

Glossary

In this report the following words or phrases have the meaning shown below. In other contexts they may have other meanings.

ABI	Association of British Insurers.
Acute condition	A medical condition of typically short duration which has severe symptoms (as opposed to chronic conditions which are persistent and recurring). Used mainly in the context of private acute hospitals: see PMS .
Approved list(s)	PMS providers (including private acute hospitals and in some cases PPUs) or consultants whose charges or fees are covered by the terms of some or all of a PMI provider's policies. See network and preferred provider .
BCWA	Bristol Contributory Welfare Association Limited: a PMI provider, which is a provident association.
Benefit Maxima	BUPA's scale of the maximum charges for procedures that it will normally reimburse under a PMI policy.
BMA	British Medical Association: the trade union representing registered medical practitioners including consultants .
BMI	BMI Healthcare Ltd. See GHG .
BUPA	The British United Provident Association Ltd: a provident association and a main party to this inquiry. We use BUPA to refer to the group, the present company or any of its subsidiaries according to context. BUPA PMI refers to the PMI business of BUPA , and BUPA PMS to its PMS business.
BUPA Finance	A BUPA subsidiary and a party to the loan agreement with SBUKE .
BUPA Hospitals	BUPA Hospitals Ltd, a subsidiary of BUPA, managing 30 of its 36 hospitals.
Catchment area	Geographical area from which a hospital draws its patients.
CHG	Community Hospitals Group plc: a publicly-quoted PMS provider and a main party to this inquiry. We use CHG to refer to the Group, or any of its subsidiaries according to context.
Chinese walls	Barriers to the exchange of information, and to the undertaking of collective or joint actions by employees at prescribed levels below board level in different parts of an organisation.
Commercial insurance company	An insurance company that is not a provident .
Consultant	A registered medical practitioner who holds or has held or is qualified to hold an appointment as a consultant in the NHS in a speciality other than general practice or whose name is on the register of specialists kept by the General Medical Council.
Consultant drag	The probability that a consultant who sees network -insured patients at a network hospital will recommend self-paying and non- network -insured patients to use the same hospital.
CPS	Consultant Partnership Scheme: a scheme established by BUPA PMI , to determine consultants' fee charging practices.
CT	Computed Tomography: a body scanner procedure using X-ray technology.

Drive time	Time taken to drive from the patient's home to a hospital.
EBITDA	Earnings before interest, tax, depreciation and amortization.
Elective procedure	Medical treatment for a condition which although not life-threatening requires treatment.
Endoscopy	A technique of internal examination or treatment.
ENT	Ear, nose and throat: an area of medical speciality.
Episode	Treatment or series of treatments related to an acute medical condition.
Flagship hospital	A private acute hospital, possessing specialized treatment facilities not normally available in private acute hospitals.
Four national PMS providers	GHG, BUPA, Nuffield and CHG .
FSA	Financial Services Authority, a body corporate that has various functions under the Financial Services Act 1986.
GHG	General Healthcare Group Ltd: a commercial, publicly-quoted PMS provider, now owned by funds controlled by B C Partners Ltd, a venture capital group. GHG is the parent company of BMI , which manages its hospitals.
GP	General Practitioner.
HA	Health Authority, formerly a District Health Authority.
HCA	HCA UK Ltd: a PMS provider acquired by BUPA in 1989/90.
HCA(London)	HCA UK Holdings Ltd: a PMS provider formed as a result of the merger between Columbia/HCA Healthcare Corporation and St Martin's, and ultimately owned by HCA—The Healthcare Company, a hospitals group based in the USA.
HDU	High dependency unit: a hospital unit where patients receive extra medical care, though less specialized than that provided in an ITU .
Independent hospital	A private hospital that is not owned by BUPA, CHG, GHG or Nuffield .
Isochrone	A line joining points that have the same drive time to a hospital. See drive time .
ITU	Intensive treatment unit: a hospital unit in which patients receive extra medical care, of a more intensive nature than provided in either normal wards or in an HDU .
JHS	J Henry Schroder & Co Ltd. Financial adviser to BUPA . A subsidiary of SIL , trading as SSSB .
Loan agreement	The document setting out the terms of the loan from BUPA Finance to SBUKE which financed SBUKE 's purchase of CHG shares.
Loss ratio	Cost of insurance claims (for PMS under PMI cover) as a percentage of PMI premium income received in any given year.
MRI	Magnetic resonance imaging: a technique used to study tissue metabolism.
Myringotomy	Medical treatment to deal with acute inflammation of the middle ear.

Network	A list of PMS providers who are on a PMI provider's approved list and whose charges are covered by the terms of that PMI provider's network policies. All network hospitals would be on the approved list of one or more PMI providers but not all hospitals on those lists would be network hospitals . PMI providers typically negotiate extra discounts with the hospitals concerned and the arrangements give national or near national coverage. See also preferred provider .
NHS Trusts	Self-governing bodies responsible for NHS hospitals and hospital groups which have managerial and financial autonomy within NHS guidelines.
Norwich Union	Norwich Union Healthcare Ltd, a PMI provider, and a wholly-owned subsidiary of the CGNU Group.
Nuffield	The Nuffield Nursing Homes Trust Ltd, a company limited by guarantee with charitable status, a PMI provider.
Operating margin	Operating profit before interest and tax as a percentage of revenue.
Pay-beds	Beds in NHS Trust hospitals' wards which may be used for private (fee-paying) patients.
PMI	Private Medical Insurance: insurance policies providing indemnity cover against the costs of private medical treatment (primarily PMS and consultants' fees).
PMS	Private medical services: medical services (other than those of consultants) provided by private acute hospitals and PPUs , but excluding psychiatric hospitals and those primarily undertaking only single procedures, eg pregnancy termination or fertility treatment.
PPP	PPP Healthcare Group, a PMI provider, formerly a provident but now part of AXA UK plc.
Private acute hospital	See PMS and acute condition .
PPU	Private Patient Unit: a private acute hospital facility operated within an NHS Trust hospital.
Preferred provider	A PMS provider which a PMI provider would request a subscriber to use.
Procedure	A surgical operation or medical treatment for an acute medical condition. See also episode .
Prosthetic	An artificial replacement for part of the human body, eg an artificial limb or hip replacement implant.
Provident	A mutual insurance company or other insurance company that does not have a share capital. In quotations from evidence given by parties to this inquiry the expression may have other meanings.
Rack rate(s)	Standard, low-volume business tariff used by private acute hospitals to determine discounts to PMI providers (for network, non-network and preferred provider business).
RSA	Royal and Sun Alliance Ltd: a general insurer which is also a PMI provider.
SBUKE	Salomon Brothers UK Equity Limited, trading as SSSB , a financial company which owns 26.7 per cent of the ordinary shares of CHG and is a main party to this inquiry. A subsidiary of SIL .
SIL	Salomon International LLC, a subsidiary of SSSB . SIL owns 97.3 per cent of SBUKE and is a main party to this inquiry.

Solus	A private acute hospital which has no other such hospital within its catchment area.
SSSB	JHS, SBUKE and Salomon Brothers International Limited each use Schroder Salomon Smith Barney (SSSB) as a trading name. We use SSSB not only to refer to the trading name but also to describe these companies collectively.
Standard Life	Standard Life Healthcare Limited (formerly Primary Health Ltd), a PMI provider, a wholly-owned subsidiary of the Standard Life Assurance Co.
TPA	Third party administrator.
Undertakings	See paragraph 3.4.
Urology	A medical speciality dealing with the urinary tract.
WPA	Western Provident Association Limited: a PMI provider, which is a provident organization.