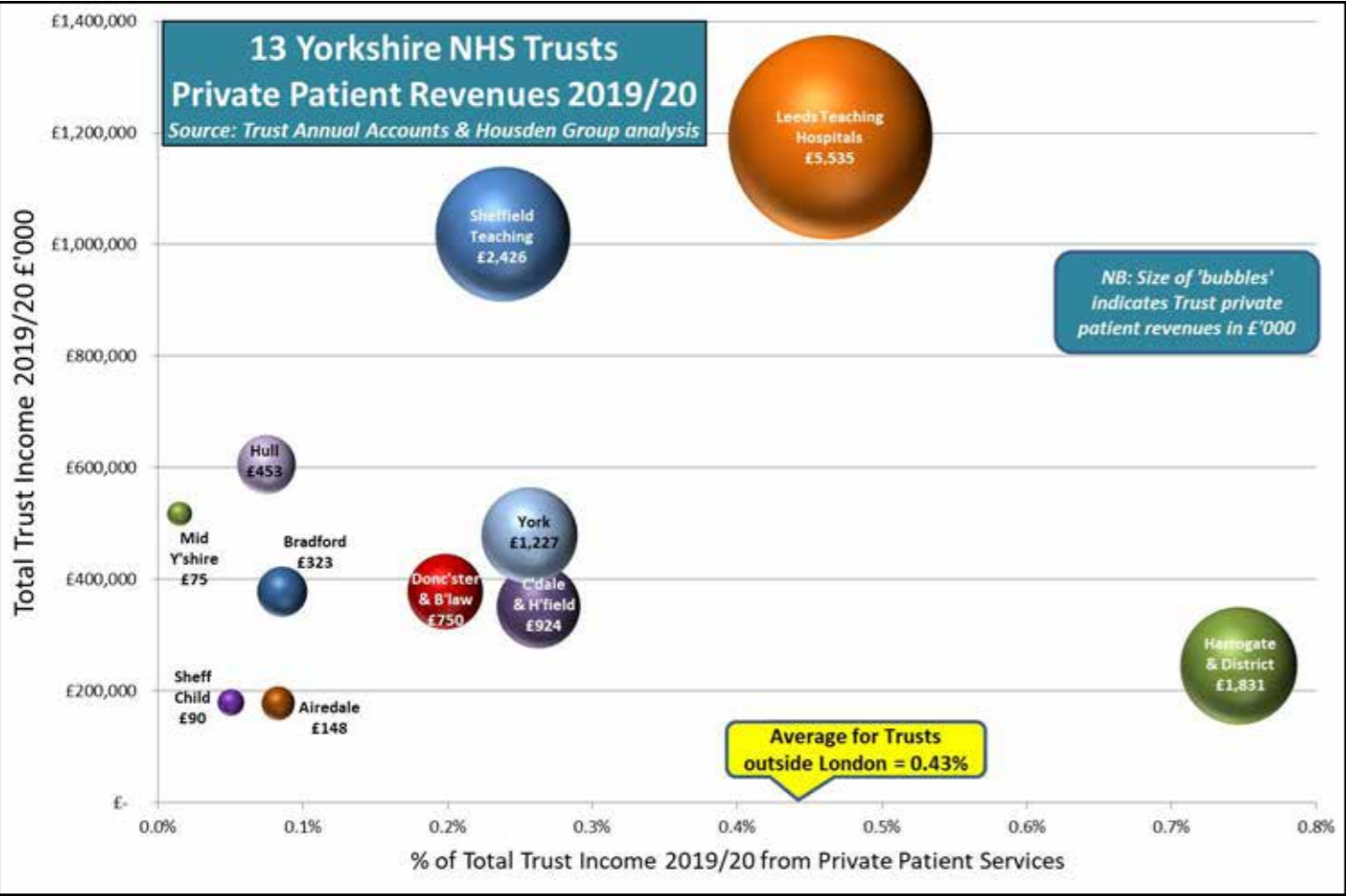


PRIVATE PATIENT UNITS: YORKSHIRE



Only the hot spots show real growth

Our regional round-up of PPU progress continues with Philip Housden's (right) report featuring Yorkshire PPUs where he analyses private patient revenue growth for 13 NHS acute trusts across the county

