Which? Money: is private medical insurnace too expensive?

[00:00:00] **Rob Lilley-Jones:** The use of private healthcare in the UK is on the rise, but so are the associated costs. So is it worth your hard earned cash? This is witch money. So hello and welcome to this week's episode then. I'm Rob Lily Jones in for Lucia Ariano this week, and today I'm joined by two of which is Best Expert Voices.

[00:00:21] **Rob Lilley-Jones:** First up is senior researcher am writer, Megan Thomas. Hello, lovely to have you here. And we are also joined by Dean Sobers, our in-house insurance. And as of last week, the winner of the General Insurance Journalist of the Year Award at the Headline Money Awards. Welcome. Oh yeah. And congratulations, Dean.

[00:00:39] **Rob Lilley-Jones:** It's lovely to have you with us. Thank you for being here. And Megan, thank you for being here as well. Now this week we are revealing the results of our latest research into private medical insurance providers. Uh, Dean will be telling us which companies topped the table. But first though, Megan, can you outline the.

[00:00:56] **Rob Lilley-Jones:** Difference between private healthcare and private medical insurance?

[00:01:01] **Megan Thomas:** Yeah, so private healthcare is just any sort of medical treatment that you get that is not paid for by the NHS. So it could be anything. It could be GP appointment, could be a surgery, it could be like an over counter medicine. Um, and private medical insurance is a way to pay for it.

[00:01:19] **Megan Thomas:** So you are paying in. Monthly or maybe your employer's paying in, and it's a way to cover those costs rather than the actual treatment itself.

[00:01:28] **Rob Lilley-Jones:** And have we got any stats on how many people are paying for private healthcare?

[00:01:31] **Megan Thomas:** Yeah. So according to the private Healthcare Information Network, there were nearly 1 million private admissions in 2024.

[00:01:39] **Megan Thomas:** Um, and thinking about something specific like GP consultations, um, a market research company called Lang Estimates that 13% of GP appointments were private in 2024, up from 3%, two decades ago.

[00:01:53] **Rob Lilley-Jones:** So it's not insignificant. It's a lot of people.

[00:01:55] **Megan Thomas:** No, it's, it's, it's massively rising. Yeah.

[00:01:57] **Rob Lilley-Jones:** And you mentioned that these people might be paying for GP appointments, but are there other types of care that they might be paying for as well?

[00:02:03] **Megan Thomas:** Yeah. Yeah, so it could be, as I say, it could be surgery, it could be something like physiotherapy, it could be treatment for a chronic condition. It could be mental health care. It's really, it's any kind of treatment that you kind of could get on the NHS, but paying for it privately

[00:02:20] **Rob Lilley-Jones:** and presumably. It depends on what treatment you're getting, how much you might pay.

[00:02:24] **Rob Lilley-Jones:** The cost must vary quite a lot.

[00:02:25] **Megan Thomas:** Yes, yes. Massively. So when you're getting a G, even within one type of care, like a GP appointment, if you're getting it online, maybe it's only a 10 minute appointment. It could be maybe 40 pounds. I've, I've seen on, we've looked into pricing, or if you are in person, if you are in central London, it could be 250 pounds.

[00:02:44] **Megan Thomas:** Um, and that could be a longer appointment. And then for something like. So hip replacement, for example, according to lung, based on cost on average, 14,000 pounds in 2024.

[00:02:55] **Rob Lilley-Jones:** Wow. That's a lot of money.

[00:02:56] **Megan Thomas:** Yeah.

[00:02:57] **Rob Lilley-Jones:** So Dean, how then does, does private medical insurance come into this? What's the benefit of having insurance rather than just paying upfront for some of these services?

[00:03:04] **Dean Sobers:** As Megan's kind of outlined, um, there's been quite a growth in the number of people that have been turning to the private healthcare system. Um, and within that system there are all sorts of prices. Some of them quite affordable, quite low, some of them. You know, potentially in the tens of thousands, maybe even higher.

