

NHS PRIVATE PATIENTS' BAROMETER

# NHS trusts report a rosy future for PPUs

Delegates at the national NHS Private Patients Unit Conference at St Thomas' Hospital, London, received an early forecast of market performance of NHS trusts' private patient services. **Philip Housden** (right) reports



DELEGATES TO this year's national NHS PPU Conference last month at St Thomas' Hospital, London, were given an early forecast of market performance of NHS trusts' private patient services.

Housden Group presented the findings from the 2020 'NHS PPU Barometer'. This is the first summary of this kind giving a snapshot of trading and the confidence within the NHS PPU sector.

The survey was completed by 23 trusts representing £219m private patient revenues and 33.4% of the total NHS market last year 2018-19.

The barometer gives an early forecast, as actual information will not be available until all NHS trusts have published their performance in their annual accounts. These are usually available between July and September.

The online survey asked: 'How has your trust's private patient services performed in the current financial year 2019-20?' And the results (pre-Covid-19) show that 48% of responding trusts expect to be at least 5% or more up on last year by the year-end.

Average growth from the responding trusts is reported to be 9% and is evidence of continuing gains in the sector, which has enjoyed compound growth of between 5-6% over the past five years. This suggests that overall NHS private patient revenues for 2019-20 will grow around £40-

60m to a total of around £700-720m (2018-19 total was £655m).

In London, growth over the same period has been higher, at 8-9% and, from the six London trusts taking part in the survey, growth was higher still at 11%. As reported recently by LaingBuisson in their *Central London Market Report*, growth in the capital continues to be driven by PPUs, which now take up 25% of the market – an increase in share of around 5% compared to ten years ago.

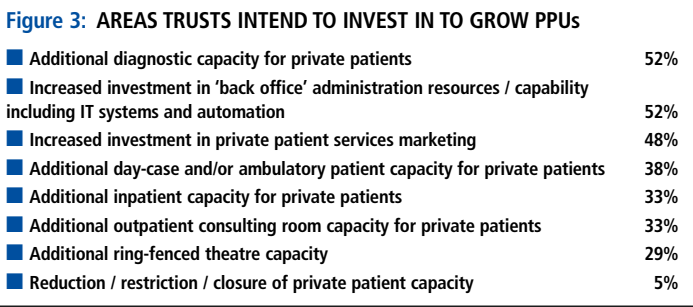
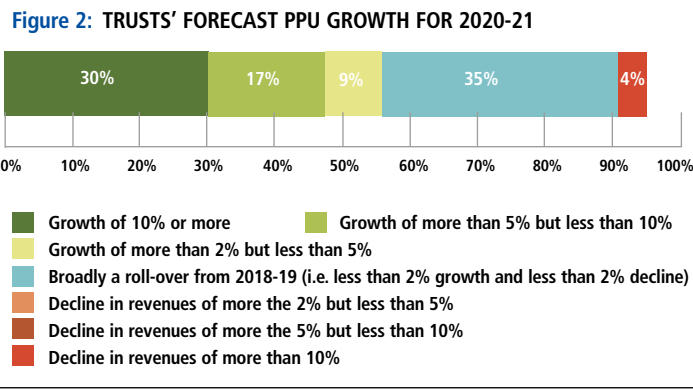
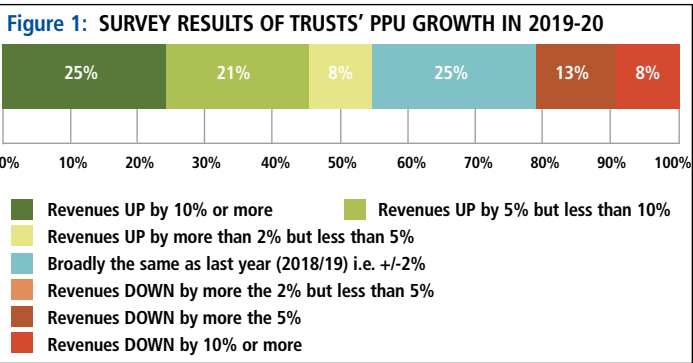
10% growth target

What is more, the 2020-21 budgets set by trusts for next year further continue the trend, with a third of PPUs responding that a target of 10% or more growth has been agreed for the coming year. Growth at these levels could drive the total market value to c£770m by April 2021

How are trusts going to deliver this growth? The barometer asked for changes and investments that the trust and PPU team were planning.