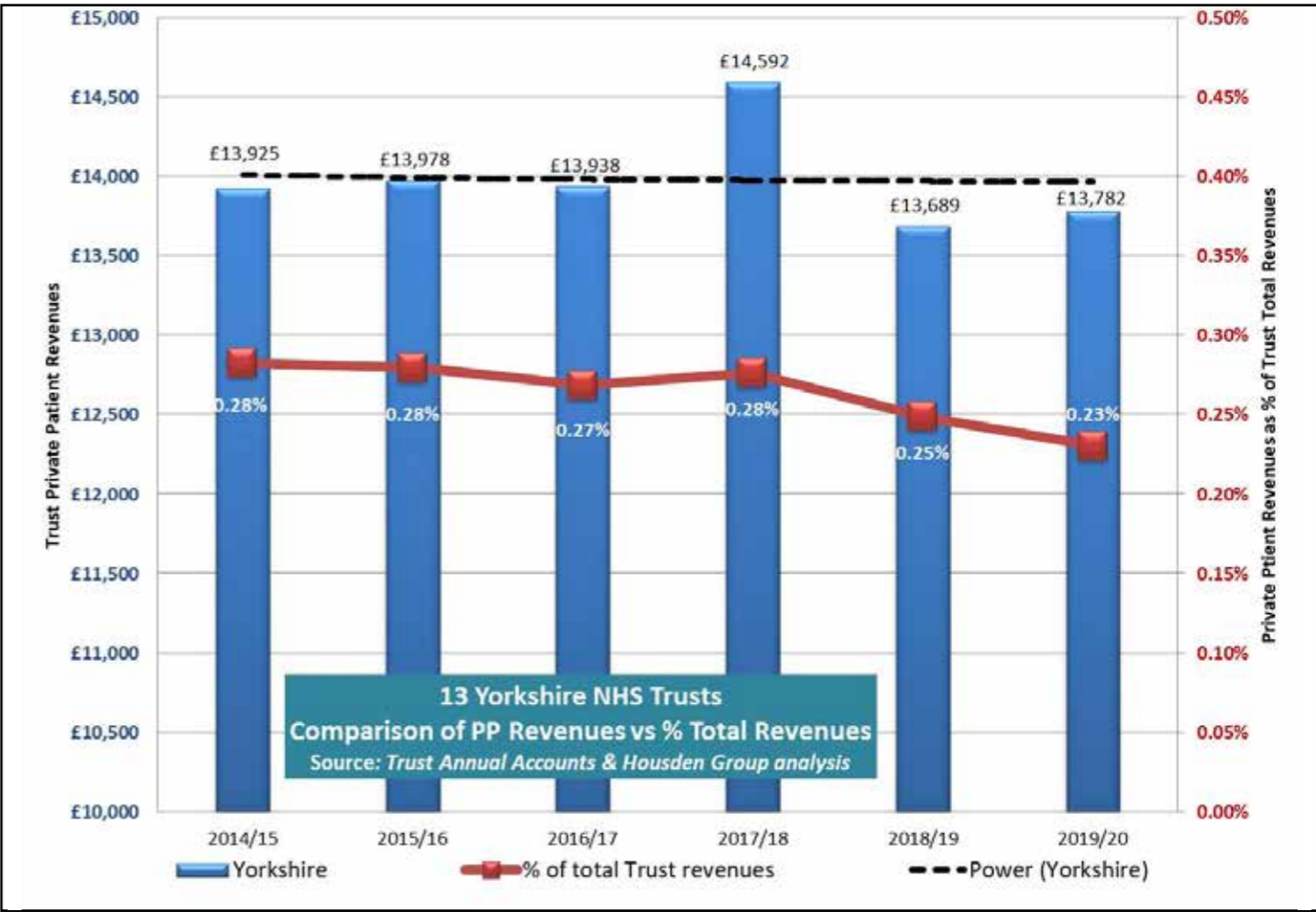


THIS REVIEW is based on the information published in the Trust Annual Accounts for 2019-20, which was partially adversely impacted by the early months of the Covid pandemic.

20 accounts show that total private patient revenues rose slightly by 0.7% after a year of decline in 2018-19. Total revenues are estimated at £13.8m, up £93,000 from £13.7m. This level of income represents

0.23% of these trusts' total revenues, down from 0.25%. This remains below the combined national average outside of London of 0.43%. The regional top earner remains Leeds Teaching Hospital Trust

(LTHT) at £5.53m, a rise of £628,000 (12.8%) from £4.90m. This is a slight increase to 0.46% from 0.45% of trust revenues. It holds a partnership with Nova Healthcare, part of Aspen Healthcare, located within St James's



Institute of Oncology in the Leeds Cancer Centre in Bexley Wing. The service offers the full range of cancer treatment including radiotherapy, gamma knife and robotic surgery and chemotherapy. There is also access to private beds within the Bexley Wing for patients requiring inpatient admission.

Increasing competition

In response to increasing competition in the city, including a new competitor provider, abc ivf, LTHT is seeking to explore and test the market for opportunities to grow and sustain the in-house PPU brand Leeds Fertility IVF service. The facility currently performs around 1,300 IVF/ICSI treatments and 700 frozen embryo transfers each year.

