PRIVATE PATIENT UNITS

North-west picks up after small dip

Our tour of NHS private patient units continues with **Philip Housden** (right) analysing private patient revenue growth for 27 NHS acute trusts across the North-west region. This covers the conurbations of Greater Manchester and Liverpool, and counties of Cheshire, Lancashire and Cumbria

FOR THIS regional group of trusts, the accounts show that total private patient revenues increased in 2017-18, albeit not fully making up the reduction experienced the year before.

Total revenues are stated at £30.0m in 2017-18, up approximately 2.5% from £29.3m in 2016-17 (*Figure 1*). This level of income represents a small decline from 0.36 to 0.35% of these trusts' total patient-related activity revenues. This remains below the combined national average outside of London of 0.5%.

These 27 acute trusts vary significantly by private patient revenues (*Figure 2 on opposite page*). For this analysis, the trusts have been grouped together, where relevant, according to whether or not they have a dedicated private patient unit or not and present turnover (*Figure 3*). Only 18 of the trusts are shown, as the remaining nine have revenues below £250k a year.

Top earner

The regional top earner is The Christie Hospital at £6.09m, up £247k year on year (4.1%).

This places the trust sixth in the top ten-earning trusts outside of London by revenue – and 18th overall in England. This is now 2.8% of the trust's revenues, a gradually declining figure from 2.92% in 2016-17 and 3.51% in 2013-14.

The trust achieves the majority of these earnings through a partnership with HCA Healthcare UK located within the Christie Private Clinic. HCA entered into a joint venture with the trust in 2009, which led to investment in the formation of the clinic.

There are 34 inpatient beds in single rooms and the clinic specialises in the diagnosis, management and treatment of all cancers.

Figure 1

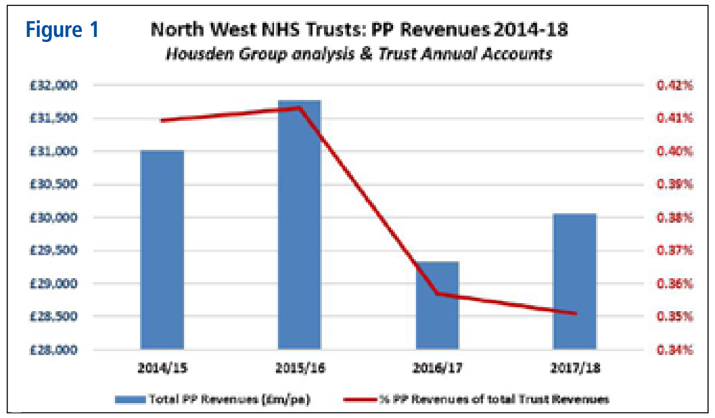
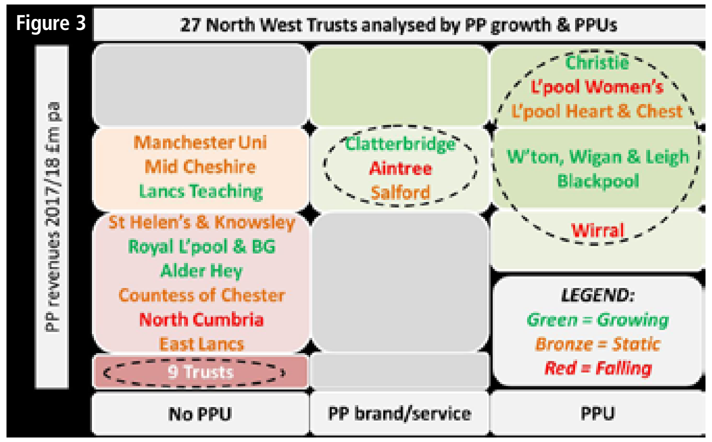


Figure 3



Liverpool hospitals

Across Liverpool, there are a number of trusts with small PPU wards and services and these enable these trusts to achieve higher than the regional averages for private patient revenues and overall trust income contributions.

The highest grossing of these is the Liverpool Heart and Chest's six-bed Maple Suite, which enables the trust to achieve over £3m a year in private patient revenues. Last year's income of £3.25m (£3.36m 2016-17) was 2.46% of total trust revenues, a gradually declining figure from the peak of 3.27% three years ago.