[00:03:22] **Dean Sobers:** Um, so what private, and most of us, you know, in a pinch probably don't have access to, to those sometimes vast amounts of money, especially if we're talking about, um, some kind of s you know, sort of serious treatment or something. Um, some sur surgery for example, or, um, cancer medication, that sort of thing.

[00:03:41] **Dean Sobers:** Um, so what private medical insurance, um, allows you to do is it kind of gives you that. Assurance that you'll be able to have that treatment without, at that time having to worry about the cost.

[00:03:54] **Rob Lilley-Jones:** Yeah, I mean, it makes a lot of sense. Megan, earlier on you mentioned just how many people are, you know, paying for sort of almost pay as you go private healthcare Dean, do we know how many people are paying for private medical insurance?

[00:04:05] **Dean Sobers:** So, according to, um, Lang Brion, um, apparently more than one in 10 of us are covered by a PMI scheme at the moment.

[00:04:12] **Rob Lilley-Jones:** And what's the main reason for having a policy? Do we know?

[00:04:14] **Dean Sobers:** Um, so we did a bit of survey research among our members. Um, and one of the questions that we asked them was, was what they prioritized, what made them buy their, their private medical insurance.

[00:04:26] **Dean Sobers:** And the, the winner of that, kind of, of that contest by some distance was. Getting access to shorter wait times. Um, so 71% listed it as one of the most important features, um, which probably isn't really surprising because wait times are, are pretty high on the NHS. Um, so that seems to have been driving quite a lot of people to, um, to seeking alternative access to, to healthcare.

[00:04:51] **Dean Sobers:** And then half of those that we asked, um, chose it just for peace of mind. Um, and over a third. Chose it for access to treatments that were potentially unavailable on the NHS. Um, so a kind of an example. There can be. Um, certain types of cancer therapies, for example, might not be available to you depending on where you live and what your, what your trust provides.

[00:05:16] **Rob Lilley-Jones:** Megan, do you think enough people understand what PMI covers? I mean, Dean mentioned some of the, some of the things there do enough people understand what it covers and what it doesn't cover as well, maybe importantly.

[00:05:27] **Megan Thomas:** Yeah, I think it's not necessarily obvious what is covered. Um, generally it's only acute conditions that are covered, which is sort of.

[00:05:36] **Megan Thomas:** A sudden illness has come on an injury or something like that, and chronic conditions or existing conditions aren't always covered. That that can vary from provider to provider.

[00:05:46] **Dean Sobers:** One of the, one of the kind of barriers towards people, um, people's understanding of what they might be covered for, um, in, in private medical insurance is that it's very kind of jargon filled and some of the words that insurers will use might mean slightly different things too.

[00:06:02] **Dean Sobers:** What they might mean when, um, when spoken about by medical professionals. Um, so for example, um, acute, the terms acute and chronic have very specific meanings in the insurance world. So acute basically means something where, uh, a situation where a medical intervention can be made. With a view towards resolving that condition, um, with a view, a view towards making you better.

[00:06:25] **Dean Sobers:** Um, whereas a chronic condition is something that requires long-term management and not necessarily something that's gonna be gonna be made better.

[00:06:33] **Rob Lilley-Jones:** I think that's a really important clarification. I think that's really, really important information. As we said, I think a lot of people maybe would, would fall foul of, of some of those definitions.

[00:06:41] **Rob Lilley-Jones:** Yeah.

[00:06:41] **Dean Sobers:** Reasonably. It's like ensure a code basically

[00:06:44] **Rob Lilley-Jones:** Yeah. Was something which you are well versed in at this stage. And, and Dean obviously on this, how much are people paying for, for private medical insurance? Megan gave us some of the, the figures, what was it, 14,000 pounds for hip replacement possibly.

[00:06:57] **Rob Lilley-Jones:** Mm-hmm. For private medical insurance. What sort of price points are we talking here?

