Consultant 83

25 July 2012

Dear Sir,

I have been in post as a full-time consultant anaesthetist in the NHS since [✂]. My sub-speciality is [✂]. I treat private patients both as an anaesthetist and as a [✂] physician.

In my view, the bigger insurers (especially BUPA) are guilty of being deliberately obscure when dealing with their policy holders and so, time-and-again, I see patients who believe that they are fully insured when, in fact, they are not. The patient then has to decide whether to pay the shortfall, look for another private doctor, or seek NHS treatment.

I can understand that BUPA et al need to maximize the premiums which they collect, and minimize the benefits which they pay. There is, however, no transparency. The policy holders do not realize that they are under-insured until it is too late. Recent reductions in payable benefits have been decided unilaterally by BUPA in the hope that specialists will simply continue to provide the same services at reduced fees. Since the benefits which they will pay have not shifted for two decades, this goes beyond optimism and strays into usury.

I have always been very clear that, in my independent practice, I will set my fees. I make no distinction between self-paying patients, the insured, those funded by litigation or by any other third party. I tell my patients that if they seek my professional services, I expect them to pay my fee and that if they are relying upon some third party to pay, they should look into this *before* presenting for treatment. My fees and terms are clearly set out on a website. I could only wish that BUPA were as clear in their communications with their customers.

I have resisted BUPA's attempts at seizing control of private healthcare by simply ploughing my own independent furrow and accepting that some under-insured patients will choose to go elsewhere. Some of my younger colleagues have been effectively forced into working for artificially low fees by BUPA's increasingly restrictive practices: they are asked to sign contracts which effectively promise work in exchange for low fees. BUPA becomes these doctors' *de facto* employer and behaves in a way which no other employer would dare.

You may recall that, many years ago, the BMA used to publish a scale of recommended fees to guide doctors in private practice. This was stopped by Margaret Thatcher, on the grounds that it was anti-competitive. For some reason, the largest of the health insurance providers has been allowed to continue to publish the maximum fees which it will pay, so allowing it to set the market rate. Surely, this could also be construed as being anti-competitive? Perhaps the answer for the 21st century is to have an on-line database showing all doctor's fees for procedures they offer, and all insurer's benefit maxima. This could allow the customers to see how any individual specialist's fee compared to the distribution of all specialists' fees. The benefits offered by any given policy for any given condition could be compared to other policies and to specialists' fees. This would be an almost trivial software problem which could be up and running within weeks.

Finally, I would make a particular plea for the plight of anaesthetists. 100 years ago, the consultant surgeon would get his most junior ward doctor to administer the anaesthetic for a procedure. Today, anaesthesia is a speciality within its own right and it embraces the sub-specialities of pain medicine and intensive care medicine. The fee structure set by all of the major health insurers, however, continues to focus on the notional complexity of the surgery in question with the anaesthetist being paid a fraction of the surgeon's fee. Trivial surgery may make great demands upon the skill and resources of the anaesthetist if there is significant co-morbidity, but there is no recognition of this in the insurer's world-view. Indeed,

the fact that many of them continue to refer to "consultants *and* anaesthetists" shows that they have no real understanding. Nearly every anaesthetist working in private practice in the UK will hold (or have held) a substantive NHS contract *as a consultant.* Because the insurance companies' benefits payable to consultant anaesthetists are often derisory, it is not at all unusual to find that the anaesthetic fee is not adequately covered. I feel that, in the interests of competition, the insurance companies should be able to pay what they like: I don't think it is in anyone's interests to have a statutory body rigging the market, but again, *transparency* is vital. If a customer is going to take out a policy which is likely to meet only half of his anaesthetist's fee, let him know that before he signs.

In short, BUPA's strategy is to try to run the market, setting professionals' fees and squeezing out those who will not comply. The smaller companies will wait for BUPA to move and then mirror its behaviour. I should prefer an open system where the different benefits payable can be compared to the range of fees charged and to the specific fees of individual doctors. This will allow choice and competition to flourish.