Liverpool Women's Hospital shows a similar pattern, with £2.9m revenues last year, down over £700k on two years ago, and representing a slide to 2.81% of revenues, down from 4% in recent years.

The trust's seven-bed Catharine Suite, located on the Crown Street site, supports a range of private gynaecology and cosmetic surgery procedures plus a range of non-surgical cosmetic procedures.

In north Liverpool, Aintree's Sefton Suite is a 19-bed unit that, uncommonly for an inhouse NHS PPU, has a dedicated theatre and Resident Medical Officer. Despite this, the service earned £1.62m – 0.46% of total trust revenues – last year, down nearly 4% on the year before and well down on the peak of £2.2m in 2014-15.

The Royal Liverpool and Broadgreen University Hospital has enjoyed growth of over 45% last year, albeit to a modest £511k of total private patient revenues. The trust may be enabled to increase future earnings following the long-awaited move to the new hospital campus.

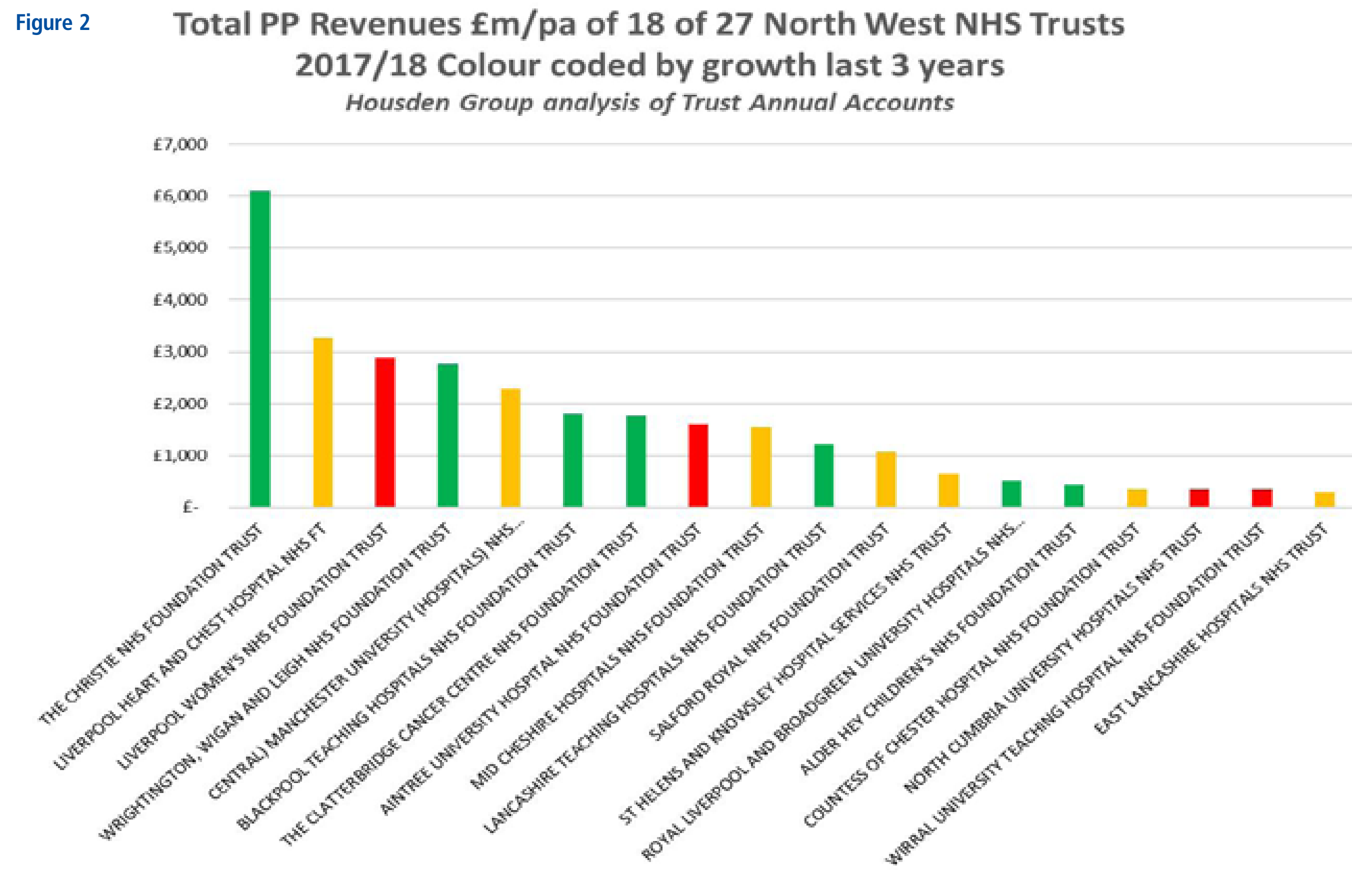
To complete the city's NHS providers, the region's specialist children's hospital, Alder Hey, offers a service to international patients, including remote clinical consultation and multidisciplinary patient reviews and this has enabled the trust to grow private patient revenues form a modest £90k (0.05% of turnover) in 2015-16 to £434k last year (0.19%).

