

Bupa Benefit Limits review



Following helpful feedback from consultants, we committed to carry out a detailed review of Bupa procedure fees.

To make sure our fees appropriately reflect consultants' skills and expertise, we commissioned Curzon Consulting, who are specialists in private healthcare provision and funding, to carry out an independent review.

This extensive review ensures that our fee model is fair, independent and transparent, more accurately representing effort and costs.

Feedback from consultants

The review has been detailed and comprehensive and we appreciate the invaluable input and feedback from professional organisations such as the BMA, Independent Doctors Federation and the Association of Anaesthetists, as well as more than 200 consultants across various specialties who took the time to share their insights with us.

Key themes include:

- Health insurance fee models **need to more accurately reflect the clinical time required for each procedure**
 - more time needed to prepare due to changes in patient complexity and demands.
- Health insurance fee structures are **static despite rising operating costs** such as indemnity insurance and practice running costs.
- Health insurance fee calculations **aren't transparent.**
- Health insurance fees **don't always account for complexity**
 - patients today are older, with considerably greater health issues than 20 years ago.
 - fee structures don't always account for the extra skill and time needed to complete the treatment.

Principles of our new approach

In response to consultant feedback, we've used the following principles to develop our new approach to setting fees.

- Our review is designed to increase transparency.
- We want to support consultants to limit extra costs for our customers.
- Procedure fees have not been reduced.
- **Billing processes remain the same** – we'll update the Schedule of Procedures with the new rates. All consultants need to do is **charge the increased fees for treatment delivered from 1 November 2024.**
- It is based on input from surgeons, physicians and anaesthetists external to Bupa for 95% of all codes and ensures consultants are remunerated based on the complexity and the average time worked per procedure. We've used this input to inform the fee increases for all codes in our schedule.
- It takes into account additional complexity of highly specialised procedures.
- Our new model takes into account average indemnity costs per specialism and the cost of running a private practice such as secretarial costs and office leases.

New reimbursement approach

Curzon analysed and benchmarked our current fee model and helped us to develop a new approach using a dynamic, time and value-based model.

This ensures our fees more appropriately reflect complexity, consultants' skills and expertise and the costs incurred in running a private practice.

To ensure we're being fair and transparent, we worked with Curzon who provided independent expertise, using data sets in the public domain and from private hospitals and consultants who aren't employed by Bupa.

Our new approach means that we now calculate clinician fees for both surgeons and anaesthetists using the following equation:



Clinical time

The total clinical time clinicians spend on each procedure, based on data gathered from hospitals, anaesthetist groups, NHS consultants, private clinicians and theatre managers. This does not include MDTs and pre-operative assessments. This was validated by Bupa Medical Directors, for both surgeons and anaesthetists.

Hourly rate

A weighted average between the hourly rate paid to a salaried NHS consultant, and the market-based self-pay hourly fee for any given procedure – ratified and validated using the latest available clinical market data.

Technical factor

An uplift applied to procedures deemed highly complex and in need of specialised training to properly and safely execute.

Average indemnity cost per patient

The average indemnity paid, by specialism, adjusted for the typical number of patients a specialist within that specialism might treat per year.

Average admin cost per patient

The average UK-wide cost of running any private practice, adjusted for typical number of patients a specialist might treat per year, taking account of administration contribution included within consultation fees.

Assistant surgeon

Hospitals will continue to cover the cost of assistant surgeons. Where a second operating surgeon is required, Bupa Benefit Limits will continue to be chargeable.