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FIPO
federation of independent
practitioner organisations

FIPO NEWSLETTER - May 2012

Dear Colleagues,

We are distributing this newsletter through FIPO's membership organisations listed below and through our other contacts. There are major changes in private medical insurance (PMI) which need the urgent attention of all consultants in private practice.

COMPETITION COMMISSION INQUIRY

The OFT market study has concluded that there is a wider need for a Competition Commission Inquiry in to the whole independent healthcare sector. The OFT report may be seen here <http://www.of.gov.uk/OFTwork/markets-work/private-healthcare/>

This report contains several important points made by FIPO and we are quoted in various places but the report has largely excluded the insurers from analysis. We have now submitted further initial evidence to the Competition Commission but their inquiry may take up to 18 months.

A useful outcome from the OFT review was the undertaking given by health insurers to the Financial Services Authority that they would either pay consultant charges or advise their customers of the likelihood of a shortfall at both the point of purchase and the point of claim. For the first time, this will allow consumers to choose between those insurers that pay consultant charges and those who do not.

INSURANCE CHANGES

Bupa Insurance has adopted a new strategy with several different tactics. Attempts to engage Bupa in negotiation by several professional groups have been largely rebutted.

- **Preauthorisation**

For certain procedures (knee arthroscopy and some shoulder operations) Bupa is now demanding that consultants send a detailed pro forma which they will vet before agreeing funding for surgery. The BOA/BASK/FIPO have objected strongly to this and in particular to the introduction of insurance-based clinical guidelines and external review by clerical staff or doctors who have never seen or examined the patient. The Royal College of Surgeons of England was clear and supportive over this matter of distant second opinions.

- **Patient Reimbursement Changes**

Bupa benefits to patients for their consultant fees have been slashed across the Board in many specialties (including ENT, endoscopy, dermatology/plastic surgery, urology, gynaecology, orthopaedics) with some reductions of up to 55%. More cutbacks are anticipated. For clarity, in these specialties Bupa have also raised reimbursements for a small number of procedures, but these are procedures are less commonly performed. The reduction in 39 fairly common procedures in these specialties amounts on average to a 32.25% cutback which equates with an average reimbursement reduction to patients for

their consultants' fees of £213. These reductions apply to rates which have remained largely unchanged since 1993.

In addition, Bupa has reduced benefits in certain fields such as cardiology for specialised tests i.e. echocardiography in a complex arrangement. Consultants are being asked to sign up to this massive reduction or their patients will not be reimbursed for these services i.e. these consultants will be unable to perform these tests for patients under their Bupa insurance. This latter approach is similar to Bupa's previous tactic with physiotherapists who were asked to commit to lower reimbursements or face delisting.

- **Bupa Open Referral**

Consultants may be aware that Bupa's Open Referral policy applies to a number of corporate subscribers and some personal subscribers. Essentially the normal GP to consultant referral pathway is broken and the patient is offered the name of alternative consultants at preauthorisation based on Bupa's list of consultants who have agreed (or been forced) to charge within the Bupa reimbursement levels. We think that consultants have a right under the Data Protection Act to see the data held by Bupa about them (see page 3).

We would remind consultants that their contract is with the patient who is ultimately responsible for their fee. Patients may have different insurance cover (and thus benefits) and any shortfall on consultant fees is their responsibility.

In forming various partnerships with consultants BUPA excludes the patient from the equation and thus locks consultants in to a reimbursement rate set by the insurer. Of course this payment may well be further reduced in the future (as experience has shown in the USA where this tactic has been imposed by various insurers).

[FIPO CONSULTANT SURVEYS - WHAT DO CONSULTANTS THINK?](#)

FIPO has received many emails and letters from consultants and together with ENT-UK, the British Society of Gastroenterology and Association of Coloproctology of Great Britain and Ireland has organised two SurveyMonkey questionnaires with over 700 respondents. The results have to be interpreted within the context of the arrangements that consultants may have with Bupa which may involve the following

1. Newly appointed consultants who are being placed onto a fixed fee schedule by Bupa (and AXA PPP) and who have no option but to accept or fail recognition.
2. The "old" Bupa Consultant Partnership in which consultants agreed to charge within Bupa reimbursement rates and received a small annual bonus for operative procedures only.
3. A Fee Assured Partnership based on a more recent detailed contract issued by Bupa and in which consultants must adhere to Bupa rates.
4. Consultants who have no Partnership arrangement with Bupa and who make their own charges.

At Bupa's own hospital, the Cromwell, less than 50% of consultants are 'fee assured'.

The Consultant SurveyMonkey results seem fairly clear.

- *Young consultants on the fixed fee schedule (which also may involve AXA PPP) are overwhelmingly critical of this arrangement and very few receive any extra referrals via the insurer.*
- *There are very few consultants who have been tempted to sign the latest "Fee Assured Partnership contract" with Bupa.*
- *Consultants in the older Partnership do not now all receive the annual small bonus (and the future of this bonus appears to be threatened).*

The responses in the SurveyMonkey questionnaires about consultant intentions depend on the respondents' relationship with Bupa.

