What future Private Practice?

BUPA Hospitals Working with Consultants

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UK INDEPENDENT MEDICINE,

Explosion or Implosion?

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BUPA Hospitals

FIPO

federation of independent practitioner organisations

What future Private Practice?

Key messages

1. Risk of “implosion” is greatly exaggerated (indeed growth prospects are good)

2. Hospital operators recognise the need to change to meet customer requirement for quality and price

3. Hospitals and consultants need to work together differently

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Prospects for the Independent Healthcare Industry

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MORI survey

- 80% of PMI subscribers said they would retain their cover if the 2008 target is met
- 60% said they would keep it if there were no NHS waiting lists at all.

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Prospects for the Independent Healthcare Industry

Populus – benefits from private healthcare

- "…clean and comfortable surroundings…"
- "…good nursing care…"
- "…kept informed about, and involved with, their treatment…"

Prospects for the Independent Healthcare Industry

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Future Customer Requirements

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- Demonstrably good clinical quality and customer service
- Access to independent hospitals with a reputation for quality and a brand they trust
- A more integrated relationship between the main industry partners
  - Insurers
  - Hospitals
  - Doctors
- Better value for money

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How does the relationship with consultants need to change?

How does the relationship with consultants need to change? (1)

- Demonstrably good outcomes (customer, clinical & productivity)
- Episode pricing agreements - fees included in a single contract price
- Standard care pathways
  - length of stay
  - medical products and equipment

How does the relationship with consultants need to change? (2)

- Scheduling of cases to optimise capacity utilisation & increase total volumes.
- “Per-case” fees reduced in return for directed volume.
- Reward increased productivity

Our dialogue with consultants

Our dialogue with consultants Findings (1)

- Consultants acknowledge this is a permanent and structural change in the market
- Most are pretty sceptical about whether the changes will work as planned
- Consultants are interested in business partnerships with hospital operators

Our dialogue with consultants Findings (2)

- Consultants recognise that there is scope for us to work more cost effectively, but are reluctant to lose professional and financial autonomy

- Consultants would reduce “per case” fees in return for increased volumes

Summary & Conclusions

- This is not the end of independent healthcare but consultants and hospitals have to work differently in future
- Our consultants recognise the case for change and are contemplating new forms of business partnership
- A "one-size-fits-all" approach will not accommodate the range of private practice that is emerging

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