

NHS PRIVATE PATIENTS' BAROMETER

PPUs victim of NHS pandemic pressure

This report on the second NHS PPU Barometer provides an exclusive snapshot of performance and provides valuable insights into the sector following the impact of Covid-19. **Philip Housden** (right) gives the highlights



The NHS PPU Barometer is a unique measure of trading performance and of the confidence levels of the management teams of NHS trusts' private patient services. It was completed as an online survey by 26 trusts in September 2020.

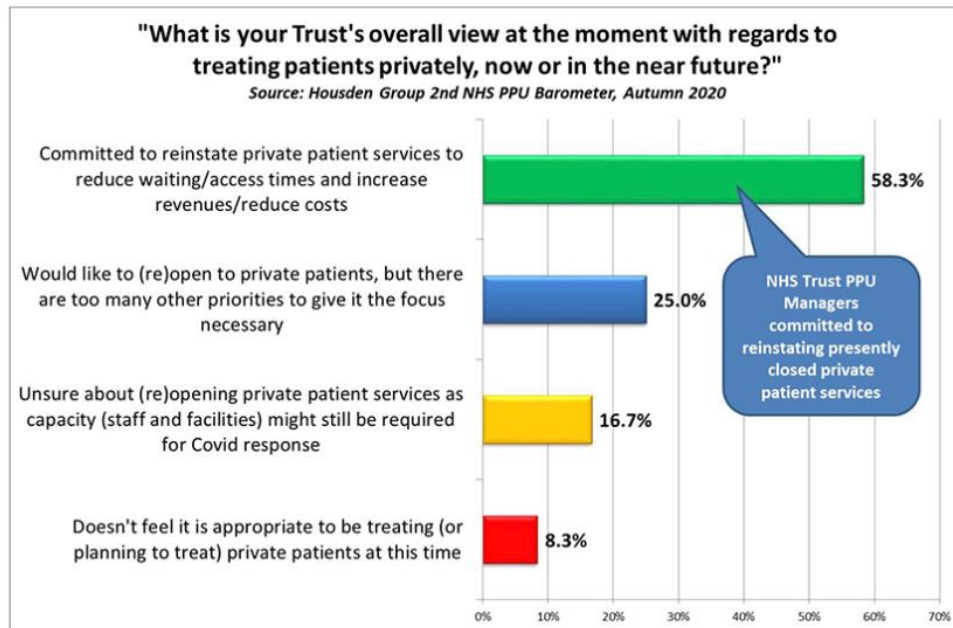
These trusts accounted for approximately £341m revenue in 2019-20, which is 50% of the total NHS PPU market. Both these values are up from £219m of revenues and 33.4% of the market in Housden Group's first survey.

The 26 trusts delivered growth of £10m and 3.0% last year, slightly down on the overall market growth estimated at 3.4% and lower than the average in recent years of 5%, the reduction due to the impact of Covid-19 in early 2020.

Given the dramatic impact of the pandemic on the NHS and its capacity, the Barometer first asked: 'What is your trust's overall view at the moment with regards to treating patients privately, now or in the near future?'



Chart 1



Results show:

- 53% of responding trusts agreed with the statement that their trust was 'Committed to reinstate private patient services to reduce waiting/access times and increase revenues/reduce costs'.
- In contrast, 8.3% of responders preferred the statement choice for their trust that it 'Doesn't feel it is appropriate to be treating – or planning to treat – private patients at this time'.

Trusts have reported struggling with two main factors that have driven reduced private patient income.

The first is that while theatre capacity has recovered in recent weeks, it was very constrained at the beginning of the Covid recovery phase and continues to be under pressure due to lower efficiency and throughput with the extra infection control measures, coupled with extra demand from the NHS backlog.

Several trusts reported that it has not felt appropriate to prioritise private work in these circumstances, although some volume has been possible.

The second is that, in many clinical services, side rooms are required for Covid pathways; for example, the isolation of patients with Covid or those awaiting test results or those who are most vulnerable.

