PRIVATE PATIENT UNITS

# All it needs is just a little marketing

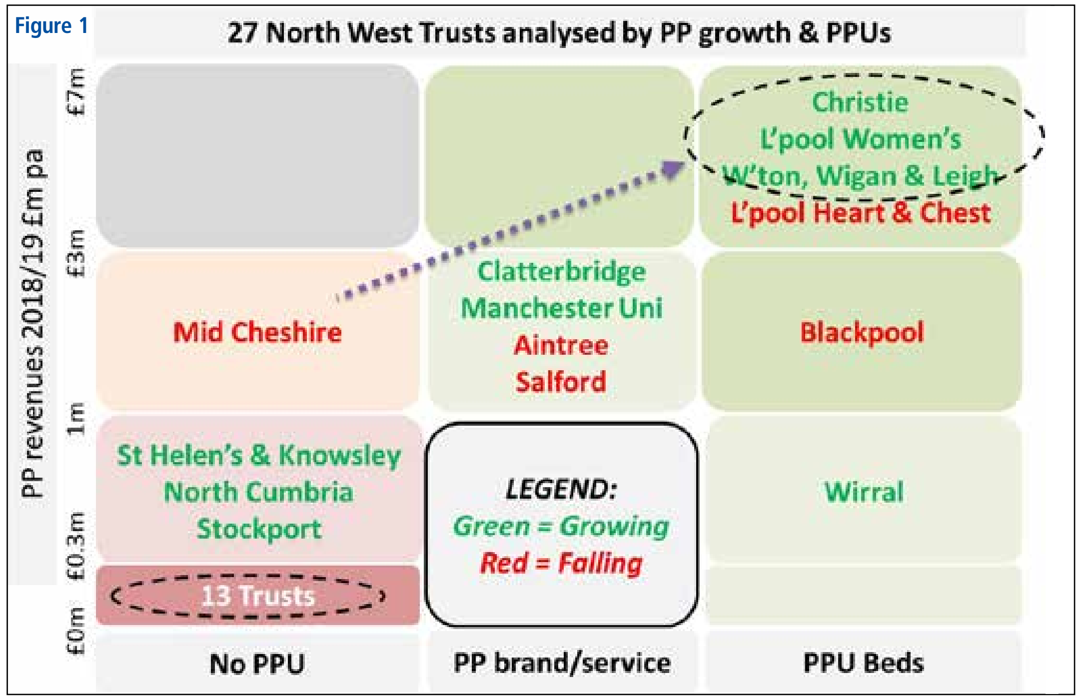
Our monthly analysis of private patient revenue growth turns to the 27 NHS acute trusts across the North-west region, covering the conurbations of Greater Manchester and Liverpool, and the counties of Cheshire, Lancashire and Cumbria. Philip Housden (right) reports

FIGURES FROM the 2018-19 annual accounts for this regional group of trusts show that total private patient revenues rose by 3.2%, an increase on the previous year's growth of 2.4%.

Total revenues are stated as £30.7m, up £946,000 from £29.7m in 2017-18. This level of income represents a small decline from 0.35% to 0.34% of these trusts' total patient-related activity revenues. This remains below the combined national average outside of London of 0.5%.

The year-on-year private patient revenues performance of these trusts varied significantly (Figure 1). For the following analysis, the trusts have been grouped together according to whether or not they have a dedicated private patient service and only 14 of the trusts are shown, as the remaining 13 have revenues below £300,000 a year.

Figure 1




### Top earner

The regional top earner remains The Christie Hospital at £6.8m, up £710,000 year on year (11.4%), also the largest revenue gain in the region last year.

It remains well in the top ten earning trusts outside of London by revenue. This is now 2.4% of the trust's revenues, which, despite the growth, is a gradually declining figure from 3.51% in 2013-14.

