

PRIVATE PATIENT UNITS: THE WEST MIDLANDS

We continue our regional round-up of PPU progress with a review by Philip Housden (right) of the 15 NHS West Midlands acute trusts across the counties of Warwickshire, Worcestershire, Herefordshire, Shropshire, Staffordshire and the cities of the West Midlands conurbation

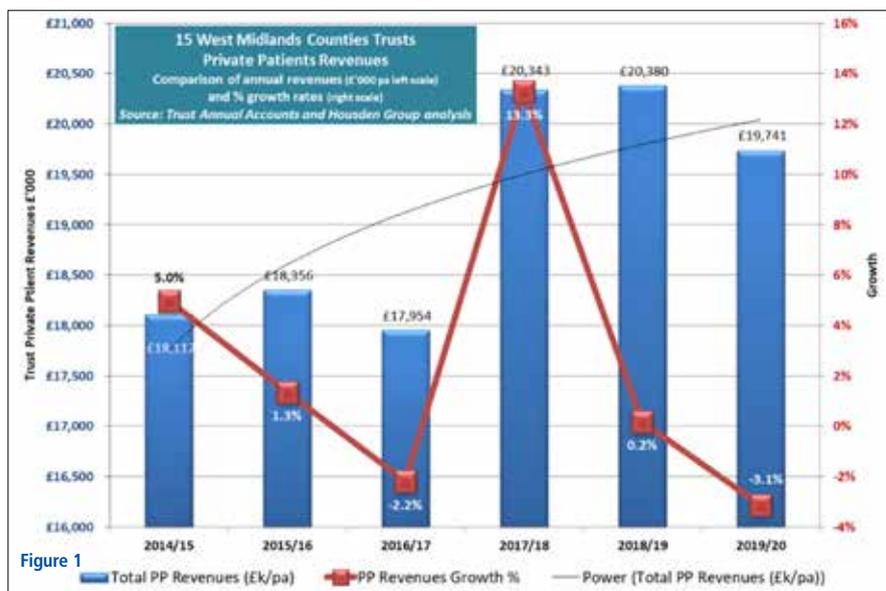


Figure 1

# United front needed

THIS REVIEW is based on the information published in the Trust Annual Accounts for 2019-20, which was partially adversely impacted by the early months of the Covid pandemic.

For this group of trusts, the accounts show that total private patient revenues for the region fell by 3.1% in 2019-20, a drop of £639,000 to a total of £19.7m (see Figure 1 above).

This now represents 0.30% of these trusts' total revenues, a slight drop from 0.34% the year before. This is below the combined national average outside of London of 0.43% (see bar chart overleaf, Figure 2).

Turning to the comparison of performance by trust (Figures 3 and 4 overleaf), the highest percentage of private revenues and proportion of total trust incomes in the region are delivered by the two specialist orthopaedic hospitals of the Royal Orthopaedic in Birmingham and Robert Jones and Agnes Hunt at Oswestry, Shropshire.

At **Robert Jones and Agnes Hunt**, the trust delivers services through RJA Private Healthcare and its 16-bed private patient ward, The Ludlow Unit. The trust had

revenues of £5.2m in 2019-20, which was down 9.3% and £540,000 on the previous year.

This represents a regional high of 4.71% of total trust income – down from 5.56% in 2018-19 – and places the trust sixth outside London by percentage of turnover, but down from second in 2018-19.

The Ludlow Unit was turned into the hospital's Covid ward at the beginning of the pandemic due to its individual side rooms with ensuite facilities, helping to safely isolate patients.

**Dedicated private ward**

The **Royal Orthopaedic Hospital** in Birmingham also has a dedicated private ward, the seven-bed Woodlands Suite. The trust's private patient revenues fell by £301,000 and 17.4% in 2019-20 to reach £1.4m, which now represents 1.72% of turnover, down from 2.16% last year, but still a significant jump from 1.07% in 2017-18.

**University Hospitals Birmingham's** private patient income for 2019-20 was £5.1m, up £213,000 and 4.4% on the £4.9m in 2018-19, the fourth consecutive year of growth.

This represents 0.33% of total

trust income, down from 0.35% of turnover the previous year. At present, the main contribution comes from The Mindelsohn Unit, a 12-bedded private ward, supporting a private radiotherapy service that includes the regional CyberKnife and a range of other specialist services.

However, the trust's ambitious partnership development with HCA Healthcare UK to build a £100m specialist hospital facility offering both private and NHS capacity on the Queen Elizabeth Hospital Birmingham campus will change this significantly when it opens for patients in 2022.

**New hospital**

The eight-storey new hospital will include 50 private inpatient beds, 16 private day-case beds, four state-of-the-art operating theatres, modern outpatient services including consultation rooms and imaging suite and fully equipped day-case unit with outpatient chemotherapy and radiotherapy services.

The infrastructure investment will support complex surgical and medical procedures and treatments across cancer, cardiology, neurology, hepatobiliary, urology,

orthopaedics and stem cell transplantation.

