Health insurance: a bitter pill?

Private medical insurance remains one of the best ways of bypassing NHS waiting times, but costs are climbing. **Dean Sobers** reports

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Although the NHS is making a dent in its post-pandemic backlog, waiting times are still very high, driving many people to consider private healthcare. In 2024, there were nearly one million private admissions – the highest number on record, according to the Private Healthcare Information Network.

Private medical insurance (PMI) is how most people access private healthcare, but it doesn't come cheap. For many, it costs thousands of pounds a year – yet less than half of customers in our recent survey feel they're getting good value in return. And it isn't necessarily as straightforward a way of accessing private healthcare as you might have initially thought. Here, we explain what people get out of it, some of the hidden pitfalls and which providers are top-rated by their customers.

Why get health insurance?

More than one in 10 of us are covered by a PMI scheme, according to research company LaingBuisson. As the name suggests, PMI policies fund access to the private healthcare system, either within private hospitals or in private wings of NHS hospitals. Typically, PMI covers non-urgent – or 'elective' – consultations, tests and procedures, such as surgery to remove cataracts or mend damaged joints. Policies don't cover A&E care and usually exclude conditions considered by insurers to be 'chronic'. However, many comprehensive plans make certain exceptions – and can, for example, cover cancer or mental illness.

When we asked 1,286 Which? members with PMI what was most important to them when choosing their cover, the most popular benefit by some distance was shorter wait times – with 71% listing it as one of the most important features.

In March 2025, the median waiting time clocked up by patients on NHS waiting lists for elective procedures was 13.8 weeks. The NHS aims for patients to be treated within 18 weeks, but has been hitting this target less and less frequently over the past decade, with lasting backlogs from the Covid-19 pandemic continuing to place strain on its capacity.

Waiting times in the private system are considerably shorter. Most patients in our survey who'd claimed on PMI had been treated within just four weeks of referral – and almost half within a fortnight.

The promise of bypassing waiting lists isn't the only appeal of private healthcare or PMI. Half of those we asked chose it for peace of mind, and over a third chose it for access to treatments potentially unavailable on the NHS.

Climbing costs

Despite its popularity, PMI isn't without drawbacks. Policies commonly cost thousands of pounds a year, and costs tend to climb over time. The vast majority (84%) of customers we surveyed said their premium had increased since last year. Age-related price rises probably account for much of this. Insurers charge older customers higher prices because they expect them to make more frequent and pricier claims. As the chart opposite shows, these hikes really bite when customers reach their 70s – at which point the average premium rises by 41%.

Compounding this are increased costs for insurers. Chris Mooney, people and business leader at the broker Lifesearch, told us that 'medical inflation is the biggie'. This affects costs associated with rising consultants fees, hospitals, and new treatments and technologies. In his view, the lasting effects of Covid-19 are also still influencing costs, such as higher numbers of claims after the pandemic from people who'd been holding off seeking treatment.

Use of certain 'free' services such as virtual GP consultations and mental health support lines has also apparently grown. The customers seeing the biggest price hikes are those who have claimed and lost their no-claims discount as a result. Some customers are consequently conserving their cover to minimise this. Mooney told us: 'We are seeing a bit of an increase in customers who are self-funding certain aspects of their private healthcare with a view to not getting their insurer involved.'

For some, premium rises have made PMI unmanageably expensive. One survey respondent, anticipating a 'big increase', told us they were cancelling their cover after more than 30 years.

When we asked customers to rate their insurer for its value for money, just 47% were willing to say it was good. As a result of lacklustre performance in this area (see table, p42) no insurers have qualified as a Which? Recommended Provider this year.

Ambivalence over whether the price is reasonable isn't quite the same as not valuing your cover. Three quarters of those asked about how satisfied they were still gave generally positive feedback, and two thirds said they'd recommend their insurer if asked. As one Axa Health customer articulated, their policy 'gives essential cover but is now very expensive for that security'.

