

Bupa and BMI hospitals: An update

Keeping Healthcare Affordable?

The on-going and widely publicised contract negotiations between Bupa and The BMI Hospital Network continues to rumble on and are likely to run into the New Year.

The relationship between the two parties was brought into doubt recently when Bupa announced it was de-listing 12 of their hospitals from the Bupa network, which has subsequently risen to 37 and may increase following further negotiations. The key driver for Bupa's stance is the cost increase of 20% the BMI Group is insisting upon, which Bupa would effectively pass directly on to its clients.

Bupa's latest announcement on Monday 19th December would suggest that any amicable arrangement seems unlikely and as part of this communication it announced the additional de-listing of BMI hospitals which can be found by clicking [here](#). As mentioned this list is still to be finalised and may change again.

What this means for you

Bupa is writing to members who they have contacted previously, to update them on the removal of the hospitals. It is also writing to members who have pre-authorized treatment at these hospitals in recent weeks.

For any Bupa members that are in mid-treatment they will not be affected in any way and Bupa will settle all invoices as usual. Furthermore, the members will be able to continue their treatment at the same hospital, even if their current treatment and follow-up runs in to 2012.

Bupa claims that in a typical month around three Bupa members per 1,000 would receive treatment at the BMI hospitals it has removed from its lists. While there may be some inconvenience for some members, there are reasonable hospital alternatives where members can receive high quality care. Members seeking treatment at de-listed hospitals will be advised by Bupa's member service advisors; they believe wider communications to members about the changes may be disproportionate at this stage.

Bupa has released a Questions & Answers communication which can be found by clicking [here](#).

Enrich Opinion

Given the current economic climate, and the continual increasing medical inflation which currently stands at approximately 10% per annum, a 20% increase in treatment costs is not sustainable longer term. With this in mind Bupa is taking a major step to introduce fundamental cost control measures, which we believe many clients will welcome.

Enrich Actions

Whether the market will follow suit remains to be seen but it is unlikely that any immediate action will be taken. At Enrich we will continue to support our clients in our recommendations to meet specific requirements and will review hospital usage patterns in order to gauge the impact on a scheme by scheme basis.

Further updates will follow as they develop, however please contact Richard Davey on 0207 997 5825 or richard.davey@enrichbenefits.com or your Enrich support for additional questions and information.