

FIPO Media Response to CC Private Healthcare Market Investigation (28/08/13)

Describing the summary of the provisional findings of the Competition Commission's (CC) investigation into the private healthcare market, Geoffrey Glazer, Chairman of the Federation of Independent Practitioner Organisations (FIPO), explained:

"FIPO are considering the summary of provisional findings of the CC's investigation into the private healthcare industry in the UK, and look forward to the full statement, to be issued shortly. We will provide a full response in line with the Commission's published timeline.

The CC's investigation appears to have focused on the interaction between private hospital groups and the private medical insurance industry (PMI). On initial review, we are concerned that the CC may have failed to recognise the unique relationship between consultants and their patients.

We welcome the CC's recommendations on information transparency and are pleased that the CC recognises that consultant groups may be of benefit to patients and that any local market power held by individual consultants does not give rise to competitive harm. We also welcome the CC's recognition of the fact that PMIs have buyer power although we are concerned that the negative effect of this on competition and patients does not appear to have been sufficiently addressed.

The intervention of PMIs in the clinical referral and treatment process has the potential to hinder patient and clinician choice, stifle competition, and, ultimately, hinder the overall quality of treatment."

Additional comments:

Transparency of information:

"We welcome the CC's recommendations about the need for improved transparency and provision of information. Indeed, in partnership with The Private Healthcare Information Network (PHIN), FIPO are in the process of developing a robust system for measuring and reporting outcomes data in private practice. Informed choice by patients and clinicians is fundamental to good quality care."

Choice of hospitals:

"FIPO believe consultants should be free to choose whichever hospital is best suited to achieving positive clinical outcomes for their patients. As such, increased transparency around the performance of private hospitals, as well as quality and outcomes measures, will effectively provide private consultants with a robust rationale around their choice of hospital provider. Such information should also be available to patients, who should be allowed to utilise their PMI benefits with any willing and approved provider."

Market power of consultants:

“We welcome the CC’s findings that any power that individual consultants may have does not give rise to competitive harm. We also welcome the finding that groups of consultants (for example, anaesthetists), may be of benefit to patients.”

Market power of insurers:

“We are however concerned that the CC has not fully explored the evidence that PMI buyer power is being exercised in a way as to harm competition. The stranglehold of PMIs as gatekeepers for private healthcare, and the constant pressure they apply to reducing consultant’s professional fees, means many experienced clinicians are being forced out of the private healthcare sector. Junior consultants are being dissuaded from entering: the year on year decline in the number of clinicians practicing private medicine in the UK (67% in 2000 vs 39% in 2012) shows the severity of this situation.”

[ENDS]

Notes to Editors:

The Federation of Independent Practitioner Organisations (FIPO) represents professional independent medical organisations and specialist groups in Britain. It provides guidance, policies and co-ordination to membership organisations, acting on behalf of the profession to advance the cause of independent health care. FIPO promotes the highest standards of health care provision, which is based on expert consultant advice for best patient care and clinical outcomes monitored through hospital clinical governance and audit. This process will be further enhanced by the advent of revalidation and strengthened medical appraisal a process which FIPO is currently supporting with an appraisal system in the independent sector. As part of its commitment to transparency FIPO is the professional interface with PHIN (Private Healthcare Information Network) and is actively working with PHIN to produce data to comply with national clinical outcome guidelines.

More than twenty five professional medical organisations including Royal Colleges, the major specialist associations, the GMC and the Patients Association have signed the **FIPO Charter for Patients and their Doctors**, reaffirming their commitment to high-quality patient care (see <http://www.fipo.org.uk/docs/patientcharter.htm>). Outlined in the Charter is the ethos that governs each doctor’s duties to their patients, the patient’s rights and the principles inherent in best medical practice, such as the GP to consultant referral pathway.

FIPO has been active during the Competition Commission Inquiry and submitted detailed written evidence on three occasions as well as oral evidence.

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