



Private maternity care

What are the options for your clients?

Maternity benefits are traditionally perceived as the preserve of expatriates and VIP executives. Could a new service promising transparency and affordability change that? **Madeleine Davies** reports

Today, in any standard domestic private medical insurance (PMI) policy you would expect to see normal pregnancy and childbirth among the list of exclusions. After all, as Bupa International's Simon Ashworth explains: "Having a baby isn't an acute illness, which is what domestic health insurance is designed for." Adding the cover would make policies expensive, given the anti-selection risk. Insurers would expect people planning to have children to take out a maternity option. The risk of complications could further hike up premiums, according to Dr Peter Mills, independent healthcare consultant at Glasslyn Healthcare Solutions.

Nevertheless, maternity is a standard feature of international plans, and a popular one at that. According to Mercer's 2008 Benefits Survey of Expatriates and Globally Mobile Employees, cover for normal maternity is the second highest valued benefit within international PMI, following primary care. Furthermore, there has always

been a self-pay market for private maternity services, focused heavily on London. The figurehead of this field is The Portland Hospital, part of HCA International, where 80% of patients pay out of their own pockets. A normal delivery at this prestigious hospital costs £4,000 with every additional night stay coming in at £995.

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Elliott Hurst, Towers Watson



This market has traditionally left intermediaries somewhat out in the cold but the advent of more affordable packages of maternity care and the evolution of flexible benefit schemes could change this. PruHealth, for example, is now offering discounts to members for a range of services offered by The Birth Clinic, a private maternity network in the UK. This ranges from discounts of up to £300 on the private pregnancy packages (covering all aspects of pregnancy including delivery to a 10% discount on ultrasound scans).

"One of the problems in the past has been that it was quite difficult to find information about private maternity services," says Tal Gilbert, head of research and development at PruHealth. "We quite like the way that The Birth Clinic has packaged up and presented care in way that is quite straightforward."

AFFORDABILITY

The Birth Clinic is the brainchild of Dr Jonathan Weiss, a medical doctor by training who has a background in establishing private clinics and advising insurers.

"For too long, these services have been deemed to be out of the range of budget for most people," says Dr Weiss. "The Birth Clinic is excited to be able to offer superior service and care at a price within the reach of most. We have made private maternity a lot more transparent and accessible in terms of finding out what is available."

Marcia Reid, a healthcare consultant at Finchers Consulting, believes that demand for these packages will come from two distinct groups: members of corporate international or VIP private medical insurance schemes and individuals prepared to pay for services themselves.

"For large companies, maternity is the most expensive claim spend so, because there is no other private maternity network, I think it is of particular interest to them," she says. "The Birth Clinic offers knowledge and one of the issues that expats and people from the UK find is that they don't know where you can get private maternity services. They assume you have to pay a fortune for a complete package whereas you can buy bits of the services."

Dr Weiss estimates that there is currently an equal split between customers funded by international insurers and those looking to self-pay but believes that the insured market could grow.

"What domestic insurers have had to say to members for so many years is, 'you are young and healthy and the biggest health event in the next decade will be pregnancy and by the way we do not do anything for it,'" he said. "That is a huge glaring gap, when you think about it."

PRIVATE VERSUS NHS

An important development bringing private maternity into more affordable realms is the growth of private maternity wings in NHS hospitals. Each additional night stay at the Lansdell Suite, based within the main maternity unit at St Thomas' Hospital, costs £690 compared to £995 at The Portland. Dr Weiss hopes that the Birth Clinic will raise a greater awareness of these options.

Ron Buchan, chief executive of international PMI provider Allianz Worldwide Care, agrees that there is potential to help members look beyond well-known London names, particularly as they currently tend not to consult the insurer on where to go, as they might when receiving treatment for a medical condition.

"That's slightly illogical," he says. "There is an element of technical and medical expertise you need, but that's available in many places including the private wings of NHS hospitals."

Buchan has noted an increased interest in maternity cover from a number of local nationals in various countries, including the UK, and Finchers Consulting's Reid believes the issue is particularly relevant for working women. She points out that private services need not include the actual delivery but may be selected for pre-natal care.

"What is stressful is finding time out of work to get an appointment," she says. "You are more likely to wait in the NHS. With a private service you have more choice of appointment slots to suit you and that takes a lot of the stress out of it."

While the latest survey of new mothers carried out by the Healthcare Commission found that 89% rated their NHS care as "good" or better, key concerns raised by include inadequate levels of staffing in hospitals and poor levels of care and support after their babies were born. Only 20% of women surveyed experienced care from the same midwife throughout labour and while the government has attempted to offer women a choice of birth location, this has been limited by the lack of availability of midwife-led units.

Laura Roberts, marketing coordinator at The Portland Hospital, said the provider's selling points included one-to-one care in labour, private en-suite rooms, a pro-choice approach to delivery method and a private neo natal intensive care unit and special care baby unit.

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INTERMEDIARY OFFERING

Although there are signs that private maternity services might spring up outside the capital (a team of specialist consultants has established a private pregnancy care service in the West Midlands called MUMS), most are established in London. This situation may have arisen in response to demand, given the fact that many international or highly-paid employees are based in the city.

"Historically there hasn't been lot of demand for private [maternity] services," says PruHealth's Gilbert. "But there has been some interest from big international corporates, particularly quite geographically concentrated in London."


John Kaye, director of client management at CIGNA International Expatriate Benefits, said interest in maternity cover came mainly from high net worth individuals seeking to go to prestigious facilities in London and highlighted the fact that there is "relatively niche provision targeted around the London area".

Elliott Hurst, senior consultant for healthcare and risk at Towers Watson, agrees. "Local UK nationals are used to being in domain of NHS," he says. "Clearly you do have some exceptions and my experience is in particular around employers in London, maybe in the legal or financial sectors where you are employing quite a number of non-UK nationals, most commonly North Americans. They do look for private pre-natal and post-natal and also pregnancy and childbirth care in a private facility."

Hurst suggests, however, that flexible benefits might present the best opportunity to extend the cover available to employees, including UK nationals.

"I don't see too many employers providing company-funded access," he says. "But they might facilitate an option where employees can buy up to a higher level of services. Such options are quite often very similar to, or replicate, expatriate PMI plans."

Whether or not employers respond to attempts to increase access to private maternity care remains to be seen. However, Dr Weiss believes that discussing the issue with corporate clients could be another string to the bow of intermediaries, particularly specialist, fee-based firms with an interest in addressing wellbeing in the workplace.

"This is a benefit not about money but cementing a relationship with a client, introducing new ideas and alternatives for them," he concludes. 

THE BIRTH CLINIC COSTS

London private pregnancy care and private delivery: starting from £6,000

- Continuity of care including antenatal delivered by obstetric doctor
- Two night private stay
- Private scans and bloodwork, including diagnostics not normally undertaken by NHS
- Postnatal and maternal back-up

Private pregnancy care: under £2,000

- Continuity of prenatal care delivered by obstetric doctor
- Private scans and bloodwork, including diagnostics not normally undertaken by NHS
- Coordinate care with NHS delivery

Private Maternity Bespoke Packages: from under £150

- Range of bespoke and tailored packages
- Could include obstetric doctor consultations, scans and bloodwork from around £300-£400



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