In the last ten years, there has been an increasing trend nationally towards privately run fertility clinics, often in chains operated by large commercial organisations. In the south of England, almost all NHS and private fertility work is

undertaken in these private clinics. However, in the north, it is common for large NHS teaching hospitals to run fertility clinics, but for private clinics to set up in competition, undertaking private and NHS work.

A trust briefing paper explains: 'To mitigate the risk to the fertility services provided by Leeds Fertility, LTHT proposes to tender the Leeds Fertility IVF service for a contract period of ten years.'

Sheffield Teaching Hospitals has the second highest revenues in the region, totalling £2.42m in 2019-20. Incomes have fallen back for the second year after a period of growth, dropping £300,000 or 11.0% in 2019-20 to 0.24% of turnover – down from 0.29%.

The trust has no specific private patient services, but instead offers a range of treatments privately across their five hospitals.

Private hot spot

Harrogate and District has a dedicated private patient unit, the ten-bed Harlow Suite, branded the

“In the north, it is common for large NHS teaching hospitals to run fertility clinics, but for private clinics to set up in competition, undertaking private and NHS work”

Harrogate Harlow Private Healthcare Service. It is located in a relative regional hot spot for private medical insurance take-up.

The trust reported growth of 24.6% in 2019-20, with revenues up £361,000 to £1.83m. The unit has access to dedicated space within endoscopy in addition to the ward.

Harrogate achieves 0.75% of trust turnover as private income, the highest in the region and the only one in Yorkshire ahead of the out-of-London national average.

York and Scarborough Teaching Hospitals also has a private

patient unit and is similarly located within an attractive private medical insurance catchment.

York Hospitals offers private patient services at York, Bridlington and also at Scarborough.

These are for a range of surgical, ambulatory and diagnostic services. The group service is not collectively branded and this could be an opportunity to develop for the trust. Revenues were up 21.5% and £217,000 in 2019-20 to reach £1.23m and now 0.26% of turnover.

Calderdale and Huddersfield is ranked fifth within Yorkshire by private patient revenues and these totalled £924,000, down £202,000 and 17.9% in 2019-20. This is still double the revenues of 2016-17 and growth may have continued without the impact of Covid. Income is 0.26% of total trust revenues.

Doncaster and Bassetlaw's annual report did not include the full trust annual accounts and so

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an estimate has been made of private patient revenues in 2019-20 taking into account the typical detrimental impact of Covid-19 on the latter part of the financial year.

It is estimated that revenues were £750k, down around 11.6% and £98,000 on the 2018-9 total of £848,000, representing 0.20% of turnover. The trust does not have dedicated private patient facilities.

Hull University Teaching Hospitals experienced a 33.6% decline in private patient revenues in 2019-20, down £229,000 to total £453,000.

Disappointing drop

Bradford also has an inpatient PPU, the 12-bed The York Suite located on Level 4 of the Duke of York Wing at the Bradford Royal Infirmary.