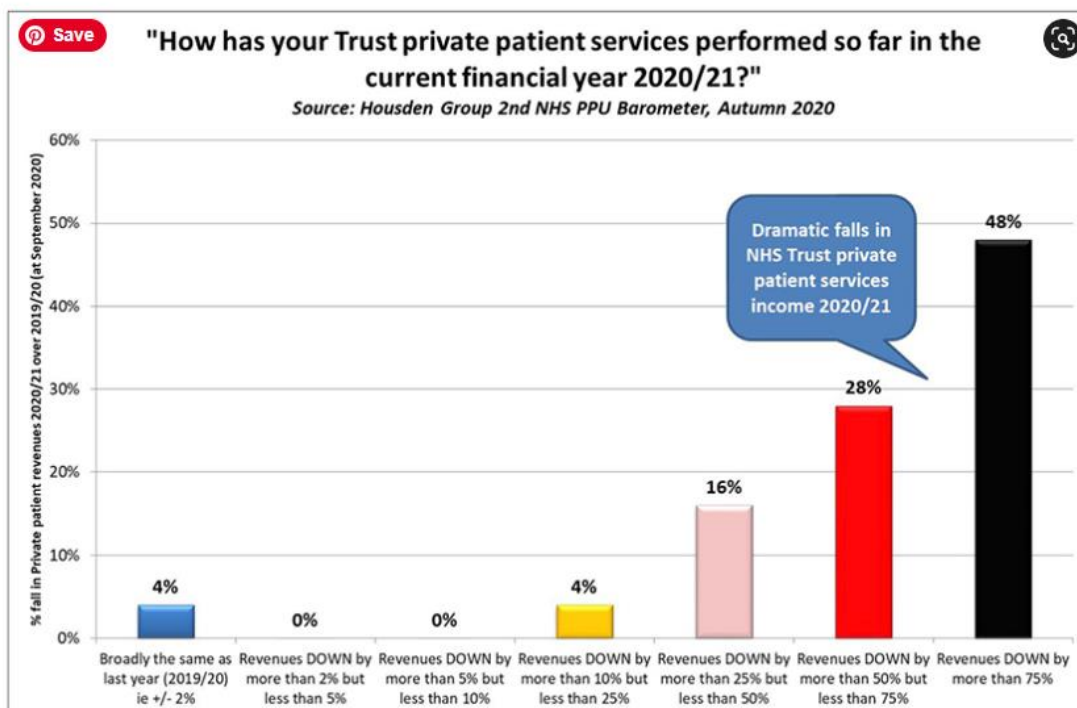
This has made it much more difficult in many trusts to guarantee a single room for private patients, and therefore more difficult to offer a private service at all.

Although the Barometer was completed before the NHS contracts and payment guidance October 2020-March 2021 telling NHS trusts to 'recover income as quickly as possible', many trusts were already hopeful, if not confident, of restoring a service for private patients.

As one NHS PPU manager completing the Barometer survey put it: 'Although the service is suspended, I am asked almost daily by clinicians when services might resume. Support remains but there is understanding of the current situation.'

The Barometer then asked: 'How has your trust private patient services performed so far in the current financial year 2020-21?' The purpose of this question was to learn of the present impact of private patient capacity closures.

Chart 2

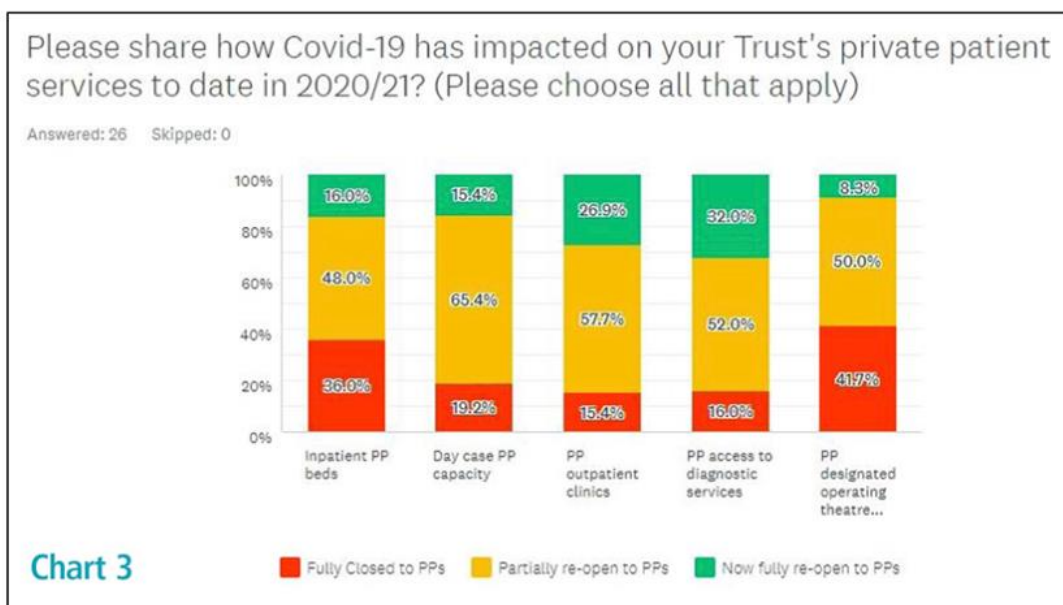


Not surprisingly, trusts shared that they are experiencing significant reductions in income, with over 90% reporting drops of more than 25% and nearly half (48%) seeing a reduction of more than 75% by September.

In London, six of the top ten highest-earning NHS trusts responded to the Barometer. In the capital, predictions are less severe, with most seeing a fall between 50% and 75%.