The trust's long-term partnership with HCA Healthcare, branded The Christie Private Clinic, is a joint venture started in 2009 and resulting in investment in new capacity. The Christie Clinic includes a dedicated outpatient suite and day-care unit, oncology wards with 34 beds and a haematology transplant unit.

Of the other trusts with dedicated private patient facilities, Liverpool Women's Hospital showed growth of 13%, up from £2.9m to £3.25m, a reverse of recent trends which have seen incomes slide from nearly £4m and 4% of total revenues a few years ago.

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.

### Sharp decline

By contrast, Liverpool Heart and Chest's revenues fell back slightly by 2.5% and £82,000 last year through the trust's six-bed Maple Suite.

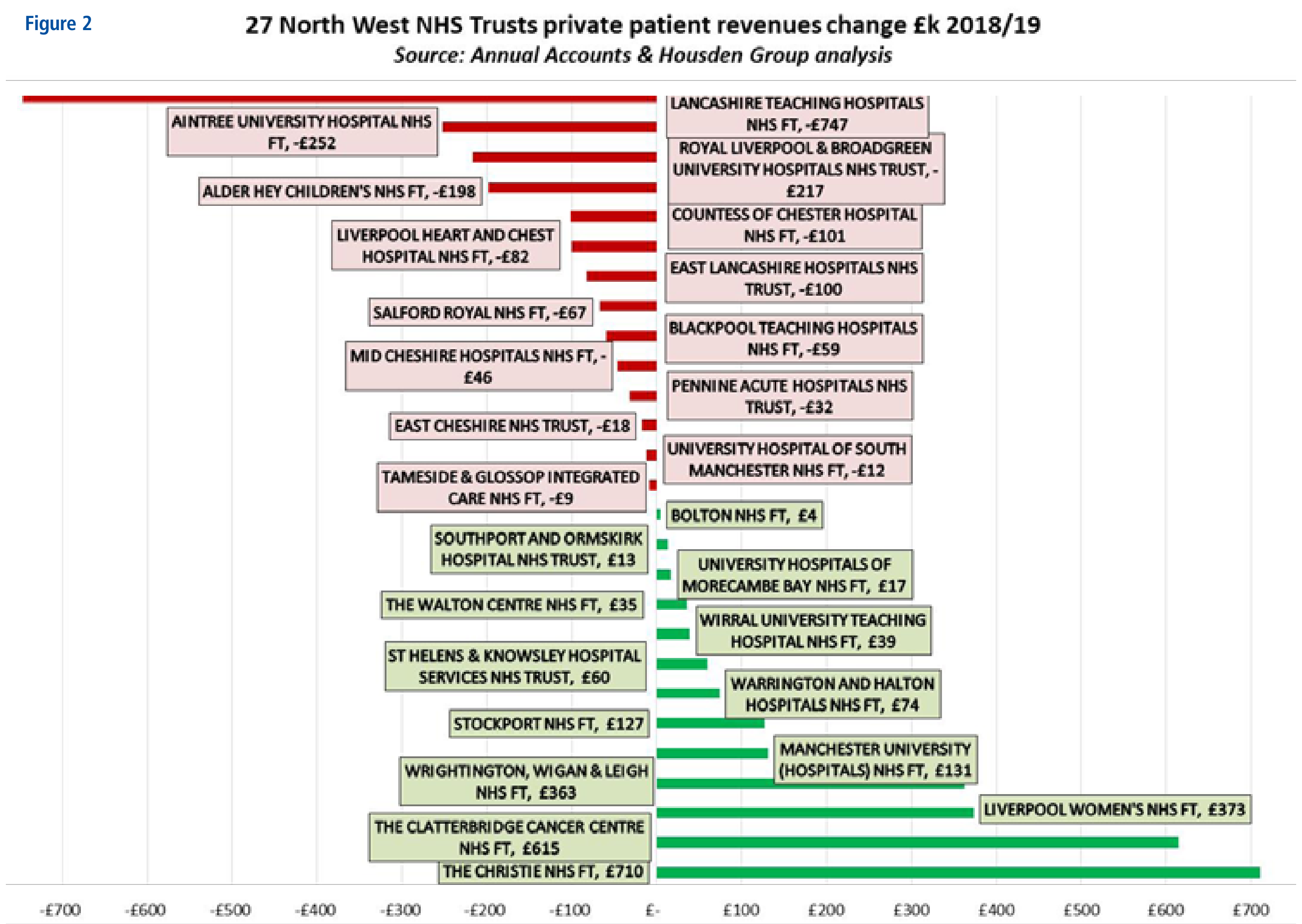
A much sharper decline was experienced in north Liverpool. Aintree's private patient earnings fell £252,000 (16%) last year through its 19-bed Sefton Suite.

