Consultant 18

1 May 2012

Dear Sirs,

In the light of your current investigation into private healthcare, I write to raise my concerns with regard to the behaviour of the major private healthcare insurers over the last few years: behaviour which I believe to be anti-competitive and contrary to the best interests of patients.

The first issue is the trend amongst insurers to introduce their own individual, and widely varying, fee schedules to which they expect clinicians to adhere. In effect this is asking clinicians to charge differing fees to different patients for the same procedure: a practice which seems fundamentally unfair to patients and contrary to the concept of ethical billing. Moreover, clinicians who insist on charging all patients a standard fee for a procedure, and thus do not adhere to a company's schedule, are threatened with de-recognition: [✄]. I note that I have never known a clinician to be de-recognised by an insurer on grounds of poor clinical care: the motivation is always openly financial. The current practice of BUPA and AXA to recognise new consultants only on a fee assured basis is another example of major insurers using their market share to attempt to manipulate the market: it prevents new consultants from setting their own fee levels and thus hinders the free competition that can only benefit patients.

Perhaps a more important issue is the attempt by BUPA and other insurers to manipulate the referral process. Traditionally, a patient will contact their GP, whom they probably know and trust, for advice and referral to the specialist most appropriate to deal with their problem.

The GP has no financial interest in the process, and, in order to maintain their relationship with the patient, will act in the patient's best interest and refer appropriately. Several of the major insurers seek to compromise this impartial referral process as, when contacted by the patient for pre-authorisation for the initial consultation, they will routinely ask the patient if they would rather see another consultant, whose rates are cheaper. In the vast majority of cases, the alternative consultant is not a specialist in the appropriate area (a patient with a foot problem might well be advised to see a hip specialist, for example), which is usually why they are charging lower fees. Hence what might appear to be a pro-competitive practice is simply a tawdry attempt to save money by purchasing a less-specialised level of care. If you ask a plumber to fix your electrical problem he will probably charge you less than an electrician, but he is unlikely to do as good a job.

An even more [✄] attempt to manipulate the market is the BUPA's new policy of encouraging corporate policy holders to approach them, rather than their GPs, for referral to a specialist. GPs are impartial and, in most cases, receive feedback from patients as to the quality of care that a consultant has provided. BUPA holds no clinical outcome data upon which it can assess consultants' practices and by which it might direct patient referrals. The only data relating to consultants that BUPA holds are financial, so by definition patient referrals can only be directed on financial rather than clinical grounds. This can hardly be in the best interest of the patient.

Finally, in many instances, in the correspondence sent to patients by insurers, it is often not made clear to the patient to what extent a consultant's invoice has been settled, why the company has not met the bill in full, and that the patient is liable for any outstanding amount. I realise that this is not, strictly speaking, a competition issue, but it is an issue of financial clarity which I feel could be improved.

I must apologise for the long e-mail, but I feel that the above issues are important need to be addressed if the UK private healthcare market is to be free and competitive one centred on quality of patient care.

I look forward to hearing the results of your deliberations.