become available, PMIs may give them less weight than cost considerations. Further PPF contends that, without regulation in this role as commissioners and without appropriate inspection or relevant standards against which performance can be measured, patient detriment may arise. The environment in which NHS Clinical Commissioning Groups operate is in stark contrast.

¹ Provisional findings report: footnote 2 on page 1

² Bupa Health Funding:

http://www.competition-commission.org.uk/assets/competitioncommission/docs/2012/private-healthcare-market-investigation/131011_bupa_pf_response.pdf

³ OFT Private Healthcare Market Study: 5.37: Standardised, comparable information relating to a consultant's clinical performance is not generally available either to patients, GPs or PMI providers

choice in the hands of patients

PPF is concerned that the likely financial basis of commissioning (with or without clinical data) may lead to possible patient detriment. An example is referral to a general surgeon rather than to a specialist.

Certainly, it is PPF's contention that many insured people in employer funded schemes are unaware of 'Open Referral' and its effect on limiting their choice of consultant and hospital. PMIs must be required to make this crystal clear to the individuals concerned.

- A remedy to allow top-up fees:
PPF asks the Commission to specify a remedy to allow top-up fees which enhance patient choice and improve transparency.
- The declining numbers of consultants providing private healthcare:
PPF notes the reductions in the number of consultants working in the private sector (NAO Report 2012⁴) and wonders if the 'directed care model' of insurers deciding on who treats and where contributes to the reduction in consultants entering private practice. This outcome has potential for patient detriment through the reduction in choice and, through 'de-recognition' by PMIs, the possibility that there will be fewer specialist practitioners in the PMI funded pool.

We strongly urge the Commission to consider these reasonable concerns and to consider conducting "Part 2" of its investigation. As PPF has already advised the Commission, almost all the complaints received through the PPF website have involved patient problems with PMIs as premiums rise inexorably and patient choice is diminished.

Yours sincerely

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⁴ <http://www.nao.org.uk/report/managing-nhs-hospital-consultants/>