

NEWS RELEASE

9th March 2010

FIPO SURVEY TO INVESTIGATE PRIVATE MEDICAL INSURER PRESSURES ON PATIENTS AND CONSULTANTS

FIPO is to survey consultants across all disciplines following reports of changes in pre-authorisation of patients for treatment in the private sector by AXA PPP. This new AXA strategy will affect patient choice and continuity of care as this insurer tries to enforce consultant fee reductions and implement differential reimbursements to patients.

The contractual arrangements for independent practice are clear. Consultants charge fees and the patient is responsible for payment of these fees. If they are insured their insurers pay benefits to them and these benefits vary between companies and also may be affected by specific exclusions or co-payments.

A fixed insurance "Fee Schedule" has never been an accepted part of UK private practice but this has been imposed by AXA PPP on all new consultants since 2008, and failure to accept this has meant that consultants are not recognised by the insurer. AXA PPP is now trying to force this on to many established experienced senior consultants. Patients, referred by their GP on the basis of their knowledge of the consultant, may be told that their consultant of choice could "over-charge" and then AXA PPP may suggest they are seen by another (cheaper) consultant, who will be unknown to them and who may not be entirely appropriate for their problem. This places the patient under additional pressure when they are at their most vulnerable, especially if they are seeking clinical support from a consultant with whom they have an established relationship. The AXA PPP tactic will almost certainly disrupt continuity of care and could give rise to clinical concerns.

This AXA PPP strategy has also some wider financial implications for patients. Health insurers routinely use 'reimbursement schedules' that identify the amount they will reimburse to the patient for any procedure or consultation. Previously, and uniquely, AXA PPP worked on a much looser, ambivalent basis called "customary and reasonable". Neither subscribers nor consultants were clear exactly what the patient's reimbursement levels would be for their consultant charges and this meant that AXA PPP could reimburse differently for the same services. Now, by producing a new low Fee Schedule they will effectively be penalising those patients who opt for their first choice of consultant. This is because the insurer will reimburse less for the so-called 'fee-capped' consultants who have

not accepted the new 'Fee Schedule' than for those who have, disadvantaging patients who choose to remain with their consultant of first choice.

"We believe that this system could cause problems for some of the patients who may be moved by the insurer to a new consultant who has no knowledge of their case" said Geoffrey Glazer, Chairman of FIPO. "PPP is also targeting some anaesthetists and again interfering with clinical matters as the team work and understanding between surgeon and anaesthetist can be critical; no PPP clerk should be allowed (nor is able) to take this responsibility and thus interfere in these critical decisions. How can a clerk understand the specialist nature of the anaesthetic, the working relationships of consultants or of the exact clinical reasons why a GP has suggested a referral to a specific consultant? Nearly 20 years ago The Monopolies and Mergers Commission established that neither consultants nor insurers can set fee levels but PPP are effectively doing this. PPP may now come to have two new meanings - **Putting Pressure on Professionals** and **Putting Penalties on Patients**".

FIPO stresses that the clinical issues and safety of patients are its main concerns but to impose reimbursements to patients that are considerably reduced – anything up to 50% is being reported - against those that have been unchanged for much more than a decade, is entirely unacceptable for patients as well as consultants.

Richard Packard, Deputy Chairman of FIPO said "Clearly, keeping costs in control is a requirement of every organisation and individual. But, when reimbursements to patients for consultant fees such as the often quoted BUPA Benefits Schedule for surgical procedures have remained virtually unchanged for almost 15 years and their outpatient benefits have also been static for many years, these sorts of pressures serve only to undermine patient care and confidence. Reducing patient choice through last minute financial pressures when the patient is most anxious and in need of help is very likely an abuse of market position and is certainly interference in proper clinical practice as enshrined in the family doctor to consultant referral pathway".

"Sadly, personal subscribers to private medical insurance rarely have the option to change their health insurance supplier once they have a condition that requires surgery or other treatment, so they are locked in to any new terms being imposed, just as much as the consultants and hospital providers," he added.

FIPO's survey of consultants covers wider insurer relationship issues and will provide a clear picture of current concerns for both clinicians and their patients.

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, achieved through robust clinical governance and audit, as well as expert, independent advice for best patient care and clinical outcomes.

FIPO CGAC (Clinical Governance Advisory Committee) has provided support and information to hospital Medical Advisory Committee Chairmen around the UK and has developed formal, professionally structured Guidelines to assist them in their role.

More than twenty five professional medical organisations including Royal Colleges, the GMC and the Patients Association have signed the FIPO Charter for Patients and their Doctors, reaffirming their commitment to high-quality patient care. 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.

In summary the philosophy of FIPO is;
Choice in the hands of patients
Care in the hands of doctors

Media enquiries for Federation of Independent Practitioner Organisations:

PIELLE Consulting on 020 7323 1587 – Yvette Hodgson or Peter Walker or email: fipo@pierreconsulting.com