Resetting the consultant dynamic

By **Kelsey Rees** - 22nd October 2020

In the third and final part of our three-part series exploring the impact of the Covid-19 pandemic on the private healthcare market, Check4Cancer chief medical officer Professor Gordon Wishart and Philip Housden, managing director of healthcare consultancy Housden Group, discuss the shifting relationships between consultants, private hospitals and the NHS

The Covid-19 health emergency has shaken the UK healthcare system, creating challenge,
change and churn right across institutions, commercial relationships and professions. Consultants, individually and as a professional group, lie at the heart of the UK healthcare system, both NHS and independent sector.

Our first article in the series reflected on Covid's impact of this on the relationship between insurers and independent providers and the second article explored future opportunities for NHS services and how interactions with the independent sector could develop.

Our third and concluding article explores how the pandemic has impacted on consultants and the changing relationship between the medical profession and key players in the healthcare economy. How has the crisis changed the influence of consultants within the sector, and what are the trends that it has developed and accelerated?

First, we need to acknowledge that Covid-19 has brought a shock to the whole system from which it is only just starting the long road to recovery.

We believe that the impact has been seismic and system-changing, to the point where from now on we will be referring to the period pre and post pandemic.

Second, the acute impacts of the pandemic are starting to be understood, but the chronic impacts will take time to unfold and by definition can be shaped by the key

players working within the system.

Third, we regard 'consultants' as one of the key players in the UK healthcare system, although we recognise that there is no such thing as a single entity that represents the profession and the term covers a very wide and diverse group, separated by age, specialty, geography, career aspirations, and much more. But for the purposes of this article we want to explore the developing interplay between consultants and providers, both in the NHS and the independent sector.

IT MAKES A LOT OF SENSE FOR CONSULTANTS TO INCREASINGLY WORK UNDER THE UMBRELLA OF A GROUP GOVERNANCE STRUCTURE

The past few months have been a shock to the routine for consultants across both the NHS and private practice. The crisis hit unevenly in some regards – intensivists, physicians and anaesthetists to the fore, while surgeons experienced a downturn in volumes. But for all it has meant change in working practices whether that is in NHS or non-NHS locations. The NHS has now begun to repurpose3 priorities and working patterns principally looking to the 'window of opportunity' for diagnostic and elective care before winter and the emerging second phase of the virus.

We want to explore how these changes may play out over the medium and longer term and suggest some big trends that it makes sense for individual and groups of consultants, and also institutions and other actors in the wider UK healthcare system, to take account of and where possible seek to shape.

We know that there is a mismatch between demand and supply. NHS waiting lists are due to balloon to 10 million-plus and access times for many more patients will exceed 12 months. The ageing and growing population alone will continue to create demand pressures into the foreseeable future. Private sector demand is also increasing as sector capacity reopens, with an estimated delivery of 58% of 2019 levels in July, up from 47% in June.

Meanwhile, supply is limited. The temporary nationalisation of independent sector capacity enabled the system to balance as Covid temporarily choked back elective demand but it pushed this need into the future.

We now know that this arrangement will not continue in the same form, translating into a medium term call-off/top up approach to maximise the use of scarce capacity across the whole system.

We also know that it is not just physical capacity that UK healthcare is short of. The proposal for 150 new diagnostic hubs by March 20208 quotes that the centres should run

for 12–14 hours a day, seven days a week but acknowledges 'workforce constraints may make this unachievable in the short-term'.

This is a consequence of how the UK and NHS is 'under-doctored', with the second lowest number of doctors in leading European nations relative to its population, according to research for the Organisation for Economic Cooperation and Development (OECD). With 2.8 doctors per 1,000 people, compared with an average of 3.5 doctors across the OECD,
the UK shortage is second only to Poland.

Our contention is that with this imbalance between excess demand and limited supply of healthcare capacity there comes a great deal of opportunity for individual and groups of consultants that wish to practise privately while raising big challenges for the overall profession and the system that relies on it.

Reasons to be cheerful…

if you are a consultant

The consultant population is ageing and the recent pension changes have hastened early retirements and dropping of sessions. The increase in investment in medical school places will take a generation to fully work through.

To meet the short term gap, the UK has been reliant on foreign-trained medics, with 28.7% of British doctors qualifying abroad, the fifth highest figure in Europe.

