

9 March 2015

Lara Stoimenova  
 Competition & Markets Authority  
 Victoria House  
 Southampton Row  
 London  
 WC1B 4AD

Dear Lara,

## Private healthcare market investigation remittal

I refer to your letter of 23 February 2015 to Alexander Chadd setting out some further details about the process for the remittal and requesting submissions on any relevant matters that Bupa considers the CMA should take into account in the remittal.

Our understanding from your letter is that the CMA's current focus is on scoping its approach to the remittal and putting together the administrative timetable for the process. Accordingly, our comments below are focused on high level points relating to the overall scope and shape of the remittal process. Detailed submissions on the substantive issues raised will follow at a later date.

- Overall, Bupa's main concern is that the CMA adopts a process that enables all parties – not just HCA – to participate and to have an opportunity to present their views. Given the scope of the remittal, it is important that the CMA takes into account all aspects of the market and all of the evidence available to it when coming to its revised conclusions. Such an approach (which we understand to be your intention) will ensure that the CMA reaches a balanced and robust conclusion on competition in the central London market.
- More specifically, Bupa sees it as important that consideration is given to the full range of evidence before the CMA. We understand that the remittal has been ordered because of challenges made to the insured price analysis ("IPA") conducted by the CMA, but the IPA was only one aspect of the evidence contributing towards the CMA's assessment of competitive conditions in central London and we would be concerned if it were to assume a disproportionate significance in the CMA's reconsideration of these issues.
- We also see it as important that the CMA takes into account up to date evidence on competitive conditions in the central London market. Bupa intends to provide further evidence on the current competitive conditions in this area during the remittal process.

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- Finally, Bupa's understanding is that the IPA adopted a common methodology as between the analysis applied to the central London market and the equivalent analysis applied to the non-central London markets. As such, Bupa would expect the CMA also to consider as part of its remittal process whether the errors identified in relation to the IPA relating to central London are likely also to apply to the non-central London IPA – and in particular whether such errors may undermine the conclusions reached by the CMA in relation to competition in non-central London markets. Were this to be the case then, as a responsible authority, the CMA should in Bupa's view clarify its position and seek to re-consider its decision that no adverse effect on competition arises in respect of insured patients outside central London.

Bupa looks forward to the CMA's confirmation of the administrative timetable for the remittal – this will help Bupa (as well as other interested parties) plan for the remittal process in as effective a manner as possible.

Yours sincerely,

Isabel Taylor