FIPO newsletter

Autumn - Winter 2020

Dear Colleague,

MDTs and use of in-house pathology services, rather than well-established local pathology departments –

FIPO has been informed that some private hospital providers are seeking to centralise pathology services in house, thus severing well established links with local pathology departments.

In light of the findings and recommendations of the Paterson inquiry, FIPO is concerned that the actions of certain private hospital providers may be detrimental to the composition and/or functioning of multi-disciplinary teams (MDT). Effective and safe communication between different specialists is a pre-requisite for good patient care. Establishing rapport between colleagues requires time, and proper understanding between consultants allows for nuanced decision making in complex cases. Any actions detrimental to MDT functioning may affect the quality of care and patient safety.

Dates for the diary

2020

02.11.2020: LCA "Competition Law Surgery" w/ Prof. Suzanne Rab; 6.00pm (http://london-consultants.org/index.php/event/lca-virtual-roundtables-prof-suzanne-rab/)

25.11.2020: LCA Roundtable w/ Rt. Hon Jeremy Hunt MP 6.00pm

TBD Nov/Dec 20: FIPO AGM

FIPO
federation of independent practitioner organisations

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Healthcode -

Healthcode is a company set up to provide an electronic billing service for private medical bills and has been analysing independent healthcare sector data each month. It aims to chart the recovery across the sector and highlight variations between different regions and specialties. It reported the following hospital activity:

- August 2020 England operated at 74% of the level of 2019 while Scotland reached 61%, Wales 54% and Northern Ireland 88% (the equivalent figures in July 2020 were 59% for England, 44% for Scotland, 32% in Wales and 82% in Northern Ireland).
- London, traditionally a strong centre for private healthcare, achieved 78% of the activity level seen during August 2019 – a 13-point rise on the July percentage.
- Elsewhere, the East and West Midlands regions have shown the strongest recovery with activity at 89% and 84% of 2019 levels (compared with 63% and 65% in July).
- Every region in the UK has now passed the 50% activity mark.

The London Consultants' Association (LCA) recently hosted a virtual roundtable with Healthcode and according to Peter Connor (Managing Director, Healthcode), the specialties showing the most significant recovery are: Oncology, Dermatology, ENT, Gastroenterology, General Surgery, Gynaecology, Obstetrics, Trauma and Orthopaedics – you may watch this roundtable in full via the LCA's website (www.london-consultants.org/index.php/2020/09/16/lca-virtual-roundtables/)

Electronic Billing News

Insurers now require practitioners to bill electronically and Vitality has mandated the use of Healthcode's Private Practice Register (PPR) for billing **as a condition of recognition.**

Healthcode was launched in 2002, originally promoted by BUPA, but it now manages close to 100% of all PMI billing in the private sector (indeed Axa PPP, Vitality, BUPA, Aviva and Nuffield Health all became shareholders in 2015) up to now without charge to consultants. PPR is an "industry-wide solution facilitating integration, transparency and collaboration" providing "one application form for multiple insurers, facilitating a smooth transition into the private healthcare sector".

In 2019, Healthcode processed over 7 million bills amounting to £3.3 billion. Peter Connor has told the Independent Practitioner Today that *"as a responsible company, we must put the service on a firm commercial footing to ensure we can continue to invest in the necessary technical expertise, highly available and secure servers, and support for our customers."* It is proposed to charge a monthly subscription of £6.99, plus a transaction charge of 25p per validated bill, all subject to VAT.

www.independent-practitoner-today.co.uk/2020/10/free-electronic-bill-clearing-service-no-longer-sustainable/?utm_source=newsletter&utm_campaign=October%202020%20Update%201&utm_medium=email

Healthcode *cont'd…*

However, Healthcode have put forward different subscription rates for their ePractice Invoice Clearing Services (Basic: £0.00; Lite: £20.99; Pro: £41.99). The managing director of a medical billing agency, which provides billing services for a large number of consultants, reports their members' concerns, and calculates that *"Healthcode will generate an additional £3.8 million per year from the new charges, which surely creates a conflict of interests when the consultants have been encouraged to use Healthcode by the insurers for many years now, and Healthcode is owned by the main insurers".*

- Healthcode will now bill consultants for using their invoicing services: a monthly fee, and per invoice.
- PMI Vitality requires membership of Healthcode Private Practice Register PPR and will not accept any other billing.

FIPO Chair Richard Packard has been in touch with Healthcode's Fiona Booth, head of provider programmes and strategy, who was formerly Chief Executive of the Association of Independent Healthcare Organisations (AIHO).

She recognises and says she is sympathetic to consultants' views, but states that Healthcode cannot afford to continue to provide a free billing service. However, apparently, the main reason for the imposition of billing charges is that Healthcode has been told by the Competition and Markets Authority that it must make a charge.

- Although relatively small, the charge may increase in future
- Consultants who treat patients insured by Vitality have no alternative but to pay for their billing, though still subject to reimbursement maxima
- Direct electronic billing excludes the patient from seeing the bill and whether the remuneration by their insurer has been adequate. For non-fee assured consultants where they may have been a shortfall which the patient may wish to pay a top up fee personally to their preferred consultant there is, according to Fiona Booth, a mechanism but it is not easy to use.
- This is yet another example of PMI control over private practice.

