

APPROVED PROVIDERS

NETWORK BENEFITS

BUPA Health Insurance's introduction of approved provider networks is dividing opinion in the private practice sector, especially its latest plans for ophthalmologists, as Liz Fox reports

BUPA HEALTH Insurance insists its introduction of approved provider networks are a positive response to a challenging private medical insurance market.

'We have ascertained from research that people do not value their medical insurance enough to keep it long term,' says Dr Natalie-Jane Macdonald, medical director of BUPA Health Insurance. 'So, as

an insurer, we need to do more to demonstrate the benefits of private cover and help develop a vibrant private market for the future.'

The first network for approved breast cancer hospitals was established in 1998, followed by networks for stem cell transplantation, bowel cancer, gynaecological cancer and MRI scanning. Most recently, in June 2006, BUPA announced plans for a list of approved ophthalmology services.

The insurer claims the aims of the networks are simple - to drive up the quality of care offered to patients and to ensure BUPA members receive value for money.

'BUPA wants to give members the assurance that their treatment meets the highest professional standards in the country,' she explains, 'not just the minimum standards of the NHS. Recently, it has been the case in the private sector that women with breast cancer are not always treated by breast cancer specialists - they may be treated by generalists. But research shows specialist treatment can improve mortality rates by 20 per cent.'

'And the only way BUPA could stop non-specialist providers accepting women for breast cancer treatment was to establish a breast cancer network and stop reimbursing the generalists.'

DR MICHAEL BIRD

Consultant in anaesthesia and ICU, Royal Lancaster Infirmary

As a private practitioner, any contract that exists is between me and my patient. The approved

provider network proposals are designed to undermine the doctor-patient relationship. The GMC, Postgraduate Medical Education Training Board and royal colleges approved my training and I undergo annual appraisal. BUPA does not employ me and has no right to restrain my trade as a doctor.

I believe there is a conflict of interest for BUPA in running its own private provider services. Whatever 'Chinese wall' is claimed to exist between the insurance provider and the service provider arms of BUPA is now totally discredited.

MISS BRENDA BILLINGTON

President of the Royal College of Ophthalmologists

The Royal College of Ophthalmologists supports quality of care for patients wherever it is delivered. We are firmly with BUPA on this. However, I am very concerned about the approval process.

BUPA has sent ophthalmologists a questionnaire to complete about their practice. However, BUPA is not a regulatory body and has no authority to go into practices and quality-assure this information.

BUPA has also modified the college's scientific guidelines for use in the questionnaire and we are not happy about this. The guidelines are evidence-based and reviewed every five years, and should be used in their entirety.

The college's view is that if an ophthalmologist is registered as a specialist with the GMC, is undergoing annual appraisal and is registered for continuing professional development with the college, then that is a far more robust way of ensuring quality. There is a danger that patients will be misled by the network because it suggests that approved ophthalmologists are better than those who are not approved.

In addition, we believe the network will significantly limit choice for patients because not all ophthalmologists will be included. The approved network is flawed in principle and I am personally not aware of any ophthalmologists that have signed up for it.

Quality requirements

Providers can join approved networks if they meet both BUPA's 'quality' and 'value' requirements. Quality requirements generally follow good practice guidelines from royal colleges or specialist organisations. For example, ophthalmology providers can only get approval if they take steps to prevent infection during cataract surgery by irrigating eyes with Povidone iodine solution.

However, the value requirements are less explicit. According to Dr Macdonald, providers do not have to meet a specific price for each procedure, but they must demonstrate a clear link between the cost and the overall patient service.

'BUPA commissions healthcare

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MR DEREK MACHIN

Chairman of the BMA private practice committee

“ I think BUPA are using the argument of offering patients better value for money as a smokescreen to cover an exercise which is designed to control the profession. The BMA has made it clear that we are happy to work alongside anyone to improve the cost-effectiveness of private practice. However, the real problem lies with hospitals. We can encourage consultants in various specialties to look at their costs, but we have no control over what

hospitals charge. That is an argument for BUPA to have with the hospitals directly.

I fail to see any benefit in the ophthalmology network and dispute any contention that there is a lack of quality in the profession in the first place. I can see the arguments in favour of networks for breast and colon cancers because it makes sense for private practice to reflect the NHS where only certain people deal with certain cancers. However, that does not apply to ophthalmology.

I am equally unconvinced by the MRI network,

where evidence is that the consultants' fees have been reduced by between 18 and 40 per cent. If consultants who are part of the network increase their fees at any point, they risk being kicked out.

I agree that there are problems in the private sector at the moment. But, there will always be people who choose to go private because of the control it gives them over their own healthcare. The level of demand for private medicine will be determined by what happens in the NHS and the 'networks' will not influence people either way. ”

DR DAVID COSTAIN

Medical director, AXA PPP Healthcover

“ The nature of healthcare is changing very fast and the private sector needs to adapt to that. It is clear we cannot go on in the same way we have been for the past 20 years.

AXA has taken a slightly different approach to BUPA. We have a core network for all aspects of healthcare, while BUPA is progressing with approved provider networks specialty by specialty.

Our provider network – which is more restricted than that of other insurers – has been running for eight years and has allowed us to concentrate on both quality and price in each hospital. We have to respond to customer demands, and that means looking for new ways of providing high quality care more efficiently.

