



Feidhmeannacht na Seirbhíse Sláinte
Health Service Executive

Department of Radiology,
Mid Western Regional Hospital,
Dooradoyle,
Limerick.

Submission to Competition Authority and Health Insurance Authority re:

Competition in private health insurance market.

I wish to bring to attention a particular aspect of healthcare in which there is uncompetitive practice; specifically for privately insured patients who require an MRI scan and are denied choice when seeking an MRI service provider.

There are 38 MRI scanners operating in the country, of which 10 are publicly owned and operated. The health insurance companies have established single provider agreements for the direct reimbursement of outpatient scans, awarding recognition to only 5 or 6 providers, all of which are privately owned and operated. Most publicly owned and operated units were given recognition for direct reimbursement solely for inpatient scans. However as MRI scans are predominantly an outpatient service, this in effect means that if an insured patient wishes to have their scan performed by a service provider to which the insurers do not directly reimburse, then the patient must pay for that scan themselves. They will get a partial reimbursement at the end of the year if the policy deductible limit is exceeded. This is euphemistically referred to by the insurers as “cover under the outpatient scheme”; but de facto means no reimbursement for the majority of such patients.

Tendering for single provider agreements were initiated by the VHI about 3 years ago, as the number of both public and private scanners increased. There followed similar agreements by both BUPA and Vivas. Each insurer sought to have an exclusive agreement for outpatient scans with only one provider in each region. It is remarkable that the chosen provider in each region tends to be the same for all three companies!

In the mid west there are two MRI units, one publicly owned and operated in the Regional Hospital and the other privately in Barrington’s Medical Centre. In the Regional Hospital there is a full range of services across all specialties; for instance there are four multidisciplinary conferences each week for cancer patients alone; each involving radiologists, oncologists, radiotherapists, pathologists and surgeons. Barrington’s Medical Centre does not offer this range of service and because it functions independently of the regional hospital there is no multidisciplinary quality control of MRI imaging performed there. Furthermore as it is a private institution it is not subjected to the same level of public scrutiny as the Regional Hospital.

The privately insured patient, regardless of the complexity of the case, who seeks an MRI scan in the Mid West has no choice but to go to Barrington’s Medical Centre to have a reimbursed outpatient scan performed. If there is to be true competition in this sector it should be the patient’s decision to seek the provider of the service and the insurer obliged to reimburse. The notion that a tendering process for single provider agreements is an adequate level of competition is to deny the patient the ultimate consumer choice at the point of delivery of service. Arguments regarding controlling of costs through single provider agreements are merely a refusal to evolve fair mechanisms to provide checks and balances within a proper competitive environment.

Dr. Bryan Kenny,
Consultant Radiologist in Administrative Charge.