

Expanding your private patients unit roundtable

21 November 2024

Browne Jacobson recently hosted an: 'Expanding your private patients unit' roundtable at their Birmingham Office to discuss how NHS private patients units can grow and expand profitably and the challenges they face in doing so.

The event brought together NHS PPU managers, commercial directors and other sector experts and stakeholders to discuss the challenges, opportunities and strategic considerations involved in enhancing private patient units (PPUs) and services within the NHS framework.

Key themes included:

1. Capacity and resource management

A recurring theme that came up was the challenge of managing capacity and resource, including physical space, staff, bed capacity and operational capabilities. It was clear that COVID-19 had a real impact on private patient services with private space being utilised for NHS services and it has taken some time for PPUs to recover and for expansion plans to come back on the table. All attendees felt that there was a growing demand for more private services to be delivered by their PPUs but that lack of capacity, bandwidth and sometimes expertise and / or buy in from within the Trusts themselves were issues to be worked through in order to capitalise on the growth potential.

The group discussed the prolonged financial constraints of the NHS both pre and post COVID-19. The lack of financial stability has led to a significant increase in patient backlog, affecting both the volume of patients awaiting referrals for treatment and the average duration of their wait. As a result, this has driven an increase in individuals opting for private healthcare services (both from NHS PPUs and other private options). This means the market for private care from within NHS settings (or co located) is ever increasing.

Participants in the group frequently mentioned the shortage of beds and lack of ringfenced theatre space for their private patients as a critical issue, with discussions revealing instances of NHS overspill in to the private units / private wards. In many hospitals, private patients and NHS patients are accommodated in the same wards (with no separate PPU facility). Despite this, one participant confirmed that providing patients are provided with a high level of care, this is the least of their concern. For the majority of their patients, it's about significantly reducing wait time.

There was also a clear consensus that there is a notable reluctance by some Boards to ring-fence PPU capacity (beds and theatre time / slots) exclusively for private patients. One of the main outcomes of the group, was that there is the demand for more private patient capacity in NHS hospitals and a real opportunity to raise further income for the NHS in this way.

2. Commercial considerations

The session explored various options for managing PPUs, including commercial strategies, whether to partner or manage it in-house (with a discussion of pros and cons of each option), understanding market needs, competitors, and evaluating financial models.

The discussion highlighted recent success stories, including the development of the Harborne Hospital in Birmingham – a partnership between University Hospitals Birmingham NHS Foundation Trust and HCA. Given the increasing NHS backlog, it is anticipated that the need for private medical services will continue to grow and NHS PPUs can take a share of this growing market.

3. Board engagement and support

The roundtable discussed the importance of board engagement and buy in to PPU expansion, and how this is critical for the successful expansion and management of PPUs. The session addressed the challenges and strategies relating to gaining buy-in from key stakeholders, and identified that there needs to be a clear goal and strategy identified from the outset with a clear articulation of what the 'prize is' (i.e. more money to be reinvested in NHS services / departments). It was felt that overall, there is more buy in from Boards to pursuing PPU expansion than there may have been previously (along with looking at other commercialisation options) in order to try and plug the funding gap that is opening up.

4. Financial models and investment

Various participants shared their expertise on handling different financial frameworks and investment strategies when partnering to expand their PPU, including joint ventures, wholly owned subsidiaries, and other types of collaborations with private sector organisations as well as acquiring small private facilities which are for sale (for example RUH Bath and Sulis Hospital). The group addressed the importance of taking a proactive approach to risk management in safeguarding investment, and the different avenues available for securing capital for new ventures or expansion efforts.

5. Cultural and behavioural factors

One final theme that emerged from the roundtable discussions was the fact that there are various cultural and behavioural factors to take in to account here, and these will be different for each Trust. The pool of consultants and healthcare staff is limited and this brings constraints to the expansion of the private care offering. There are still some ideological views, both from the public and from within NHS organisations themselves, that NHS hospitals should not be offering private care. Despite the operational differences and factors to consider as between the attendees, it was clear that there was a shared commitment amongst the group to prioritise patient care above all else.

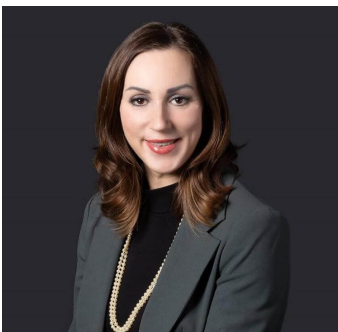
6. Next steps

The PPU Roundtable facilitated an engaging discussion on the challenges and opportunities for NHS PPUs; setting the stage for further exploration in a follow-up roundtable planned for Spring 2025. This future event aims to review operational efficiency, financial sustainability, and the balance between in-house provision and partnerships, among other emerging themes.

For the Spring 2025 event, we plan to analyse practical examples and encourage participants to share their success stories of PPU expansion, reviewing the pros and cons they faced during the process.

Please contact us if you would like to be involved in our Spring 2025 event.

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