To put this in context, 2019-20 total NHS income is expected to be circa £690m – a provisional figure pending remaining trusts' annual accounts – equating to £55-60m a month. So the Barometer evidence points to a fall of around £35-40m a month since April.

Chart 3. Are trusts delivering a service?



The Barometer asked for details of the changes to capacity in terms of inpatient and day case beds, outpatient clinics, diagnostic services and operating theatres. Were these presently fully closed to private patients or partly or fully open within the trust?

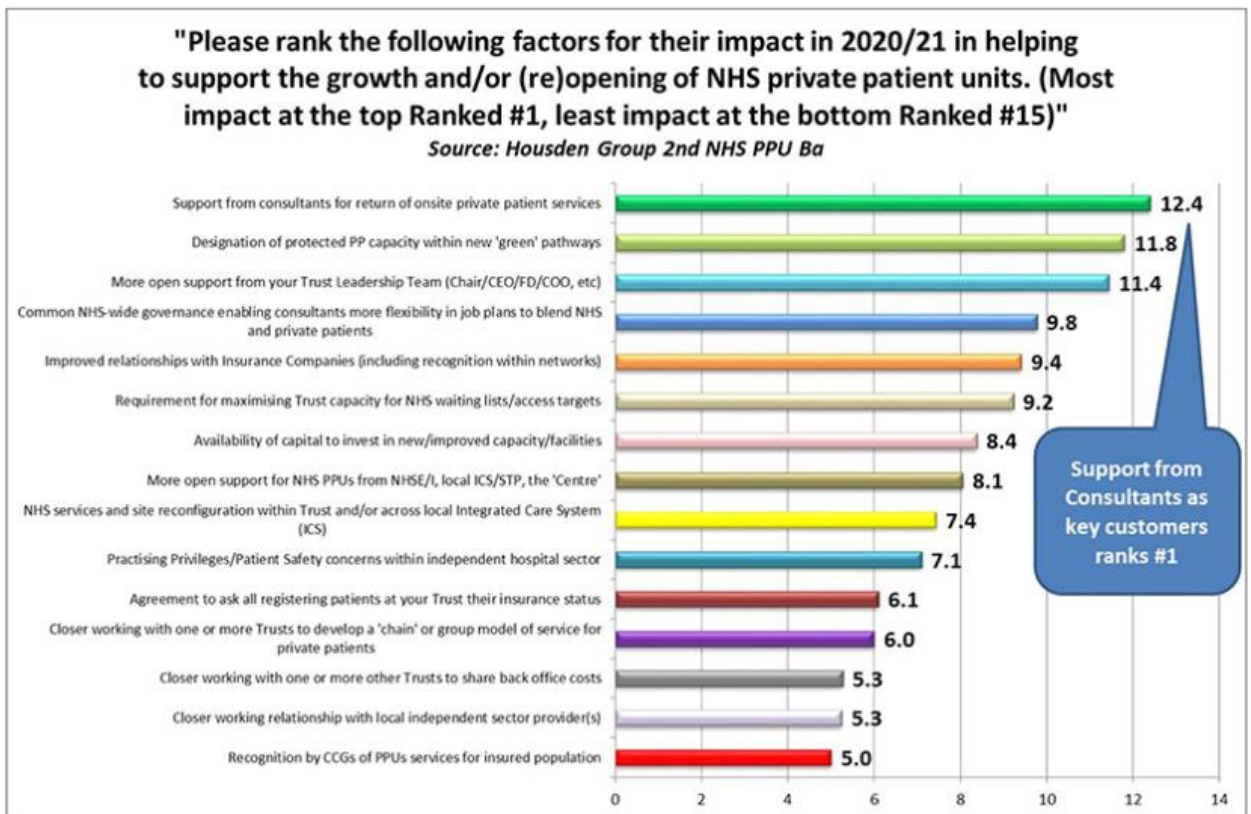
Responses show that, for each category, more than 50% of trusts are at least partially re-open for private patients.

Access to diagnostic services fares best, with 84% either fully or partly open to private patients. But access to operating theatres remains most restricted, with 43% sharing that their facilities remain closed to insured and self-pay patients while only 8% are full open.

However, experience across trusts varies widely. Consider these three summaries from managers in different trusts:

1. 'Until NHS backlog is under control and we have excess capacity we will not be undertaking any PP work.'
2. 'Private patient services have only just started to be restored. We are opening services up in a controlled manner and are looking to restore more services over the coming period, subject to the pandemic situation.'
3. 'Our private clinic is now fully open and is extremely busy. The inpatient and day case beds are scheduled to open at the end of September. We have limited access to diagnostics and these are being triaged depending on clinical priority.'

Chart 4. What would help trusts most now?



