**Consultant 182**

21 November 2012

Dear Sir/Madam

**Private Healthcare Market**

I wish to complain in the strongest terms about the unfair and anti-competitive actions of the private medical insurers (PMI) Bupa and AXA-PPP which are:

1. Distorting patient referrals to consultants on the basis of cost and not clinical grounds.
2. Denying newly qualified and established consultants the opportunity to set and modify their own medical fees by coercing them to agree to unfair terms, conditions, and fees over which consultants have no input or control.
3. Misinforming patients regarding consultants fees as being “excessive” and “over-charging”.
4. Using misleading terms regarding the services they provide to subscribers.
5. Failing to provide information about hospital charges which lack transparency.
6. “Bundling” consultation and procedural charges to reduce reimbursement.

**1. Distorting patient referrals to consultants on the basis of cost and not clinical grounds.**

Consultants who do not agree to a unilaterally determined reduction in reimbursement for a specific procedure or consultation are “delisted” by Bupa and AXA-PPP. This results in patients being diverted to consultants who may not provide the same level of expertise or subspecialty experience that the consultant recommended by their primary health care professional may provide. This may result in the patient receiving a lower standard of care, or delay in receiving care due to the need for referral to a consultant with the specific expertise required, and reduces the choice for patients.

The majority of ophthalmology (eye disease) referrals originate from their optometrist, who has sufficient training and experience to identify and refer to an ophthalmologist with the appropriate training and specialist experience to manage the patient’s problem(s). The optometrist may refer the patient directly to an ophthalmologist or send a referral via the general practitioner.

In my experience as a consultant ophthalmologist of [✄] years, and with [✄] years of training medical and optometry undergraduates and postgraduates, I observe that optometrists are more aware of the particular specialist needs of their patients than general practitioners as the latter now only have very modest exposure to ophthalmology in their medical training, averaging only 10 days of ophthalmology speciality training as undergraduates. In addition, optometrists are able to assess the competence and skills of ophthalmic surgery, such as cataract surgery, because they assess their patients after treatment. As a result, the optometrist may recommend a particular ophthalmic surgeon because they can recognise the skills and expertise that an individual surgeon may offer compared with similarly qualified colleagues.

Bupa and AXA-PPP have no means of recognising the particular skills and expertise of a specific surgeon nor do they undertake any form of monitoring or assessment of the quality of the service that the surgeon provides. The redirection of a patient referral by an employee of Bupa or AXA-PPP is made primarily on financial and not clinical considerations which interferes with and distorts the doctor-patient relationship and inter-professional relationships.

## 2. Denying consultants the opportunity to set their own medical fees

Consultants must be free to determine and modify their own fees in a competitive market. Newly appointed consultants are being coerced by Bupa and AXA-PPP to agree to fees determined solely by themselves, as failure to agree to their fee structures disqualifies any benefit being paid to the consultant by the insurer, further limiting patient choice.

Established consultants should be entitled to modify their fees in line with the effects of inflation while recognising the need to remain competitive. As a result, the majority of consultants including myself have set their fees in accordance with published agreed rates of reimbursement by insurers such as Bupa and WPA, until the recent unilateral reduction of reimbursement and procedure downgrading by Bupa and AXA-PPP.

## 3. Misinforming patients regarding consultants fees

Consultants who have not increased their procedural fees are misrepresented by Bupa and AXA-PPP as "overcharging" or as "excessive". My own procedural fees (such as cataract surgery, CCSD code C7122) have remained static for 17 years, which recognises that improvements in procedures and surgical efficiency are offset by the impact of an average annual inflation of around 3% or 50% over my consultant career to date.

This misrepresentation of consultant charges includes misleading statements by the managing director of Bupa attesting to "challenge spiralling consultant charges" in the Financial Times May 5th 2012, despite the Bupa chief executive later recognising in the same newspaper the more significant effect of medical inflation and lack of competition between hospitals.

## 4. Using misleading terms regarding the services they provide to subscribers.

Bupa uses the term "Premiere" consultant only when the consultant has agreed to the Bupa fee scale. This is deceptive as the word "Premiere" implies quality of service rather than financial considerations. Similarly, the use of the word "open" is misleading, as the Bupa "Open referral" system is restrictive, and results in patients being directed to consultants for financial rather than clinical reasons.

## 5. Failing to provide information about hospital charges which lack transparency

It is unfair and anti-competitive that consultants are expected to agree explicit procedure and consultation charges with insurers when hospital charges are withheld from similar scrutiny due to "commercial confidentiality" between hospital groups and minutes.

## 6 "Bundling" consultation and procedural charges to reduce reimbursement.

The CCSD coding system used by insurance companies is a derivative of the OPCS-4 coding system used for procedures, and distinct from consultations and other doctor-patient interactions which are more accurately recognised and coded using SNOMED CT. The process of "bundling" a clinical procedure such as cataract surgery with a follow up consultation into a single CCSD code (such as C7122) to reduce reimbursement is as unacceptable as the process of "unbundling" procedures into multiple elements to fraudulently increase remuneration.