- *Newly appointed consultants in a fixed fee “Partnership” would all wish to withdraw but are prevented from doing so.*
- *The majority of consultants outside of any Bupa Partnership will not accept the new Bupa reimbursement rates and will continue to set their own fees.*
- *The majority of consultants within the old Bupa Partnership and the very few consultants in the new Fee Assured Partnership with Bupa are intent on withdrawing.*
- *However, overall 25% of consultants are unsure of how to react to the current situation and are seeking advice.*

WHAT CAN CONSULTANTS DO?

- **Should consultants remain in or join a Partnership arrangement with Bupa?**

Clearly consultants are faced with a difficult decision which must be taken personally. Some are fearful that other colleagues may have some advantage if they withdraw from a Bupa Partnership.

Consultants should consider the facts. For example, would remaining in a “partnership” with an Insurer mean that a consultant loses the contract with the patient, leading to

- a total loss of professional independence
 - no guarantee of any future reimbursement increases (indeed most likely the opposite)
 - the likelihood that other insurers will follow the Bupa example?
- **Data Protection**

Consultants should also know that Bupa does apparently hold information about them and that under the Data Protection Act they are entitled to see this. We would encourage all consultants to write to Bupa, who are obliged to respond even if they may ask for a very small fee not exceeding a few pounds. We attach a template letter that may be used to request this information.

- **Patient Information Leaflet**

It is very important that consultants and hospitals should explain the issues to their Bupa patients. A Patient Information Leaflet has been prepared and is attached for you to download. This should be sent or given to patients and it will also be helpful to send this with a personal covering letter to your GP colleagues explaining the issues.

Patients who are affected by the removal of choice should be aware of the restrictions being placed upon them in terms of choice and benefits. As outlined in the Patient Leaflet they may take several steps.

- Patients can complain by writing to Bupa at <https://www.bupa.co.uk/contact> or by writing to the CEO of Bupa, Mr Stuart Fletcher, Chief Executive, Bupa, Bupa House, 15-19 Bloomsbury Way, London, WC1A 2BA and to Dr Natalie J Macdonald, Medical Director, Bupa Health & Wellbeing UK, Bupa, Willow House, Pinetrees, Staines, Middlesex TW18 3HZ
- All corporate subscribers to an “open referral” policy should explain to their HR director or their company manager responsible for their medical insurance that Bupa has removed their primary choice of consultant.

- Patients who remain dissatisfied or feel that their benefits have been reduced should report the issue to the Financial Services Ombudsman which is a free service and information is available at <http://www.financial-ombudsman.org.uk/consumer/complaints.htm>
The postal address is Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR. The Consumer Helpline is 0845 080 1800.
- Patients should note that there is a Private Patient Forum with a social network blog that they may wish to access and make their views known there. <http://www.privatepatientsforum.org/>

SUMMARY POINTS

1. These are difficult times for all consultants and their patients. Consultants should appreciate the profound long term implications of the Bupa strategy; would it be a totally Managed Care scenario in which the insurer would control all aspects of patient care from preauthorisation of what treatment is allowable to the choice of consultant and the level of fees payable?
2. FIPO does not encourage unreasonable or excessive fees and also recommends that consultants should, whenever possible, give an estimate of fees in advance of treatment to their patients. Of course consultants who opt for a Bupa partnership will be reimbursed directly through the insurer at whatever level the insurer determines.
3. At the bottom line it is the patient who may suffer through lack of choice of consultant and if any consultant has evidence of patient diversion by an insurer resulting in an inappropriate specialist dealing with the case or if there has been any harm or delay to the patient then they should contact FIPO with the details. This will be dealt with in an anonymous manner.
4. You may wish to warn your referring GPs about this matter. Finally and most importantly, you may wish to share this letter with your local colleagues who may not have received this, bearing in mind that each consultant should make his/her personal decision about their intentions about joining, remaining or leaving a “partnership” with an insurer.

FIPO Board Membership

Association of Anaesthetists of Great Britain & Ireland
Association of Coloproctology of Great Britain & Ireland
Association of Independent Radiologists
Association of Ophthalmologists
British Association for Surgery of the Knee
British Association of Aesthetic Plastic Surgeons
British Association of Plastic, Reconstructive and Aesthetic Surgeons
British Association of Urological Surgeons
British Elbow and Shoulder Society
British Hip Society
British Orthopaedic Association
British Orthopaedic Foot and Ankle Society
British Orthopaedic Trainees Association
British Society of Gastroenterology
ENT-UK
Group of Anaesthetists in Training
Hospital Consultants and Specialists Association
Independent Doctors' Federation
London Consultants' Association
Society of British Neurological Surgeons
Sussex Association of Consultants