

Consultant 35

29 January 2014

Sir,

The Competition Commission (CC) has now announced the summary of the provisional remedies from their investigation into the private healthcare market. Although the full Provisional Decision on Remedies has not yet been published (we are expecting it on 17 January), the summary is biased in its remedy because it has overlooked options for patients of BMI and HCA.

I am in agreement with the following remedies:

- prohibition on or restriction of clinician incentive schemes provided by private hospitals to clinicians that encourage patient referrals to their facilities or for particular treatments or tests; and
- requiring the collection and publication of information on the performance of private hospitals and individual consultants and the provision of consultant fee information to patients.

However, I disagree with the following:

- divestiture of nine private hospitals—HCA should sell two hospitals in central London (London Bridge and Princess Grace) and BMI should sell seven hospitals in Greater/Outer London, Home Counties and the North-West of England. Buyers will need to get CC approval and to have the appropriate financial resources and expertise.
- the Competition and Markets Authority will review any proposal by a private operator to enter into an agreement to operate a private patient unit (PPU) in an NHS hospitals in a local area where it faces little competition;

Since the Competition Commission's investigation began almost two years ago consultants' perspective appears to have been ignored and this will be in favour of the Private Medical Insurance (PMI) industry but not patients. I agree with FIPO's assessment of the CC report in that it has ignored the impact of the insurers who are creating a closed market to the detriment of customers:

- The impact of "open referral" on patient care
- The changing terms and conditions of some PMI contracts for patients
- The dominance of PMIs vis a vis the consultants
- The de-recognition of consultants on dubious financial grounds
- The relentless attack on fees and reduction of patient benefits
- The barriers to entry for new consultants on fixed and very low fees
- The future economic unsustainability of consultant practice

For example I have now been "derecognised" by BUPA, AXA PPP and Pru Health. I have patients complaining that they will not get any funding to see me or cover hospital costs and I have had patients harmed by insurers sending them to untrained Consultants as a cheaper option ([§]).

I think the CC will come into healthy legal counterclaims about their recommendations to divest nine private hospitals. The CC will have to justify their remedy in a public arena. For example I for one operate in three private hospitals each of which have a different patient fee structure depending on facilities region and overheads. Many patients choose which hospital

to be operated on depending on cost, convenience and facility. Some travel as far as Bristol to take advantage of the lower costs. Therefore there is competition in the hospital facilities. I only operate out of only three hospitals [X]. There is no doubt the most important relationship remains the doctor patient relationship. It is not the patient insurer or the hospital patient or the insurer hospital. Therefore, taking into account the harm meted out to my patient by the insurer BUPA. [X] I cannot see how hospital divestiture is going to make a difference to customers but maintaining a free market should.

I would be happy to discuss the closed private health market with the CC at any time.