This will give private patients access to a level of acute healthcare not currently available to the estimated 500,000 people in the region who have private health insurance or who want to self-pay for their care.

Across the city, **Birmingham Women's and Children's Hospital** presently offers private maternity and paediatric services. The private patient revenues of the trust were £1.64m in 2019-20, down £589,000 and 26% on the £2.24m achieved in 2018-19. This is 0.40% of total revenues, well down on the 0.58% achieved in the previous year.

**University Hospitals of North Midlands** in Stoke-on-Trent grew private patient revenues by £263,000 and 22% in 2019-20, to achieve 0.2% of total income. The trust at present only provides a limited range of private patient outpatient and ambulatory services, but this includes a specialist service through its MS (muscular sclerosis) Centre.

**Shrewsbury and Telford's** revenues also grew last year, up 15.5%

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and £161,000 to £1.2m, which is 0.31% of turnover. The trust's Apley Clinic at The Princess Royal Hospital in Telford is an onsite private outpatients and diagnostic facility replacing their onsite ten-bed private patient unit, Apley Ward, which the trust closed in 2015.

Another trust delivering growth in 2019-20 was **University Hospitals of Coventry and Warwickshire** which reported private patient revenues up 5.8% and £63,000 to £1.15m, which is 0.19% of trust total revenues. The trust has no in-house PPU but is understood to work closely with the onsite 52-bed BMI Meriden Hospital.

The **Royal Wolverhampton Hospital's** private patient revenues also grew last year at a modest 1.0% and £10,000 to total £1.02m. The proportion of total trust income from private patients declined to 0.19%.

**Research income**

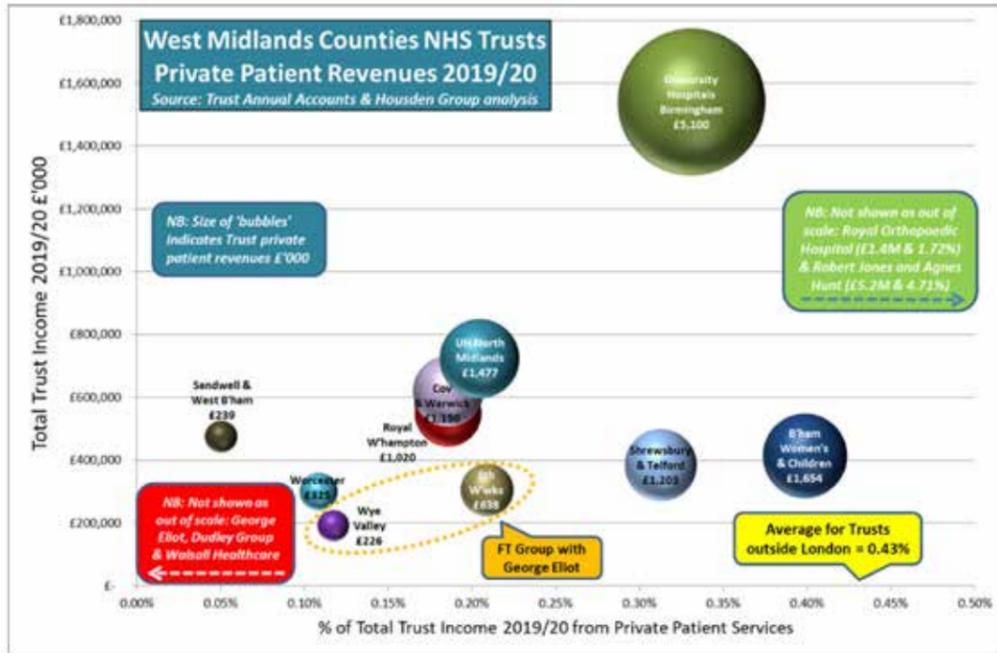
The trust has increased commercial income through the recently signed five-year Strategic Research Agreement with Sensyne Health plc to roll out clinical artificial intelligence research partnerships and received 0.9% of Sensyne's issued share capital, £250,000 a year over the five-year term of the contract, for investment in research-related IT and royalties on revenue generated from the research.

**South Warwickshire** leads a Foundation Group of trusts including Wye Valley and George Eliot Hospitals. South Warwickshire delivers private healthcare services through a wholly-owned subsidiary company, SWFT Clinical Services, formed in 2011 and turned into a social enterprise in 2014.

That year, SWFT acquired The Stratford Clinic, formerly owned by Circle. From August 2019, The Grafton Suite became the new home for the 'Stratford Clinic', and it is now located in Stratford Hospital in a new dedicated suite with access to operating theatre sessions.

In 2019-20, South Warwickshire Trust's private patient revenues increased by 23% and £120,000 to £638,000, which is 0.21% of turnover.

Elsewhere in the group, Wye Valley in Hereford also grew by



20% and £38,000 to £226,000 to reach 0.12% of turnover. However, George Eliot Hospital's private patient revenues were again reported as £0.