[00:07:01] **Dean Sobers:** So there can be quite a range, um, depending, um, quite markedly on how old you are and how you bought the insurance. Um, so I think probably the majority of people that have private medical insurance pay for it through a workplace.

[00:07:15] **Dean Sobers:** Scheme and get it as a benefit. So they are paying for it out, you know, out their wage packet, but it's probably not a, a particularly high cost or not cost. They necessarily notice that they're spending. It does tend to get quite a lot higher, um, when you kind of sort of get, get older on when you get older and if you are buying a, a policy independently.

[00:07:35] **Dean Sobers:** This, this was a case for a lot of the people that we surveyed, um, and we found that those that were age we, when we asked them what they were paying. Uh, those aged between 50 and 59, we're paying 162 pound a month on average. So I think we're somewhere in a, we're we're approaching two grand there, I think.

[00:07:52] **Dean Sobers:** Yeah. Quick math. That works two grand a year, I think. And. Those aged between 70 and 79, were paying 244 pounds a month. So yeah, basically the older you get, you can, you can be expecting to pay several thousands of pounds a year. So,

[00:08:06] **Rob Lilley-Jones:** so does it make sense then, I dunno if this is, this is an odd question to ask, but, but humor me.

[00:08:10] **Rob Lilley-Jones:** Does it make sense then to, to get. Private medical insurance earlier in, in your life, or does it not really work like that?

[00:08:18] **Dean Sobers:** Whenever you, whenever you buy it originally, as you get older, you're still gonna be seeing those price increases as you age. Just because the age, the age that you are has an effect because from the insurer's vantage point, the older you are, the more likely you are, um, to, to, to need, to, need to make a claim.

[00:08:34] **Dean Sobers:** Um, more likely you ought to, you know, become ill basically. Um, so that's factored into your price. Um,

[00:08:40] **Rob Lilley-Jones:** so quite simply, if you want to guess it, if this is something you are interested in, just get it at the time of life that is right for you.

[00:08:46] **Dean Sobers:** Yeah. Although of course it being so expensive, the dilemma a lot of people face is that.

[00:08:51] **Dean Sobers:** It's, it's some, you know, with, with a lot of people, they might like to have it, they might really value it, but it's not necessarily gonna be affordable for, you know, for everyone. And a, a number of people in our survey commented on the fact that, you know, they'd owned it for a long time. It was something that they really valued.

[00:09:07] **Dean Sobers:** Um, but it was becoming too expensive to keep up, so they were considering other options, um, like pay as you go method.

[00:09:14] **Rob Lilley-Jones:** Yeah. Like you said, some of those figures are, are particularly high, especially as, as you get older. And I know on this as well, there is a, a bit of a confrontation is maybe too strong a word, but there's a bit of debate ongoing between doctors and the insurers as well, aren't there?

[00:09:28] **Dean Sobers:** Yeah, there is a bit of tension between, um, between the insurers and, and between medical professionals, um, and. What it mainly stems from is the fact that most people that, um, that access private healthcare do so through an insurance policy. And what that means is that the insurers have quite a lot of.

[00:09:48] **Dean Sobers:** Sway over the business that a private hospital or private doctors will, will receive. Um, and that means that they can, um, make they, that they can influence how much doctors and medical professionals can charge. Um, so for example. An insurer will have a, um, if, if you take out an insurance policy, it will have a, um, it will have a list of hospitals that it covers and it'll have a, a list of, um, it will have a list of medical professionals that it covers, so doctors, anesthetists, um, uh, therapists and so on.

[00:10:25] **Dean Sobers:** Um, and what they will do is they'll have a certain maximum amount. That they'll be willing to pay in fees and doctors that go, doctors that choose to charge above the above this fee, um, that shortfall will be, um, put onto the customer. Um, but what a lot of private medical insurers do now as well is they have special lists of.

[00:10:46] **Dean Sobers:** Doctors that they will recommend that only charge up to that fee. So there's no shortfall. What we've been hearing is that, um, there's some criticism that insurers have been heavily exerting the influence that they have over doctors. Um, not only to control costs, but to control costs in ways that can actually affect the quality of pet.

