The charitable mental health services provider, which recently added three new women's units to its Clare House low secure facility in Essex, is due to open a new 45-bed medium secure unit for women at its Northampton campus next month. The new building, Smyth House, will enhance the care pathway for women suffering from enduring mental illness, learning disabilities and personality disorder. In addition, the charity has acquired a 13 acre site adjacent to the campus to further expand its range of national specialist services. Building work has also begun on a 128-bed facility in Birmingham which will provide a 'close-to-home service' for the many West Midlands residents currently referred to St Andrew's Northampton.

Chief executive and medical director Dr Philip Sugarman said: 'St Andrew's is creating new national specialist and regional services of the very highest standard, truly setting us apart as the market leader. As a healthcare charity we have an excellent reputation and a highly motivated team; we are enjoying this expansion phase which will take us

from 700 to 1,000 beds before 2010.'

Insurance News

Doctors and insurers come to the table in bid to resuscitate PMI market

Senior hospital doctors and strategists at some of Britain's leading providers of private medical insurance (PMI) are trying to reach a consensus to ensure the product's sustainability in the longer term.

At a meeting at the Medical Society in London last month, senior clinicians sat down with senior figures from the PMI industry in a bid to ease tensions that have emerged as a result of insurance-led initiatives including so-called 'managed care' in the private healthcare market.

The dialogue, hosted by the London Consultants Association and the Federation of Independent Practitioners Organisations (FIPO), has been welcomed as a 'positive step' towards reaching some common ground as the PMI industry struggles to break out of a sustained period of negligible growth which has been blighted by ongoing disputes between clinicians and insurers.

FIPO chairman Geoffrey Glazer, who chaired the meeting, said that the talks demonstrated there was some common ground between the two groups, in spite of media reports to the contrary.

According to Mr Glazer, the majority of medical insurers at the meeting agreed with senior clinicians that changes are 'inevitable' if the PMI industry is to be sustainable in the longer term.

Mr Glazer told the meeting that clinicians and insurers both face challenges in addressing changing demographics and rising patient expectations. Both groups, he said, needed to discuss new ways of funding private healthcare that did not interfere with consultants' clinical freedom.

Addressing representatives from AXA PPP healthcare, BUPA Insurance, Norwich Union Healthcare, Standard Life Healthcare and WPA, as well as Medisure, the medical benefits and health risk management provider, Mr Glazer asked attendees why, in his opinion, increases in PMI premiums 'so often exceed medical inflation'.

The rising cost of PMI has been blamed as the key reason for its sluggish performance in both the corporate and personal markets over recent years. While PMI providers have accused consultants of being one of the main causes of medical inflation and the rising price of insurance, clinicians have in turn pointed the finger at insurers for failing to control other costs, and for failing to retain subscribers. Insurers' alleged failure to retain a 'fit insured population' has also been criticised by doctors.

As a result, PMI providers have released a number of products designed to keep a lid on costs by restricting the choice of treating consultant and/or hospital. The products and scheme arrangements mean that the choice is, effectively, no longer that of the patient/consumer and their GP, but of the actual insurer.

Doctors' leaders have stated publicly that they will resist any moves by British insurers to introduce such products – or to what Mr Glazer described as 'American-style managed care and health management organisation models, the planned introduction of restrictive networks and the threat to clinical independence and patient choice'.

Other ways of managing PMI inflation have included various models of co-payments, whose advocates claim do not restrict patient/consumer choice.

At the meeting with the major insurers last month, Mr Glazer asked their representatives to outline what 'cost efficiency' initiatives they have introduced – including co-payments as well as so-called 'managed care' – and how their effectiveness was being audited.

In response, senior figures from AXA PPP healthcare and BUPA Insurance – Britain's two largest PMI providers – both said networks of hospitals were a credible way of making PMI more affordable.