Added to this, more than 1,000 doctors have said they intend to leave the NHS due to the government's mishandling of the coronavirus pandemic and anger over pay; a recent Doctor's Association UK survey has found11 doctors complaining of growing stress levels and mental health worries. Two-thirds of respondents said they either intended to switch to the private sector, move abroad, work as locums or take a career break within the next three years.

Consultants will, therefore, be a key rate limiting factor in what balance means and how the UK healthcare system achieves it through the coming years of the medium term.

Our first big trend is that this will translate into improved terms and conditions within the NHS as trusts and GP surgeries struggle to fill vacancies. We believe that this will be a force leading to the driving up of remuneration not only in the state sector, but in the independent sector too.

How will consultants experience this? NHS trusts as employers are restricted in their options to overtime payments and career progression, but GP practices are already offering 'golden hellos', a 'new to partnership' payment scheme that pays £20,000 to health professionals taking up a full-time partnership role in general practice for the first time after 31 March 2020.

Private sector providers, however, are re-inventing the model, with salaried consultant posts in London now made by Schoen Clinic, Mayo Clinic and the Cleveland Clinic, which is due to open in 2021.

We anticipate that at least one of the national private hospital 'chains' will soon offer attractive packages to some consultants that combine private practice and NHS volumes

in return for high quality outcomes and volumes.

Might Covid pressures also turn the tide on insurer reimbursements? The costs of starting out in private practice for newly appointed consultants are higher than ever before as indemnity costs rise post-Paterson and the 'earnings v hassle' quotient is no longer as attractive as it once was.

Why be a 'corner shop' with little bargaining power for private practice when you can get paid guaranteed overtime for waiting list volumes by your trust? Instead, we foresee a further rise in the volume and reach of speciality 'chambers' groups, such as Fortius and One Welbeck Street, and mixed economy employment models becoming the norm.

Reasons to be cheerful…

if you are a private provider

Independent hospital chains do have some tools at their disposal to engage proactively in the relationship with consultants. The best consultants are by definition in short supply, and so the market will reward the early movers.

Hospital groups are rightly responding to drive consistency in patient safety and to cope with high volume throughput. They are going to need to be increasingly nimble to manage for a future mixed economy balancing a higher proportion of routine NHS activity alongside fluctuating demand for private activity. These providers will be signing up to the delivery of NHS volume without the security of consultant and medical supply.

To mitigate this will require partnerships – perhaps with the local trust, perhaps with consultant chambers, and perhaps with employment models – or a mix of all the above. The confirmation that the NHS has struck a deal with private providers enabling junior doctors to train in independent hospitals is aimed at protecting medical training, especially in elective specialty services, from Covid-19 restrictions and disruption in NHS hospitals now that a larger share of operations are shifting into the private sector.

As Paterson has driven a sea-change in the patient safety agenda, it makes a lot of sense for consultants to increasingly work under the umbrella of a group governance structure, again either a chambers/group or an employed model.

Further mitigations of the reliance on consultants will come through on long term re-imagining of outpatients consultations using virtual clinics, development of the skills of non-medical staff and seeking to choke off demand growth through restrictions on protocols.

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These trends will impact much more in the shorter term on the working experience of consultants within the NHS than in the independent sector.

Conclusions

Covid-19 has made lasting change to the provider-consultant relationship. From the outside it is easy to think that everything has changed overnight, while in fact the market moves and shifts in subtle ways at different speeds, making sweeping 'new rules' hard to identify. In other words although the market will look similar, it is evolving.

Consultants are increasingly powerful, but only in proportion to the efforts they put into their practice to leverage the benefits that the new normal offers.

London private healthcare will remain pre-eminent in the UK, so that is where we will see the changes happen fastest and with the most visible impact. Independent sector hospitals are going to deliver higher volume, lower acuity NHS activity for several years into the future. This creates an excess of patient demand and plenty of work for those consultants that work hard and long to supply their scarce skills.

Perhaps all these pressures collectively will finally lead to increases in practitioner's fees rates. But the big trend already gathering momentum will be for increasing proportions of private patient activity to be delivered by consultants working within group/employed structures.

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Kelsey is a recent graduate from Cardiff University where she gained a Masters degree in Magazine Journalism and an undergraduate degree in English Literature. Her role as Editorial Assistant is her first position in the journalism industry where she hopes to progress further in the future.