[00:11:06] **Dean Sobers:** Care that the patients receive. Um, and sometimes without this being particularly transparent to the customer. Um, so we heard from the, um, the independent, uh, doctors federation, um, that they'd done a survey of, of, of 474 doctors last year. And one of the questions that they asked these doctors was whether.

[00:11:29] **Dean Sobers:** Their sort of assured fees lists, um, that were set by insurers had ever impeded them or their patients from working in partnership to assess their care needs and treat them in line with their clinical judgment. And 84% of the doctors answered yes to this. Um, and there were quite a large number of others that said that they'd, um.

[00:11:51] **Dean Sobers:** That they had been received, that they'd, they'd received threats of being de recognized or taken off a doctor's list, uh, taken off an insurer's list of approved specialists. Now, the insurers have, you know, we, we asked the, we asked the insurers what they kind of had to, what their view was on, on, on, on these statistics in this situation.

[00:12:10] **Dean Sobers:** And they defended the need, um, and, and customer demand. For insurers to a con, uh, contain costs because this is all kind of goes into the premium that you pay. Um, and then also to give them, um, give, give them guidance of, you know, who to pick. Um, so there are kind of. Arguments on both side. Um, but yeah, it would be fair to say that there is tension between the two groups.

[00:12:36] **Dean Sobers:** I mean,

[00:12:36] **Rob Lilley-Jones:** everything you've just said there, it, it proves, you know, how pressing this issue is. And it, it's, it's a big issue clearly out there at the moment, Dean, we will get onto. Our survey results, of course, which I know people are waiting for. So we'll get onto those in a second. And before we get to those survey results, then Megan, can you tell us some of the names that do provide this type of, of private care?

[00:12:57] **Megan Thomas:** Yeah, it's quite a fragmented market, so it might be in your local area. It's just local providers, but there are some bigger chains like Nuffield Health Spire and Circle Health Group, and some insurers provide care themselves, like Bupa, for example.

[00:13:14] **Rob Lilley-Jones:** So then Dean, the big one, let's get to the elephant in the room.

[00:13:17] **Rob Lilley-Jones:** Our reviews, people wanna know, do we have a witch recommended provider in this space?

[00:13:21] **Dean Sobers:** Um, I'm very sorry to say we don't this time round. Um, and what does that tell us then? So what it tells us is, um, the reason that we weren't able to give a witch recommended provider award to any of the providers in our survey was they.

[00:13:37] **Dean Sobers:** All, all the providers that we looked at. So we looked at six providers, um, and they all got poor scores for value, for money, which is probably reflective of the fact that lots of those customers that we surveyed, um, seem to be being charged a lot of money for their policy at a time when, you know, everybody's budgets are, budgets are kind of squeezed.

[00:13:57] **Dean Sobers:** Um, so they weren't, they didn't, they seemed to not be seeing a great amount of value for money in what they were paying. Um, value for money is one of the. Is one of the areas of, of the, the customer experience that we kind of need to be seeing a, a, a, a decent, um, a decent scoring in order to give that, um, which recommended provider, um, badge.

[00:14:22] **Dean Sobers:** That being said, we did see, um, a decent range of overall customer scores, you know, just overall in terms of how, how satisfied people were and how likely they'd be to recommend their insurer. Um. So there's a clear leader, which was WPA. Um, it got a customer score of 76%. Um, the next one behind that was Bupa, which got 64%.

[00:14:43] **Dean Sobers:** So that's more than a 10% lead. Um, there. So yeah, there was a good range and we got that overall impression that, you know, that. With the providers towards the top, that there was general, generally decent levels of customer satisfaction, but there was just that snag with value for money.

[00:15:01] **Rob Lilley-Jones:** I should say that if people do wanna read more of these reviews, they can do, we'll put a link in the description for today's podcast.