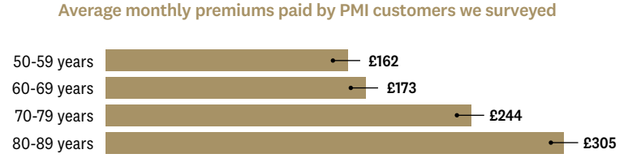
Restrictions to watch out for

However much you're paying, no policy offers unrestricted access to private treatment. All policies will cover and exclude certain conditions or treatments. They will also typically apply limits – such as cash limits, excesses, time limits or numbers of treatment sessions where cover is available.

Some of these limitations will vary depending on the level of cover you've chosen. For example, you might pick a policy with reduced or no outpatient cover to bring down the price. And most insurers will give you a choice of hospital lists to choose between. More extensive lists mean higher premiums. ➤➤

HOW PREMIUMS RISE WITH AGE

Average monthly premiums paid by PMI customers we surveyed



Other limitations are determined by your medical history – a fifth of customers we surveyed were aware of at least one chronic medical condition they had that's permanently excluded from their cover.

Do insurers have too much control?

Adding to the complexity are changes to your cover happening behind the scenes. Insurers keep and update schedules of approved procedures and fees, setting out the maximum costs they'll pay for procedures – as well as lists of medical specialists they're willing to work with.

Where medical professionals aren't operating within the schedule's boundaries (for example, if they charge more than the maximum fee for a procedure), the insurer may choose either not to approve treatment at all or leave the patient to pick up the shortfall.

With most private healthcare treatment being facilitated by insurers, their recommendations or recognition carry huge sway. There's criticism that insurers heavily exert this influence to control costs – but in ways that can affect the quality of care patients receive, and without being transparent.

The Independent Doctors Federation, which advocates and campaigns for independent GPs, specialists and doctors, told us that: 'Patients often assume all private medical insurance policies offer equal access to treatment, but this is not the case, and clarity over what is covered and delivered can even be changed mid-year.'

UNFORTUNATELY, FINDING THE PERFECT POLICY FOR YOU IS EASIER SAID THAN DONE. PMI POLICY WORDINGS ARE COMPLICATED AND OFTEN TRICKY TO READ. IT'S ALSO HARD (BUT NOT IMPOSSIBLE) TO SWITCH PROVIDERS

In a survey the federation carried out last year, 474 doctors were asked whether PMI 'assured fees' (constraints set by insurers on what doctors can charge) had ever impeded them or their patients from working in partnership to assess their care needs and treat them in line with their clinical judgement. Some 84% of the doctors answered yes, and 66% felt that – at some point – insurers had recommended a patient be placed on a treatment pathway they considered 'wrong or inappropriate'. And 55% claimed to have received threats of being 'de-recognised' (taken off an insurer's list of approved specialists).

What insurers say

We asked the biggest four insurers – Aviva, Axa Health, Bupa, and Vitality Health – to comment on the survey findings from the Independent Doctors Federation.

Aviva, Axa Health and Bupa responded, defending the need and customer demand for insurers to maintain lists of 'approved' specialists. Axa noted that 'helping our members access high-quality care and achieve great outcomes is a top priority'.

Bupa, which has recently reviewed its fees and increased those for surgeons and anaesthetists, said: '91% of customers say "insurers should make sure that customers don't have to pay any unexpected fees for their treatment."' Aviva added that it was responsible for keeping a balance between customer choice of appropriate specialists and the affordability of its policies.

Bupa and Aviva both also suggested that it's rare for them to restrict consultants or exclude them from their lists. On the issue of transparency, Bupa pointed out that it prominently lists covered specialists in an online directory, while Aviva said the constraints of its cover are 'clearly explained in the terms and conditions'.

The top-rated insurers

Although muted customer feedback around value for money meant no provider scored highly enough to be named a Which? Recommended Provider, there were notable differences and a clear leader among the six providers we reviewed.

The table below left is ranked by each provider's customer score – which reflects the views of customers who have claimed in the past two years and is based on their overall satisfaction with the insurer and how likely they would be to recommend it.