I think BUPA's approved provider networks are a rational approach to increasing pressure on the private sector. The controversy that has arisen around the ophthalmology network is not in the best long-term interests of the industry, and I believe most private providers who take that long-term view would agree. Nobody likes change for change's sake, but we do need to take steps to improve efficiency. ”

for over three million people in the UK and I don't think it is unreasonable for us to ask why one provider is more expensive than another,' she says.

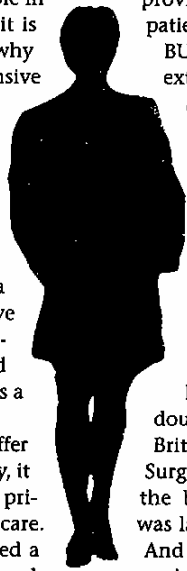
'When we talk about networks, consultants often fear it will reduce reimbursement. But cutting doctors' fees is not our intention and we are not setting ourselves up as a regulator. We want to improve efficiency in the private sector and ensure every pound of BUPA members' money is a well spent pound.'

Despite BUPA's desire to offer its members value for money, it claims the networks do not prioritise cost over quality of care. Indeed, BUPA says it rejected a number of units from its network of MRI providers because they did not meet quality requirements – even though they offered exceptionally low prices.

Patient choice

Private providers that are not part of the approved networks will not be reimbursed for treatments provided to BUPA patients. However, they may be able to join the networks at a later date.

'The MRI network contracts, for example, run for two years and we will re-tender in spring 2008,' Dr Macdonald says. 'If providers demonstrate an improvement in their service, then we will consider that. There are no limits to the size of the networks and they are meant to be inclusive. From our point of view, the larger the network the better, because it actually



provides more choice for patients.'

BUPA members have been extremely supportive of approved provider networks, finding they have greater confidence in the quality of treatment they are receiving. The reaction of private providers and consultants, however, has been mixed.

Dr Macdonald claims BUPA received tremendous support from the British Association of Surgical Oncologists when the breast cancer network was launched back in 1998. And in developing the MRI and ophthalmology net-

works, it carried out far more consultation with the profession. The initial reaction from individual consultants was positive, she says, but opposition has emerged.

Withdrawal advice

In February, the Federation of Independent Practitioner Organisations (FIPO) criticised the MRI network for causing conflict between independent hospitals and radiologists, reducing patient choice and adversely affecting patient care. Then in June, representative bodies including FIPO, the BMA, Association of Ophthalmologists and Association of Anaesthetists advised consultants who had already joined the ophthalmology network to withdraw.

But Dr Macdonald dismisses any suggestion of a crisis. 'The apparent change in opinion has been disappointing,' she admits, 'although we understand many ophthalmology consultants are ignoring the advice.'

'The college has made it clear that its guidelines should be applied in the independent sector as written, and we will therefore be looking to see that this is what is happening when we review ophthalmic services across the country. Previously, ophthalmologists had told us that aspects of the college guidelines were inappropriate for the independent sector, so the college's clarification is helpful.'

Dr Macdonald believes the networks will bring benefits for consultants as well as BUPA members.

PAT MCCANN

Chief executive, Aspen Healthcare, owner and operator of three private acute hospitals and one outpatient oncology clinic in London and the Home Counties
We support BUPA's approach to

ophthalmology and its desire to ensure quality and value for money for its customers. Most of our ophthalmologists have not had a problem signing up to the network. We do not see this process as BUPA acting as a regulator, as all of the information being requested is information we already collect for our own audits and for the Healthcare Commission. If their drive to make private medical insurance more affordable has the effect of bringing more people in to the market, this can only be of benefit to all involved. ”

Through the networks, private providers can demonstrate to patients the excellence of the care they deliver and, in turn, BUPA will promote their services.

In the long term, it is likely the networks will give greater security to independent practitioners and help protect consultants' income. And this extra security is vital because, like it or not, the future of private practice is under threat.

Since 2000, the amount of money BUPA spends on covering the costs of members' claims has risen by 30 per cent in real terms – which equates to an extra £80bn each year.

'If costs continue to rise this rapidly, health insurance will become unaffordable and people simply won't buy it,' Dr Macdonald says. 'If we want private healthcare to thrive, then insurers, consultants and private provider organisations must work together to ensure members' money is well spent.'

And, for BUPA, the obvious solution is to press ahead with the approved provider networks, which it believes will guarantee patients the highest standards of treatment and the best level of cover for their money.

MR KEVIN HARRINGTON

President of the Independent Doctors Forum

“ BUPA's actions over the approved networks have created a lot of bad feeling. This is not about private doctors wanting to protect their business, it is about serious concerns over the role of an insurer in setting quality standards.

The breast cancer network received support from the profession because it was introduced with more consultation and was not combined with a new fee structure. However, BUPA has muddied the waters with the ophthalmology network by lumping together a quality assurance programme and a new pricing system at the same time. This was disingenuous at best.

BUPA have also been naughty because they did not inform people on BUPA plans about the changes. If the ophthalmology network goes through, then the choice offered to patients will be very limited and not like a traditional-style insurance policy.

The ophthalmology network has met with total resistance from doctors' representatives.

Doctors working in private healthcare should not be afraid of embracing new ideas, but these should involve collaboration from all parties. In this case, one insurance company thought they were powerful enough to enforce change, which is not in the spirit of how things should be done in any industry. ”

TALKBACK

How do we make private healthcare more attractive to patients?

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