The Clatterbridge Cancer Centre opened the Clatterbridge Private Clinic in 2013 – a joint venture with the Mater Private Hospital.

Clatterbridge is one of the largest networked cancer centres in the UK, operating in ten sites across Merseyside and Cheshire, providing chemo- and radiotherapy and highly specialised treatments, including proton Papillion therapies, to local, regional and international patients.

The trust reported revenues of £1.8m last year – 1.41% of trust totals – down a little on 2016-17, but well up on the £1.25m two years ago and the less than £0.5m a year prior to the joint venture.

Figure 2



Manchester hospitals

In Manchester, the highest-earning trust is the conglomerate Manchester University Hospitals, which has no dedicated private patient beds and so achieves a modest 0.19% of turnover from this source, which, given the size of the trust, still delivered £2.3m last year.

These earnings are mainly achieved through the Private Patient Centre at the Manchester Royal Eye Hospital and also paediatrics and, to a lesser extent, dental.

Wrightington, Wigan and Leigh have grown their private patient revenues to nearly £2.8m last year, a high point of 1.0% of total revenues, mainly through the specialist orthopaedic John Charnley Wing, which offers outpatient consultation rooms and 16 private rooms.

Completing the city's NHS private patient services are St Helen's and Knowsley, and Salford Royal. The former has virtually doubled revenues from £375k two years ago to £660k last year – up from 0.14% to 0.21% of turnover – without a PPU. The latter delivered £1.07m in 2017-18, down on the £1.5m two years earlier, with the growth coinciding with the opening of the Salford Clinic to provide outpatient and ambulatory services for private patients.

In Cheshire, the Countess of Chester, Mid Cheshire and Wirral University Hospitals have differing performance. In Chester, drawing on the private medical insurance hot spot south of Manchester, revenues have increased to £358k last year, without a PPU, but these remain down on previous earnings of over £0.5m a few years ago.

In Macclesfield, Mid Cheshire Hospital is steady at £1.5m revenues a year. On the Wirral, the trust has provided services from an eight-bed PPU, Park Suite, but the trust accounts show a continued decline in private patient revenues, down to a new low of £339k last year – 0.12% of turnover – when in 2011-12 the revenues were £1.3m at 0.52% of the total.

On the coast, Blackpool has a relatively high-level retirement population driving insured and self-pay activity. The trust provides the Lancashire Suite, a six-bed private patient suite within Blackpool Victoria Hospital, where earnings were £1.8m last year; at 0.46% of the trust total, up £384k on the previous year.

Of the remaining trusts, none have a dedicated PPU and only Lancashire Teaching trust has revenues over £500k a year.

The majority are delivering NHS services within a catchment that has low private insurance take-up, but others have perhaps not developed private patient services due to local independent sector competition and other NHS priorities.

Within this latter group are Stockport and the Walton Centre in Liverpool. Stockport is well located within the 'Golden Triangle', which offers 24/7 back-up and specialist care that even the BMI Alexandra cannot. The Walton Centre looks capable of reversing the recent years' decline in private patient activity through its range of specialist services.

Private patient earnings provide a useful additional source of income for a number of NHS trusts in the North-west. Unsurprisingly, those with a dedicated PPU are doing best, as are those teaching hospitals with specialist services. The region is second only to the South-east in terms of prosperity and it is likely that the potential for private patient growth is far from exhausted. ■

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