The Royal Liverpool and Broadgreen also declined last year by 42% to under £300,000. The two hospitals merged from October 2019 and it is to be seen whether they choose to invest in private patient incomes.





Figure 2




Clatterbridge Private Clinic, a joint venture between The Clatterbridge Cancer Centre and Mater from Ireland, increased private revenues by 35% and £615,000 last year.

The trust is one of the largest networked cancer centres in the UK, providing chemotherapy and radiotherapy and highly specialised treatments including proton Papillion therapies to local, regional and international patients.

Also growing is Wrightington, Wigan and Leigh's 16-bed John Charnley Wing, which has increased private patient revenues to over £3.1m last year, up £353,000 and 13% on 2017-18 and now 1.1% of total revenues.

### No private beds

Manchester University Hospitals' Private Patient Centre at the Manchester Royal Eye Hospital delivers the majority of trust earnings, as there are no dedicated private patient beds.

The trust achieves a modest 0.16% of turnover at £2.4m revenues last year, up £131,000 and 5.7%. These earnings are also achieved through paediatrics and to a lesser extent dental.

Salford Royal offers dedicated services for private day-case and ambulatory services and achieved £1m revenues last year, a decline of 6% and £67,000.

Across the city, the private patient services continue to grow at St Helen's and Knowsley, where the trust increased revenues by 9% and £60,000 last year to £720,000, the seventh year of growth.

Also growing is Stockport; up 52% to reach over £300,000 for the first time in three years. The trust is well situated in south Manchester's 'golden triangle' where medical insurance rates are relatively high and self-pay demand is strong. However, the trust has so far not managed to find dedicated capacity to exploit this opportunity.

In Macclesfield, Mid Cheshire Hospital now has the capacity to offer services to this market. The trust has recently completed the purchase from BMI of the South Cheshire Hospital at Crewe, on the Leighton Hospital NHS campus. The trust will now benefit from two additional theatres and 32 beds and will hope to significantly increase on the flat £1.5m revenues in 2018-19.

### Recent declines reversed

Two other trusts in the North-west have small dedicated inpatient facilities for private patients.

On the Wirral, the trust has an eight-bed PPU, the Park Suite, where it reversed recent declines to record a modest £39,000 revenue growth to £388,000 last year – now 0.15% of turnover.

The other trust is Blackpool, where earnings from Victoria Hospital's six-bed Lancashire Suite were £1.8m last year, showing a small 3.6% drop.

Of the remaining trusts, none have a dedicated PPU and only North Cumbria was over £300,000 revenues, though the trust almost doubled incomes from £352,000 to £677,000 in 2018-19 – up 92%.

The region is a large one geographically, by population and number of NHS trusts. Performance from a private patient earnings viewpoint is patchy and, as expected, it is those trusts with dedicated capacity and branding that are achieving the highest incomes.

Looking to the future, perhaps more trusts will consider entering the market if only to capture the inpatient activity presently lost and charged to the NHS where there is no dedicated capacity. As several trusts have shown, the capacity required can be as little as six to eight beds to make a difference.

■ **Next month: the North-east**

*Philip Housden is a director of Housden Group*