



## Keeping Private Healthcare Affordable

### 1. What do you mean by affordable healthcare?

Our business and individual members tell us they value their health insurance and want continued access to high quality healthcare that represents good value for money - yet we know that cost is a big issue for them. Premiums have increased for our members by about 10 percent a year for the last decade, despite us cutting our own costs and having no shareholders to pay. We are now taking a different approach to address rising hospital costs on behalf of our members.

### 2. How is Bupa keeping healthcare affordable?

Hospital charges account for around half of our members' premiums. Five national hospital groups own 80 percent of the UK's private hospital beds. Where they set their prices on a national uniform basis, this means that, even in local areas where there are several private hospitals under different ownership, they may not always compete with each other to offer competitive prices. This means that our members are not always able to access best value hospitals and healthcare.

We believe that one of the main steps to making health insurance more affordable for our members is to address the cost of private hospital care which is largely driven by:

- too many hospitals - there are at least double the number of private hospital beds than the private sector currently requires;
- high fixed costs; and
- high debt levels, resulting from private equity ownership and over-expansion before the economic downturn - private hospital sector interest payments exceed £300 million a year.

We do not think our members should pay the price for this inefficiency so we are taking action to address the commercial behaviour of private hospital chains.

### 3. What has prompted this particular initiative?

We have listened to feedback from our members who want to see us innovate and lead the market by driving through solutions that continue to offer them access to high quality healthcare and value for money. This cannot happen without tackling hospital

and consultants' costs. These are the main drivers of medical inflation which continues to rise, increasing premiums at an unsustainable rate and threatening the long-term future of private healthcare.

Bupa is always looking for ways to keep healthcare affordable for our members, including cutting our own costs and having no shareholders to pay. We also review the relationships we have with our healthcare providers periodically.

### 4. How will this affect me?

Our aim is to keep private healthcare affordable for our members in years to come. This may mean us making some adjustments to our list of around 700 hospitals. If this happens and you need treatment, we will offer you an alternative nearby hospital where you can receive the same quality treatment and service.

### 5. What do I do if I need to claim for treatment?

Please contact your Bupa helpline before arranging to see a consultant so that we can confirm that your treatment will be covered.

Our fully trained member service advisors will be able to help you to ensure your treatment and recovery is the only thing you have to think about.

### 6. What if I am mid-treatment?

At Bupa, we realise that this change may cause uncertainty. We want to reassure you that we will provide continuity of care so that you have nothing to worry about. Please contact your Bupa helpline should you have any concerns about your treatment.

### 7. How will this benefit me?

By taking action to address private hospital costs, our members will benefit because we will:

- continue to be able to offer the most comprehensive cover in the market, such as full cover for all stages of cancer and all drugs for which there is medical evidence; and
- be able to reduce the impact of rising hospital costs which already make up half our members' premiums.

We hope it will also mean that more people will be able to buy health insurance, with greater confidence that they will be able to afford it for years to come.

## **8. How will the current hospital lists change?**

Our hospital lists do change from time to time, but we will always aim to ensure our members have convenient access to high quality affordable healthcare.

With this in mind, we have recently reviewed our hospital lists and decided to remove 12 hospitals/facilities from 1 January 2012 because we do not believe they represent good value for our members. The hospitals involved have readily available local alternatives where Bupa members can continue to have access to high quality care.

BMI Bath Clinic  
BMI Castle Consulting Centre  
BMI Coombe Wing  
BMI Edgbaston Hospital  
BMI Foscote Hospital  
BMI Gisburne Park Hospital  
BMI Lancaster Hospital  
BMI Meriden Hospital  
BMI Oxford Clinic  
BMI Runnymede Hospital  
BMI Sefton Hospital  
BMI Syon Clinic

There are three exceptions where we will continue to fund treatment at these 12 hospitals/facilities after 1 January 2012:

- cataract operations and related out-patient consultations, as our cataract network agreement remains in place with BMI until 15 April 2012
- MRI scans, as our MRI network agreement remains in place with BMI until 31 October 2014
- oncology treatment where Bupa consultants do not have practising privileges at another private hospital and where our member:
  - has already had chemotherapy at the hospital between 1 January 2011 and 31 December 2011 or
  - has been referred for follow-up treatment by another consultant at the hospital and initial treatment has taken place before 31 December 2011.

This is so that we can ensure continuity of care for patients where their consultant does not have practising privileges elsewhere.

## **9. What are my alternatives once these hospitals have been removed?**

The table on the next page shows the hospitals/facilities being removed and nearby alternative hospitals which are Bupa recognised.

## **10. Does this mean other hospitals may be removed?**

Bupa will continue to review its relationship with hospitals on an ongoing basis. We recognise hospitals/facilities on the basis of meeting our members' needs. Bupa recognised hospitals do change from time to time. This may mean removing hospitals/facilities or adding new ones.

However we will always aim to ensure our members have convenient access to high quality affordable healthcare in around 700 hospitals across the UK.

## **11. Does my consultant know about this?**

Yes. We wrote to all affected consultants to notify them in advance of this change, so that they could make arrangements at alternative hospitals. If they are unable to do so, we will offer you an alternative nearby hospital where you can receive the same quality treatment and service from a specialist who can treat your condition. All our recognised consultants provide the same level of care.

Hospital/facility due to be removed from Bupa lists from 1 January 2012	Alternative Bupa recognised hospitals
BMI Bath Clinic	CircleBath Spire Bristol Hospital Nuffield Health St Mary's Hospital Bristol
BMI The Castle Consulting Centre	Nottingham Woodthorpe Hospital
BMI Coombe Wing (NHS PPU)	New Victoria Hospital Ashtead Hospital Parkside Hospital
BMI The Edgbaston Hospital	Spire Parkway Hospital Spire Little Aston Hospital West Midlands Hospital
BMI The Foscote Hospital	Nuffield Health The Manor Hospital Oxford Nuffield Health Warwickshire Hospital
BMI Gisburne Park Hospital	Fulwood Hall Hospital Yorkshire Clinic
BMI The Lancaster Hospital	Fulwood Hall Hospital Spire Fylde Coast Hospital Euxton Hall Hospital
BMI The Meriden Hospital	Nuffield Health Warwickshire Hospital Spire Parkway Hospital
BMI The Oxford Clinic	Nuffield Health The Manor Hospital Oxford John Radcliffe Hospital
BMI The Runnymede Hospital	The New Victoria Hospital Ashtead Hospital Frimley Park Hospital
BMI Sefton Hospital	Spire Liverpool Hospital Renacres Hospital Spire Murrayfield Hospital Wirral
BMI Syon Clinic	Parkside Hospital The New Victoria Hospital