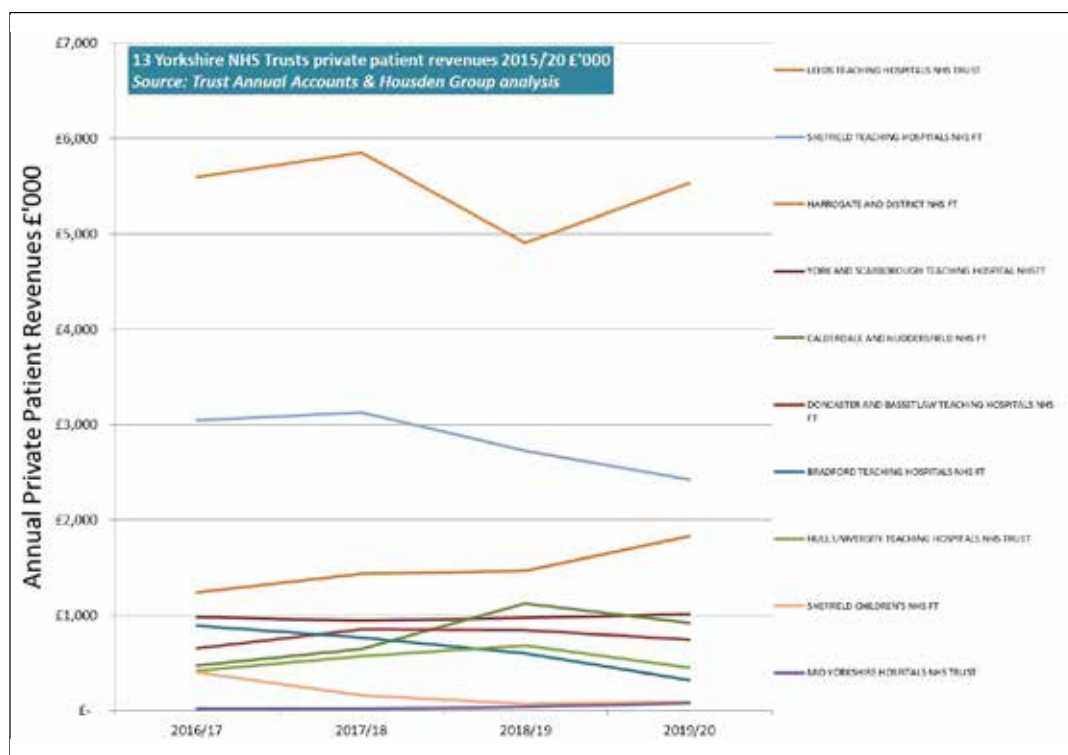
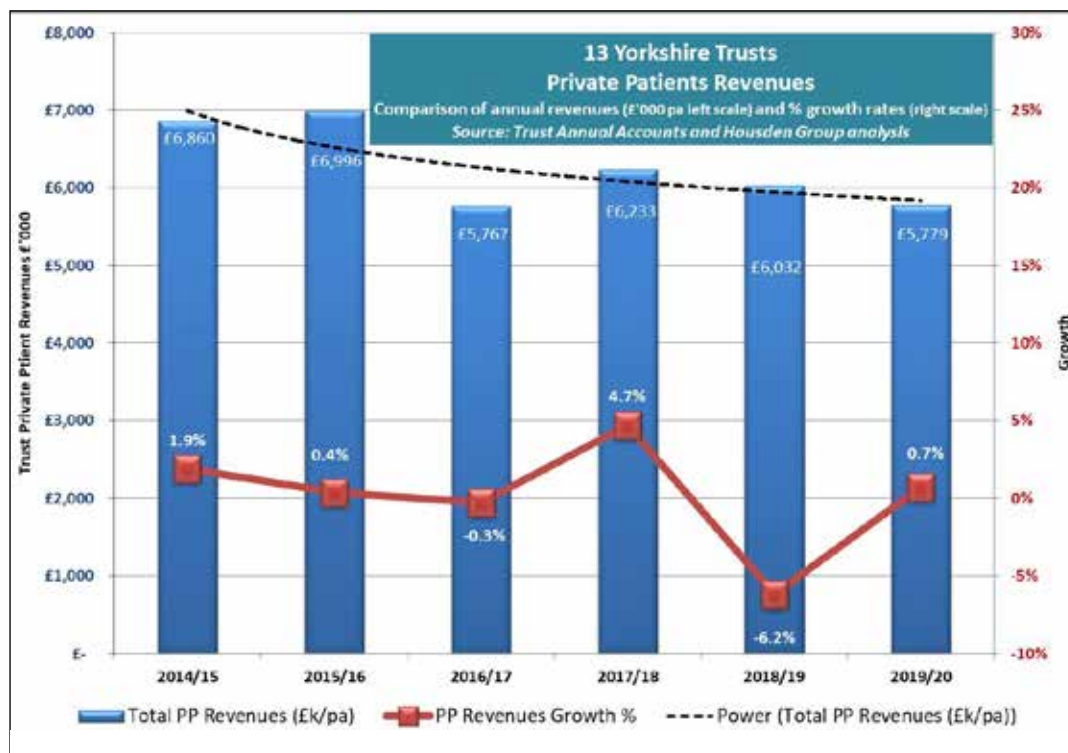
This offers a range of medical care and surgical interventions from outpatient consultations, diagnostic scanning, minor day-case treatments to complex surgery.

The trust reported a disappointing 46.5% drop in private patient incomes from £604,000 to £323,000, which is now the sixth consecutive year of decline from a high point from £1.34m in 2013-14.

Airedale Hospital has a PPU, with Ward 19 having 11 bedrooms and two private consulting rooms. Last year, the trust's private patient revenues declined £53,000 and 26.4% from £201,000 to £148,000 which is only 0.08% of total trust incomes.

Sheffield Children's Trust is one of only four such specialist trusts in the NHS; the others being Great Ormond Street, Birmingham Childrens and Alder Hey.

The trust grew private patient



revenues 32.4% in 2019-20 from a modest £68,000 to £90,000, which is only 0.05% of turnover. As with the other specialist paediatric hospitals, the trust has the opportunity to develop private overseas patients.

Of the other three trusts, **Mid Yorkshire** reported income of £75,000 at 0.01% of turnover and

Rotherham and Barnsley both reported nil private patient revenues in 2019-20.

Across the Yorkshire region, some trends can be discerned with the trusts prepared to invest and market their private patient services – principally Leeds, Harrogate and York – showing significant growth while the others are falling back.

■ **Next month: We take a break from our regional reviews to assess the findings from Housden Group's third Annual NHS Barometer.**

Philip Housden is managing director, Housden Group commercial health-care consultancy