

Letter re Approved Provider Status for BUPA

22 October 2007

APPROVED PROVIDER STATUS APPLICATION
ASSISTANT STATE MANAGER
AGEING AND AGED CARE
DEPARTMENT OF HEALTH AND AGEING
GPO Box 9848
Brisbane
QLD 4001

Dear Sir/Madam,

Is BUPA a “suitable” organization to be entrusted with the care of frail nursing home residents?

In spite of a phone call in which I was assured that the matter was being addressed urgently I have not had an acknowledgement of my letters dated 4th and 11th October 2007.

I have now had an opportunity to do a less limited examination of this company and its operations. This shows further serious issues which I am sure you will have identified by now.

A key concern for me was the way it had promoted its not for profit status to the public and to potential members while pursuing aggressive marketplace practices that were not congruent with this. While promising to serve its members first it pursued its commercial interests aggressively, and dumped those in the community, who had responded to those promises, when it was expedient. It sold them on to groups whose prime interest was the profits that could be generated from their misfortunes. This is a glaring betrayal of trust.

I have examined the way in which BUPA has dealt with the conflicts occasioned by being a not for profit organization operating in the sort of marketplace we now have. Like other not for profit groups that have done this successfully it has continued to energetically claim its not for profit status while behaving in ways which are incompatible with that, and which the community would find unacceptable.

While BUPA is clearly preferable to Citigroup as an owner of nursing homes, its reluctant approval as a provider, if no other more suitable can be found, would, I trust, be heavily qualified. It should be made very clear to it that its current practices and focus on profits and growth rather than those to which it is committed is totally unacceptable and will not be tolerated in Australia.

My review of its practices may prove useful to you. It was posted on the www today. The address is <http://www.corpmedinfo.com/bupa.html>

The worrying areas I identified were situations where I felt that BUPA had not coped adequately with the tension between commercial priorities and its claimed not for profit focus. These are matters which deserve your attention. They are

- BUPA's focus on profit, growth and global expansion,
- issues relating to employees, standards, professional relationships, marketing, and culture,
- a betrayal of trust in its hospitals,
- tax evasion in England,
- its conduct in Ireland, and
- aggressive protection of its commercial interests in Australia.

I look forward to an early acknowledgement and response to my letters, particularly to my question about BUPA's requirement to apply to you for approval as was indicated would happen in the ministers' letters.

Yours sincerely,

J Michael Wynne