Healthcode stated in 2018 that it "*conceived and built the PPR as a definitive practitioner register for the private healthcare sector, enhancing efficiency and cooperation between PMIs, providers and individual practitioners. There are over 10,000 profiles on the secure system, and it is already being used by the leading PMIs to fast-track their recognition process. Independent specialists can use their profile to build and maintain their private practice by uploading information which highlights their clinical expertise".*

PHIN Update -

The PHIN Implementation Forum met virtually on the 6th October and was addressed by speakers from the Competition and Markets Authority (CMA) and the London School of Economics, which is collaborating with PHIN in a new venture. FIPO was represented by its Company Secretary, Rosemary Hittinger (previously HCA International's Group Director of Clinical Performance & Governance).

Private healthcare professionals and competition rules

Louise Baner (CMA) reviewed the fines imposed on Spire Healthcare and 7 consultant ophthalmologists who had "entered into an illegal agreement" to fix the price of initial consultations for private self-pay patients at that hospital. You may read the full case study here: www.gov.uk/government/case-studies/private-healthcare-provider-fixed-prices-with-consultants and the CMA's advice on Competition Law published in 2015 here: www.gov.uk/government/publications/medical-practitioners-advice-on-competition-law FIPO's Chairman had a meeting with the CMA at their request to help them distribute information about competition law to consultants in private practice. At the meeting, Richard alluded to the apparent paradox that the PMIs were price fixing by their fee capping which the CMA had specifically highlighted in their 2014 report as a concern if this was applied in an extensive and rigid manner. Those at the meeting seemed unaware of PMI behaviour having been focussed on the Spire case. They are arranging for Richard Packard as FIPO Chair to meet with Peter Hill, who is the Assistant Director of Remedies for the CMA, to discuss the matter further.

LSE/PHIN collaboration

Dr Michael Anderson (Department for Health Policy at LSE) stated the plan to maximise the use of PHIN data to improve private healthcare and to:

- Explore why private patients are poor at completing PROMs;
- Quantitatively analyse hospital and patient characteristics of unplanned transfers from private facilities to the NHS; and
- Analyse how NHS disinvestment in 17 low value procedures influences the behaviours of independent sector providers.

LSE is also working with the Department of Health on the *"Future of the NHS"* policy agenda, which will be published next year.

Publication of Never Events

Last month's publication of Never Events is intended to tell patients *"how you can use them when considering which hospital is right for you"* and *"to question the care provided, as the expectation is that these incidents should not happen."* As these incidents are fortunately extremely rare, are they a reasonable guide to patient choice?

FIPO is the professional advisor to PHIN and regularly meets with them. If you have any specific issues you wish to raise, please forward them to the FIPO office or to a member of the Executive, and we will make sure these are raised directly at the monthly meetings.

It is always helpful to understand what and how many of our members have concerns and if there are commonalities.

Industry updates –

Employed doctors

- The Chairman of the IPC of the Association of Anaesthetists, Dr Mathew Patteril reports that in Circle and BMI, the Hospital has appointed anaesthetists to do surgical lists, rather than allowing surgeons to use their preferred anaesthetists.
- The hospitals then invoice the Insurer for the Anaesthetic Fee, pay the anaesthetist, and take a percentage.

Surgeons have usually had the expert collaboration of colleagues they work with in the NHS. Patients have the assurance that their care is provided by an expert team with specialty expertise. The choice of anaesthetist is surely the surgeon's clinical decision.

- This appears to be an action taken to financially benefit the hospital, which may override established clinical practice and work patterns.
- Both surgeon and anaesthetist lose clinical independence.
- This move towards US style Managed Care with Anaesthesia, is already being tried by some hospital providers with Pathology and Radiology.
- A previous attraction of private care was that it would be provided by established and experienced specialists holding NHS consultant posts.
- Patients are almost certainly not aware.

Private Medical Insurers

BUPA Acquisition of CS Healthcare
At CS Healthcare's AGM on 9th September 2020, members voted overwhelmingly in favour of the proposed transfer of CS Healthcare's members and business to BUPA. The CMA has cleared the acquisition, but it still remains subject to the Prudential Regulation Authority's decision. FIPO had written to the CMA contesting this merger as further consolidation of PMI provision amongst a few large players. We also reiterated the way that the PMIs are interfering in the relationship of consultants and their patients.

CS Healthcare was originally established in 1929 to provide health insurance cover for members of the UK Civil Service and is a Friendly Society with approximately 18,500 members.

A few words from the FIPO Board

FIPO will continue to work for you and confront issues affecting the private healthcare sector; hospital groups, consultants and most importantly, patients.

FIPO would like to know how it can improve its communication relations with its members and subsequently its consultants across the UK, and so we ask that you kindly complete and return our short survey attached alongside this newsletter to

Best wishes,

The FIPO Executive

Dedicated to **quality, safety and patient choice** within the Independent Healthcare Sector

Christopher Khoo
FIPO Vice Chair

Richard Packard
FIPO Chair

Ian McDermott
FIPO Vice Chair

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