WPA received the highest overall score (76%) – some way ahead of Bupa, which was second with 64%. WPA stood ahead of other providers when rated for how easy it is to contact, how clearly it communicates to customers in writing, and how well customers felt the cover fitted their needs. When customers considered their most recent claim, WPA also delivered on the speed of service. One customer told us: 'They prioritise customer service and every interaction with them underlines this. They care and don't rush conversations. The people I speak to are always helpful and well informed.'

Vitality Health got the lowest score: 53%. A relative weakness, compared to other providers, was the clarity of its claims process – where it earned three stars out of five. This compared to four stars for the other brands. Not all customers reported poor experiences – but among claimants that did, issues flagged included disputes between the insurer and medical professionals.

How to find the best cover for you

Our table gives a picture of how well-served customers feel having seen their insurer in action when handling a claim. We think it's a vital part of the puzzle in comparing insurers, but it doesn't tell the whole story in working out which policy would best suit you. For this, you'll need to match the cover levels available in a provider's policies with your priorities and budget. For example, you might want a policy that can give you speedy access to routine treatments or diagnostic tests, and be content with the NHS for anything further.

Alternatively, you might want a policy with comprehensive heart and cancer protection, and access to treatments that might not be available through the NHS – and be willing to stump up for this in your premium.

Unfortunately, finding the perfect policy for you is easier said than done. PMI policy wordings are complicated and often tricky to read. It's also hard (but not impossible) to switch providers if you're unhappy with your initial choice – especially if you want to keep cover for medical conditions you developed while on the previous policy. For this reason, we recommend taking expert advice if you're thinking about buying or changing your cover but aren't confident in comparing policies.

You can find expert brokers by visiting the websites of the AMII and BIBA listed on the right.

NEXT STEPS

If you're wondering whether PMI is right for you, or have any questions about an existing policy, you can get 1-to-1 guidance from our team of money experts. Call **029 2267 0001**.

IN THE MAGAZINE

- Travel insurance for pre-existing conditions *June 2025, p17*

ONLINE

- Our health insurance reviews in full: *which.co.uk/health-insurance*
- Association of Medical Insurers and Intermediaries (AMII): *amii.org.uk*
- British Insurance Brokers' Association (BIBA): *biba.org.uk/find-insurance*

PRIVATE MEDICAL INSURERS RATED

Here's how insurers were rated by customers who have made a recent claim

	Range of hospitals available	Value for money	Clarity of claims process	Speed of settling claim	Choice of consultants	Customer score
WPA (34)	★★★★	★★	★★★★	★★★★	-	76%
Bupa (251)	★★★★	★★	★★★★	★★★★	★★★★	64%
Axa (153)	★★★	★★	★★★★	★★★★	★★★★	63%
Saga (30)	★★★★	★★	★★★★	-	-	61%
Aviva (62)	★★★	★★	★★★★	★★★	★★★★	57%
Vitality Health (48)	★★★★	★★	★★★	★★★	★★★★	53%

Notes: Ratings are based on an online survey of 1,604 members of the Which? Connect panel conducted in April 2025, 641 of whom have made a claim in the past two years. Individual sample sizes shown in brackets. A '-' means not enough respondents answered the question for us to generate a star rating.

How to save money

PMI is expensive and simply isn't an affordable option for all of us. But there are some ways to bring down the cost. Of the members we surveyed, 15% tried haggling last year – the most common cost-reducing tactic. We can't say it's as effective as haggling your car insurance, but some members reported decent successes – such as getting a free month of cover.

The other way to reduce your price is to reduce some of your cover (or increase your excess), which is effectively a matter of prioritising. For example, minimising outpatient cover (from unlimited to £500 per year) on a Bupa policy could reduce its price by over a quarter.

Finally, although PMI provides assurance that you won't run out of funds for medical care, lots of people are prepared to 'self-pay': 29% of private admissions last year were funded without insurance.

Halfway alternatives also exist. Benenden Health, which isn't a health insurer but a private healthcare scheme with a network of 43 hospitals, charges £15.85 a month, regardless of your age or medical history. Membership benefits include access to diagnosis and some simple surgical procedures if NHS wait times are too long. It's not as comprehensive as PMI (for example, cancer, joint replacements and heart treatments aren't covered), but was well-thought-of by Which? members who'd used it.