Dr Simon Peck, head of provider audit at AXA PPP, said that since the provider introduced the first acute hospital network in 1999, it had managed to achieve cost savings,

control of excess capacity and 'quality'. Dr Peck, who said that AXA PPP's ophthalmology network was on track for implementation by the end of 2007, defended the concept, saying that restrictive networks would continue to provide more choice for those people that could not afford products with higher premiums.

Dr Natalie-Jane Macdonald, medical director of BUPA Insurance, meanwhile, said a similar concept of ophthalmic network that it is currently rolling out – to some resistance from medical specialists – was just one of its responses to customers' price sensitivities. BUPA's 'broader market response' includes the development of budget products, managed referral to hospital-not-consultant schemes, as well as no claims discounts products and 'healthy lifestyle' incentives.

Norwich Union Healthcare, on the other hand, has no immediate plans for 'managed care', in any format, according to director of customer services Rob Brown. However, Mr Brown said that more affordable PMI might be achieved through implementing 'evidence-based methodology' and 'direct referrals' as well as improving 'administrative efficiencies'.

However, according to Mr Glazer, other providers of medical benefits at the meeting rejected entirely the concept that financial services companies were best placed to ensure clinicians were working efficiently and in a way that would ensure PMI is affordable.

John Picken, chief executive of Medisure, which is a medical benefits and health risk management provider rather than an insurer, said that by putting the responsibility on consultants and hospital providers to offer good clinical care and value for money, there is no need for a financial services company to interfere in clinical decision-making.

Likewise, Julian Stainton, chief executive of WPA, the only provider at the meeting to claim that the current PMI industry is in fact sustainable in its current form, said that he does not support the concept of managed care, networks, or any other attempt to 'control clinical practice'. In his opinion, co-payments could provide a financially viable way of managing the cost of private healthcare in the future.

WPA promotes a concept of 'Shared Responsibility' whereby each customer shares the cost of medical treatment with the insurer until his or her contribution reaches an agreed maximum annual limit – after which the insurer picks up the bill. According to Mr Stainton, patients use resources more responsibly when they remain involved and when they have a direct financial commitment in their own care.

Co-payments are also being promoted by AXA PPP, according to its head of provider audit, Dr Peck. Separating the user from the payer commonly leads to abuse, Dr Peck said, and this co-payment approach has led to more restraint by subscribers in their spending.

However, it is the ongoing roll out of hospital and consultant networks that continues to cause tensions across the medical profession, according to Richard Packard, consultant ophthalmologist and chairman of the Association of Anaesthetists.

Addressing the meeting last month, Mr Packard said the vast majority of ophthalmologists in the UK are opposed to networks.

'Consultants are at odds with networks and have lost trust in insurers,' Mr Packard said. 'There should be a time of reflection: what is the best way to give patients the high quality care that they need, in a way that is supported by consultants, in a way that sustains PMI.'

Mr Glazer agreed, and stressed that it is important that consultants and insurers continue to have an open and meaningful dialogue about different ways of ensuring the continued sustainability of the private healthcare market.

'We, as consultants, welcome the opportunity to work with insurers to achieve better value for money, but maintain that cost containment must not interfere with clinical decision making and the primacy of clinical advice,' he said.

BUPA launches 'informails' for intermediaries

BUPA Individual Protection has introduced a programme of 'informails' to assist intermediaries in placing business via their extranet.

The programme follows the launch of BUPA's intermediary intranet last year, and comprises a series of emails to intermediaries, giving clarity and guidance to the steps required for the successful submission and completion of applications for BUPA's critical illness and life plans.

Commenting on the programme, Brian Bartley, head of operational development at BUPA, said: 'The feedback we have received from our supporting intermediaries since the launch of the intranet last year has been excellent. We really appreciate the time that each of them has taken. This programme has been designed to help the intermediary in speeding up the process thus ensuring that valuable cover for the applicant can be arranged as quickly as possible.'

Key features of BUPA Individual Protection's instant online quote and application system for critical illness and life cover products include the ability for IFAs to put clients on risk without contacting BUPA Individual Protection and a choice of a premium or benefit-driven quotation.