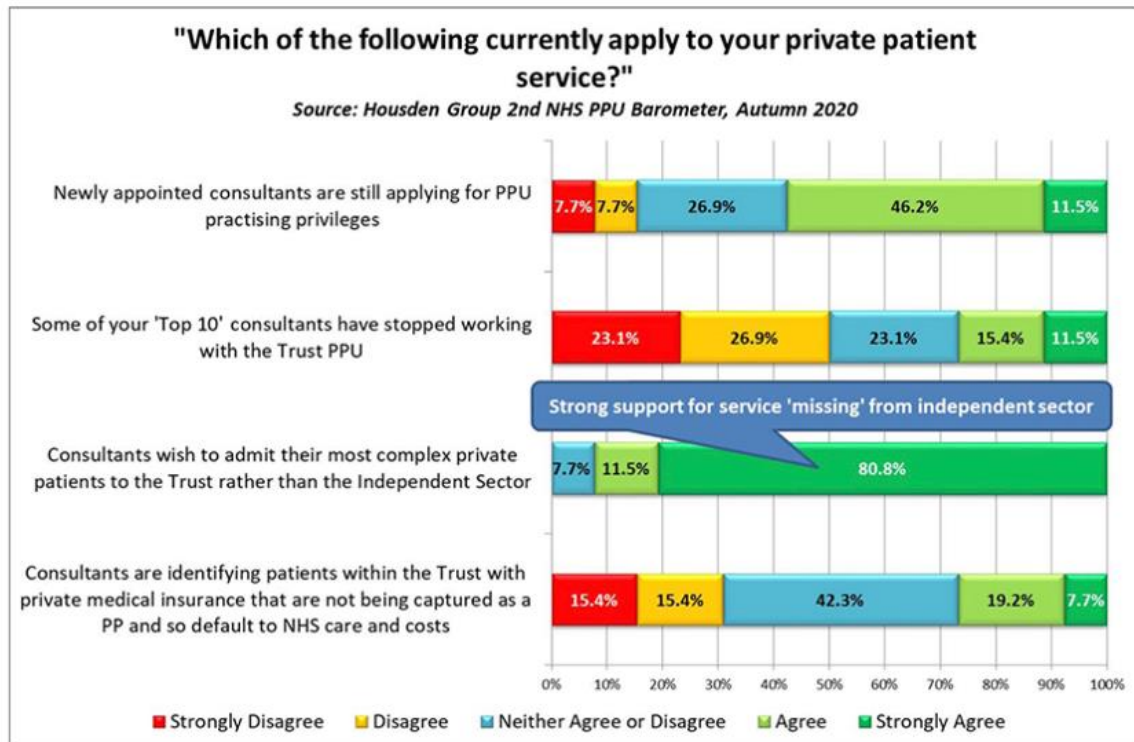
The survey asked for a ranking of the factors most likely to help deliver the re-opening of presently closed or restricted NHS private patient services.

Those with the most impact ranked #1, the least impactful ranked #15.

The average scores out of 15 show that support from consultants for return of onsite private patient services ranks highest, followed by designation of 'protected green pathways' for private patients.

These were two new categories in this Barometer survey. The previously highest-scoring option from the first Barometer survey, 'more open support from your trust leadership team (chairman/CEO/FD/COO, etc)', ranked third this time round, re-inforcing previous research undertaken by Housden Group across many trust Consultant Surveys in recent years.

Chart 5



The final questions were interested in consultant practice. A striking majority of 93% agreed with the statement that 'Consultants wish to admit their most complex private patients to the trust rather than the independent sector', up a little from 87% in the first Barometer survey.

This is in line with patient safety and governance-driven trends and is the issue most highlighted in survey comments because the highest complexity patients cannot typically be treated within most independent sector hospitals.

As one PPU manager stated: 'Access to facilities continues to be a problem, but there is increased enthusiasm to use PPU services, as the NHS brand is enhanced by Covid and the independent sector is also disrupted, giving an opportunity to approach consultants previously embedded at [the private provider].'

However, there was much less consensus over the final statement: 'Consultants are identifying patients within the trust with private medical insurance that are not being captured as a private patient and so default to NHS care and costs'. Twenty-seven per cent agreed and 31% disagreed on this.

This second Barometer survey has gained the support of NHS private patient units, as they are keen to share and then learn how their own service compares with the market.

In these challenging times, the responding trusts remain positive that the second half of the financial year will begin to see the return of private patient services within NHS trusts – albeit at a modest and restricted level.

There is no doubt one of the impacts of Covid on the NHS has been a dramatic loss of income in 2020-21. The NHS PPU management community have shared through the Barometer how they are working to re-instate services before the end of the financial year.

However, with the independent sector now re-open and with reports of self-pay private activity growing fast, fuelled by public fears of Covid within the NHS and restrictions on NHS capacity, it remains to be seen whether the NHS PPU sector will recover and at what speed.

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