[00:15:08] **Rob Lilley-Jones:** So wherever you're listening, you can, you can click that link and, and follow through and, and read more. But Dean, obviously you have kind of explained it a bit there. You've said why we haven't got a witch recommended provider because of the costs that are being charged and how people feel about them.

[00:15:21] **Rob Lilley-Jones:** But can people still be satisfied that they're gonna get good cover from these providers?

[00:15:25] **Dean Sobers:** Yeah, certainly. I mean that, so the general, um, the general feeling, um, that, that sort of came from the survey was that most of these, most of these customers were, were generally happy with the cover they were getting.

[00:15:38] **Dean Sobers:** And, and these were, these were people who've made claims as well. Um, they, they were generally happy with the cover that they were getting, and they really valued having private medical insurance. Um, so, you know, there's. We don't have any kind of, sort of complaints on that front. Um, I will say it's a, it's a very, and we were kind of touching on this earlier on, it's a very complicated product.

[00:15:59] **Dean Sobers:** Um, we always kind of, and there there are lots of potential kind of trap doors that you can kind of fall down. Um. And only realize, you know, at the point of claim that you don't have a certain amount of cover that you thought you did. So it is something that we always recommend if you're not really confident about buying a new policy or switching between providers, um, that you, uh, speak to a, a, a qualified broker.

[00:16:21] **Dean Sobers:** Um, or an intermediary just to make sure that you've got the cover that you need.

[00:16:26] **Rob Lilley-Jones:** Really good advice there. As you said, it is a really complicated product, and it will be right for some people. It, it won't be right for other people. Megan, if it's not worth it. For some, if maybe some people have been listening to this and think, oh, maybe that's not worth it for me, and, and I might just opt for, you know, a private appointment, which was something you were mentioning a little bit earlier on.

[00:16:44] **Rob Lilley-Jones:** If so, if that's the case, what are the sort of things they should look for when they're trying to choose who to go for?

[00:16:49] **Megan Thomas:** It can be tricky. I think part of, if you want, if you're really sat on private medical care, one thing that is maybe more appealing is that you could take the time to have like a really good connection with your gp.

[00:17:01] **Megan Thomas:** You know, that sort of continuous care that you might struggle to get in the NHS. So I think it's. You know, it's, it's kind of almost shopping around. It's, you know, if you know anyone who's got a good G Private gp, I talk to them. And yeah, just take the time to see if it's a good fit and if it do, if it doesn't work out, try another.

[00:17:19] **Megan Thomas:** Um, if you are got any worries about not having the sort of safety net of the NHS, um, you know, being this big stamp of approval, you can check the General Medical Council's website. They have a register of all licensed doctors. If you for some reason think, you know, maybe this one's a bit sketchy, you can look them up on there.

[00:17:37] **Megan Thomas:** Um, and through doing all that, you can still say registered with your NHS gp.

[00:17:43] **Rob Lilley-Jones:** Some really, really brilliant advice on today's episode. Thank you both for, for joining us and also just before we do, say goodbye to the two of you, I would add that if you do wanna read more, I've already said you can read it online over on which located you, Kate, and click the link in the description for today's podcast.

[00:17:57] **Rob Lilley-Jones:** But also, if you wanna read more brilliant journalism like we've heard today, then you can do that in the Witch Money Magazine. And if you wanna get hold of that, you can become a witch member if you are not already. 50% off becoming a witch member. You can sign up using witch at co uk slash podcast to offer.

[00:18:11] **Rob Lilley-Jones:** And there is also a link for that in the description for today's episode. So Megan, thank you very much. Thank you. And Dean, thanks so much. Thanks a lot.

[00:18:21] **Rob Lilley-Jones:** That brings to an end on our podcast from which this loads more for you to read about everything we discuss today. Just head to the episode description for more useful everyday advice. There. You'll also see an exclusive offer for podcast listeners like you to become a witch member for 50% off the usual price, and that gives you access to our product reviews, our app, one-to-one, personalized buying advice and every issue of Witch magazine across the year.

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