

Consultant Group 41

31 January 2014

Dear Mr Witcomb and Panel Members

Like very many other people, we were deeply disappointed to read your most recent report.

There are so many important issues that are actually a problem within the Private Healthcare Sector right now and that do actually directly and indirectly adversely affect patient care (the patients being the 'consumers' in this special market), and yet your report seems for some bizarre reason to ignore nearly all of them? You have failed to address:

- The fact that BUPA and AXA/PPP together control well over 60% of the PMI market, which thus surely makes them a clear oligopoly?
- The fact that the PMIs are anti-competitively price fixing consultants' fees, with no regard whatsoever for quality and no acknowledgment that consultants' services vary considerably in terms of service level, experience, expertise and costs (with no appreciation for the enormous geographical differential in costs for, say, Central London vs Scunthorpe).
- The fact that BUPA and AXA/PPP are overtly bullying, discriminating against and blackmailing newly appointed consultants, who are being forced to sign up to highly restrictive contracts and have their fees unduly capped, or else they are refused 'recognition', and hence their right to practice freely in an open market. Surely this is an overt anti-competitive restriction of trade?
- The fact that BUPA, AXA/PPP and others of the PMIs are distorting the market by diverting patient referrals away from the consultant of the patients' and GPs' choice, instead forcing patients to see only the cheapest consultant, often without even any regard to whether that consultant actually has the correct subspecialty interest for the individual patient's particular specific medical needs. Removing the right of patients to be allowed to pay top-up fees even if they want to is an overt removal of patient/consumer choice, and is again surely a clear example of an anti-competitive distortion of the market, which is clearly to the detriment of the patient.
- The fact that any PMIs is currently able to remove recognition from a consultant without any reasonable excuse, based purely on fee levels, the effect of which is effectively to destroy the consultant's practice, removing them entirely from the market, and yet the consultants have no right whatsoever to any independent appeal process.

Any yet somehow, despite all these clear and major problems, the Competition Commission has somehow managed to miss the point, ignore the most important problems and simply conclude that an appropriate 'remedy' in Central London would be for two of HCA's best private hospitals to be divested!

This situation is nothing short of bizarre, and unfortunately the Competition Commission's most recent conclusions simply bring into question the validity of its entire investigation.

We work at The London Bridge Hospital, and we choose to do so because we firmly believe that it is the best hospital that we have ever worked at! And by best, we mean that it has:

- The best nurses, with the highest staffing numbers,
- The best equipment (which in theatres, as a surgeon, is critical),
- The best theatre staff,
- The best patient services (admin, hotel services and customer services),

- One of the very best ITU Departments in the entire country,
- An incredibly broad and comprehensive mix of some of the country's top specialists ensuring that inpatients have access to the fullest and best range of services, and
- The most prime location in the entire country, being right on the very edge of The Square Mile, in the centre of The City.

Of course The London Bridge Hospital is going to be more expensive than some little cottage hospital in the middle of nowhere! The remarkable thing is that their prices are only marginally above some of the far lesser and more remote and less noteworthy hospitals out there.

The reason that The London Bridge Hospital is such a remarkable and excellent hospital is largely down to the incredible levels of investment put in by HCA over the years – at levels not seen by any of the other private hospitals groups within the UK. HCA has the resources and the commitment necessary to make The London Bridge Hospital what it is today and to continue its development so that it remains at the very top of what this country's healthcare services are able to offer patients.

The analysis of the market on which the Competition Commission's conclusion are based is deeply flawed. If the Competition Commission insists on pursuing its drive for the forced sale of The London Bridge Hospital and the Princess Grace Hospital then this will inevitably result in major legal battles – and this will be a legal battle that HCA is very likely to win, which will seriously damage the reputation and credibility of the CC. More importantly, this will cost millions of pounds – millions of pounds that should and would otherwise actually be spent by HCA on investing further in their services and in patient care. Therefore, not only are the CC's suggested remedies inappropriate, pointless and ineffective, but they will actually indirectly cause damage to patients, and the CC will be harming the very people that they should be protecting and acting on behalf of.

PLEASE re-think your position, even if this means delaying the release of your final conclusions, because otherwise if you continue down your current route you will be heading towards disaster for all! Doctors and patients alike are looking at you to address some of the many inequities and imbalances in the current private healthcare system that arise from the Private Medical insurers, and this is a once-in-a-generation opportunity for these ills to actually be addressed. PLEASE don't squander this opportunity as the harm that will be caused will be enormous and, quite frankly, unforgivable.