Of responding trusts, over half plan to provide additional diagnostic capacity and 30-40 to increase beds and/or day-case capacity. However, increased theatre sessions, rated most highly by consultants, seems harder to provide.

Marketing and back office systems will also get attention, with



over 50% of responding trusts investing in this area.

What would help?

The survey asked for a ranking of the factors which impact the most in helping to deliver growth for NHS private patient units. Those with the most impact were ranked #1 and with the least impact ranked down to #10.

The average scores show that open support from the trust leadership team is rated the single biggest influencer on trust private patient success.

This chimes with previous research undertaken by Housden Group in many consultant surveys in recent years. The important and topical issue of governance ranked second with insurance company relationships third.

Consultants' behaviour

Trust private patient service managers were also asked questions about relationships with consultants in their PPU. It is clear from the responses that consultants, as expected, do not tend to work exclusively with their trust for their private practice.

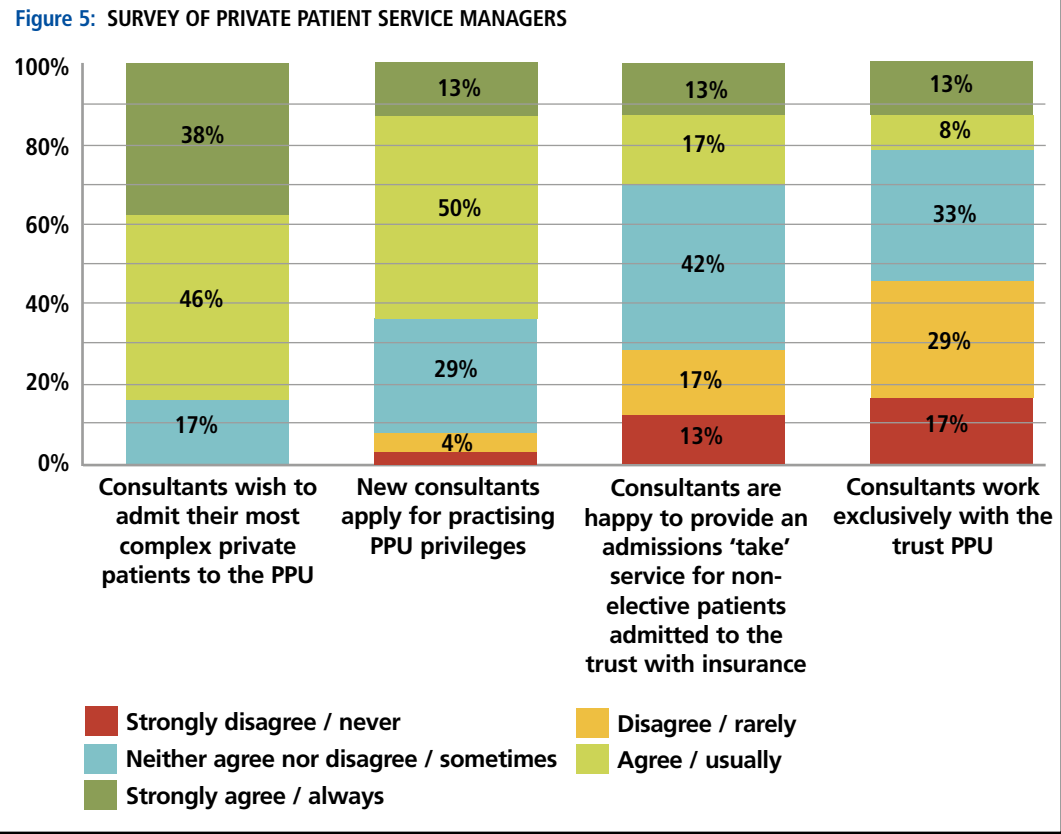
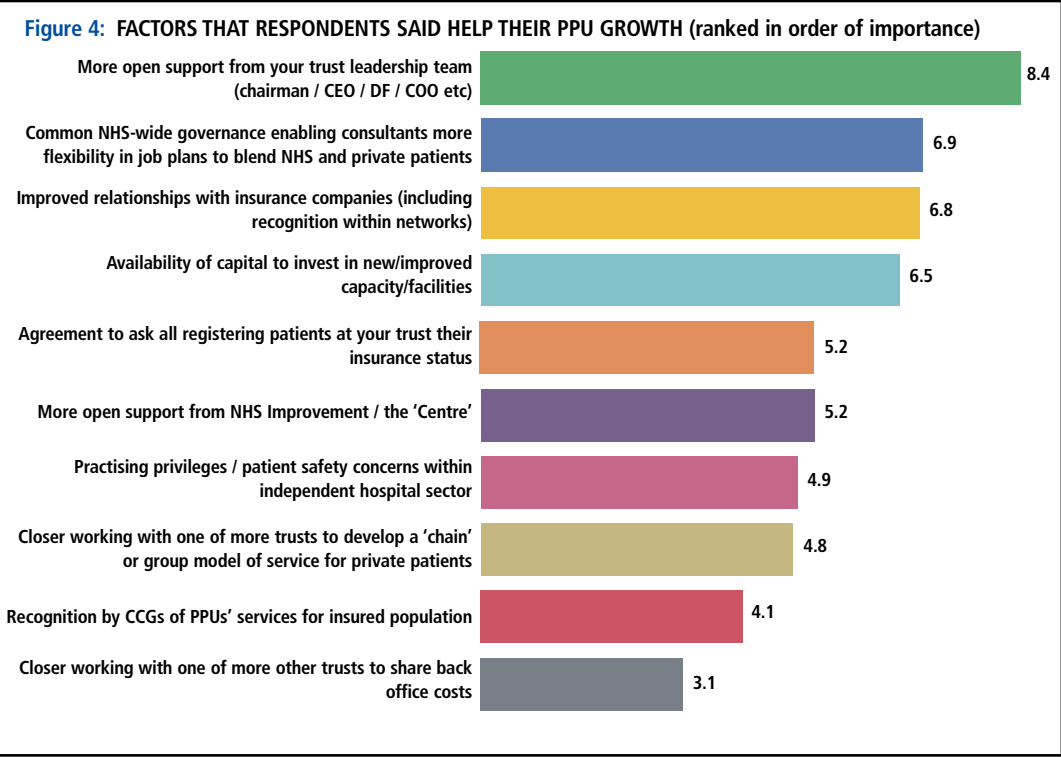
However, at present, trust private patient service managers report a high majority of new consultants are applying for PPU practising privileges in order to at least start their private practice using their PPU.

Most striking is the finding that 87% agreed with the statement that 'Consultants wish to admit their most complex private patients to the PPU'. This again is in line with previous surveys within individual NHS trusts.

Perhaps this patient safety and governance-driven trend will eventually help unlock the untapped potential of growing the private patient market for trusts and for consultants through provision of 'take' services for non-elective admissions, which is only happening in a minority of PPUs at the present time.

However, while 65% of newly appointed consultants do apply for PPU practising privileges, only 22% of trusts reported that their consultants work exclusively with them.

If this figure is to increase, there is work to do across most trust private patient services to get the



customer service right for consultants.

Finally, the lost market opportunity for trusts that is the admission of non-elective and trauma patients who are insured will require a solution to 'take' rosters and working

practices. This opportunity may be worth up to £1bn a year and could be the catalyst to sector-wide long-term growth for NHS PPUs.

This first survey has been successful in opening up a window on PPU 'on-the-ground' views. It is

planned to repeat the survey annually, helping to build up a picture of key trends in the sector, with the results shared in a future article. ■

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