



LONDON CONSULTANTS' ASSOCIATION

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Medical Fees in the Private Sector

An Explanation for Patients

What Is the London Consultants' Association?

Your consultant, Mr Bijendra P Patel, Consultant General Surgeon, is a member of the London Consultants' Association, an organisation of established consultants, whose objective is to maintain the highest possible standards of care in the private medical sector, and the independence and freedom of choice for patient and doctor.

The London Consultants' Association does not set medical fees nor does it support or defend unreasonable or high charges. Any specific questions on fee levels should be directed to your consultant. Patients should note that the London Consultants' Association does not accept responsibility for any of the actions of individual members. However, there are certain factors that govern your fee arrangements and this document explains the principles by which you and your consultant might be expected to act.

Medical Fees – Is there a contract between the patient and consultant?

Any patient who consults or is treated by a consultant in the private medical sector will be personally responsible for the payment of all their consultant's fees and a financial contract exists between them. In many instances patients have private medical insurance that will fully reimburse them for their medical fees. However there are often exclusions within these policies (i.e. specific medical conditions, outpatient allowances or payment by the patients of an initial excess amount). Sometimes there may be shortfalls in the reimbursement that the patient receives for the consultant's fees. In the event that there is a shortfall it is borne by the patient who is personally liable to the consultant for his/her fees.

How do I get to see a consultant and do I need preauthorisation by my insurance company?

Most patients are referred to a consultant on the recommendation of their General Practitioner (GP). This is the traditional route. Your GP will know the specialist interests and abilities of all the consultants to whom he/she refers patients. Some patients will have knowledge of a particular consultant and are entitled to ask to see that specialist. A GP referral letter is usual and at this stage most insurance companies ask patients to contact them for pre-authorisation. At pre-authorisation the patient may be given a specific claims number for this clinical event and this is normally a straightforward process.

Occasionally at this stage the insurance company raises queries about the expected level of fees. In such circumstances we would suggest that the patient should always contact the consultant recommended by their GP. This recommendation and referral was made on the basis of the medical judgement of the medical practitioner who knows the patient best and was not influenced by any financial motives. Many consultants are not prepared to enter into direct arrangements with certain insurance companies, as they are concerned that this will eventually affect their independence and will not be in the best clinical interests of their patients.

Patients should always insist on seeing the consultant of their choice.

Can I get an estimate of fees before treatment?

It is perfectly reasonable and acceptable to expect your consultant to give you an estimate of his/her fees prior to treatment. This can often be furnished for a standard operation (i.e. hernia, hip replacement, hysterectomy etc.). In these cases the consultant should do his/her best to tell you about other potential professional charges, such as the anaesthetist's likely fee. It is possible that you will also have professional care from "back room" consultants, (radiologists-x-ray doctors or pathologists) who are entitled to submit accounts. Your consultant may not be able to state exactly what these colleagues will charge but might assist you in obtaining some information on what these are likely to be.

In some instances, however, a fee estimate is difficult to be precise because your diagnosis and treatment is unclear. Frequently, other consultants may be called to see you and these doctors are chosen by your primary consultant with your agreement. Sometimes, in a clinical emergency neither you nor your relatives may be able to exercise influence over these decisions. In these circumstances patients should realise that doctors work in specialist teams and that this reflects best clinical practice.

The fees for your hospital charges are normally fully covered by your insurance company, who will have negotiated these set prices. However, there may be some restrictions, i.e. cover for a double as opposed to a single room, and this is a matter for you to resolve with the insurer and the hospital.

If your insurer asks for a Claims Form to be completed then either your consultant or GP will do this. It is important that all parts are filled in accurately. You are advised to keep a photocopy of all such forms.

Who pays the consultant's fees?

Your consultant(s) will submit their fees to you (and sometimes directly to your insurer) for their services. These fees should be laid out so as to illustrate clearly the services rendered. Normally an operative fee will include routine post-operative care in the hospital. Separate fees are charged for follow-up consultations after surgery. PPP now refuses to pay for follow-up consultations if these take place within 10 days after discharge from hospital although all other insurers will usually cover this charge.

You should note that the insurance companies do not pay consultant fees; they reimburse patients for consultant fees. Furthermore these levels of reimbursements vary between different companies for the same procedure. If there are shortfalls then the patient is responsible for this amount, which should be paid directly to the consultant within a reasonable time.

Why are there fee shortfalls?

Some patients question why they may have to pay shortfalls and the answer is really based on the economics of private practice. The average patient's insurance premiums have risen by 7% per annum for the last 10 years. Hospital prices have risen in line with this, but there has been no similar movement to assist patients for their consultant fees. During this same period the actual reimbursement for consultant fees by the major insurers has not altered significantly and indeed some insurers may actually be reducing their allowances. Moreover the costs of running a medical practice have risen dramatically, and of course these costs are particularly high in London. Unfortunately the insurers give no extra weighting to London patients. These economic facts mean that more and more patients are facing shortfalls for consultant fees.

Most insurers will state what their actual reimbursements will be for various operations or treatments. However you should note, if you are insured by PPP, that this company will not actually state the precise fee reimbursement for any given procedure but will only pay what it considers "usual and customary". This can create difficulties for consultants and patients as there is no published list of benefits payable.

Some other specific and common patient questions

- ***Why doesn't my insurer settle all my accounts in full?***

The answer lies in your insurance contract, which limits benefits.

- ***Are there any national guidelines or set tariffs for consultant charges?***

The original guidelines on medical fees published by the British Medical Association were ruled illegal by the Monopolies and Mergers Commission in 1994. Since that time there has been no "official" or other tariff of fees. Furthermore the Competition Act means that any group of doctors who publish such a list would be in breach of the Act.

- ***What does "fixed price" or "package" surgery actually involve?***

The terms and conditions of these so called "package prices" do vary. In some instances the consultant's fees are included in the price; sometimes they are separate. Patients should always ask what the downside is for these deals, in particular whether the hospital and consultants will include the costs of any complications and delayed discharges from hospital in the fixed price.

This information sheet is issued to members of the London Consultants' Association only for use with their patients. Further information can be found on www.london-consultants.org.uk