**Worcestershire Hospital's** most recent annual report and accounts do not set out private patient revenues, but in 2018-19 these were £389,000 and 0.1% of total trust incomes. The trust does not at present have any dedicated private patient beds or services.

**Sandwell and West Birmingham Trust's** private patient incomes fell by 6% and £15,000 to £239,000 in 2019-20, only 0.05%

of total income. Elsewhere in the Black Country, **Walsall and Dudley trusts** deliver presently little revenues between them, reporting an aggregate of less than £50k a year.

The lion's share of NHS trust private patient incomes in the West Midlands are delivered by Robert Jones and Agnes Hunt, the specialist orthopaedic hospital and University Hospital Birmingham.

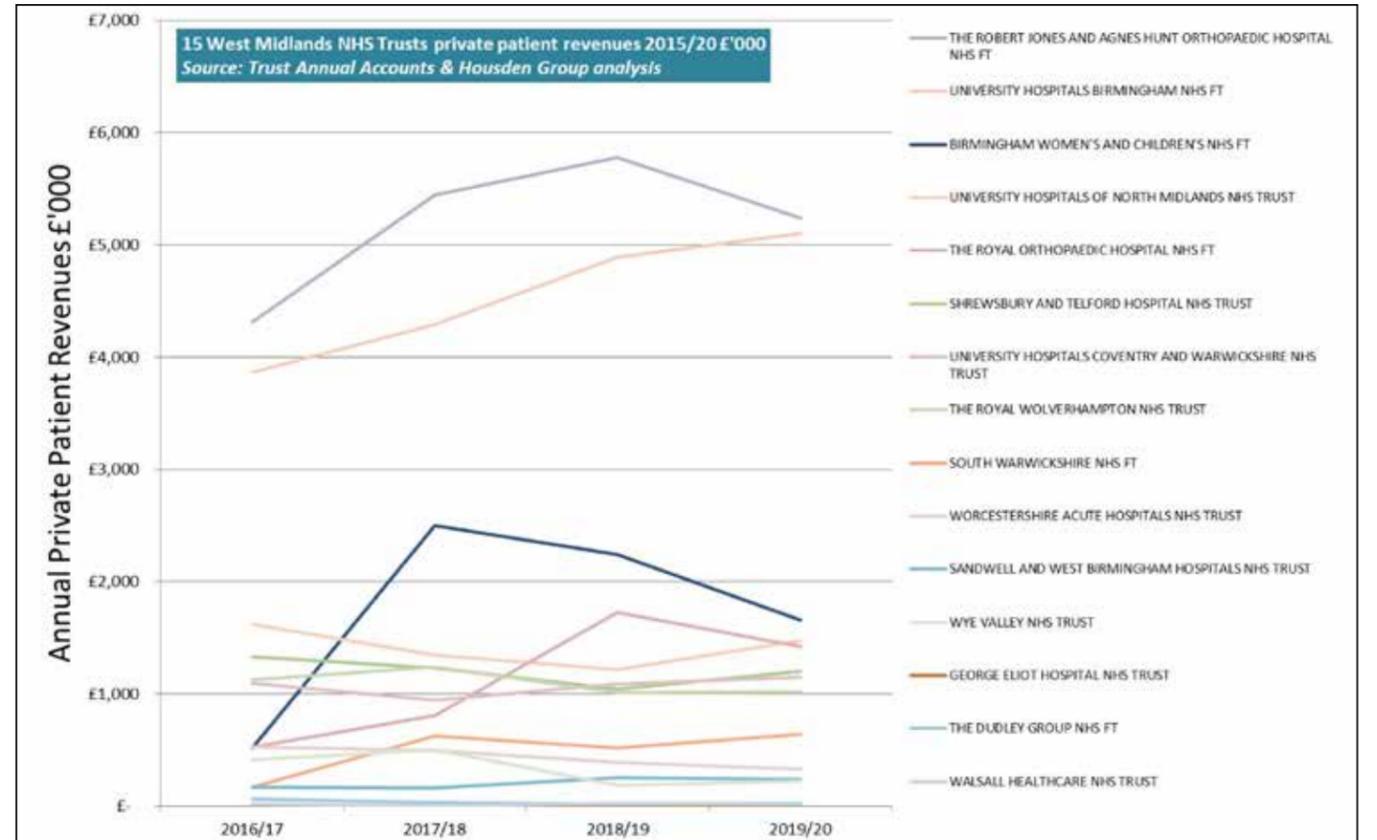
Of the rest, a significant number of trusts deliver around £1-2m in

revenues, despite several known to be under capacity constraints.

This suggests it is unlikely that dedicated inpatient capacity for private patients will be brought forward by other trusts without partnership investment of the UHB-HCA type or perhaps other closer working arrangements will develop, hastened by the partnerships developed over the past year through the pandemic.

**Next month: East Anglia**

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# NHS Pensions & Annual Allowance Tax

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