PRIVATE PATIENT UNITS: NORTH-WEST

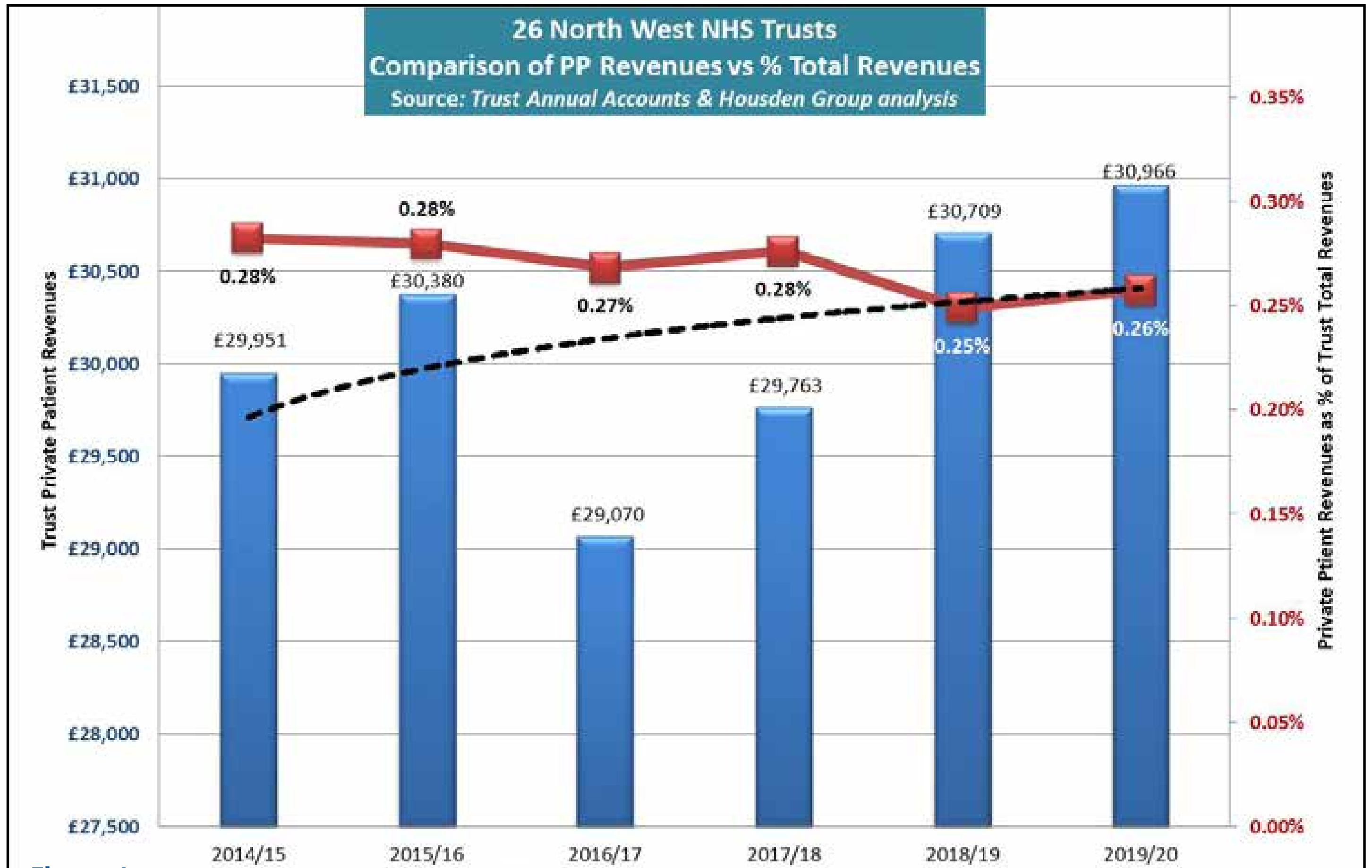

Figure 1

Investing pays off

Our regional review of private performance in the NHS continues as **Philip Housden** analyses private patient revenue growth for 26 NHS acute trusts across the North West region covering the conurbations of Greater Manchester and Liverpool, and counties of Cheshire, Lancashire and Cumbria

AT THE time of writing, only 13 of the 26 trusts had published their 2020-21 Annual Report and Accounts and so this review is still based on the information published in the Trust Annual Accounts for 2019-20, a year partially adversely impacted by the early months of the Covid pandemic.

One trust, East Lancashire Hospitals, did not publish its private patient income within its financial statements supporting the annual accounts, so a judgement estimate has been made regarding private patient incomes for that trust.

For this regional group of trusts, the accounts show that total private patient revenues increased in 2019-20 by 0.8%, a decrease on previous year growth of 3.2%.

Total revenues are stated as £31.0m in 2018-19, up £257,000 from £30.7m in 2018-19 (Figures 1 and 2). This level of income represents a small decline from 0.34% to 0.32% of these trusts total patient-related activity revenues. This remains below the combined national average outside of London of 0.43%.

The year-on-year private patient revenues performance of these 26 acute trusts varied significantly (Figures 3 and 4). The following commentary analyses the trusts with the top ten private patient revenues, which are those over £1m and/or greater than 0.1% of total trust incomes.

The regional top earner remains **The Christie Hospital** at £6.5m, down £307,000 year on year (-4.5%). The trust remains well in the top ten-earning trusts outside of London by revenue.

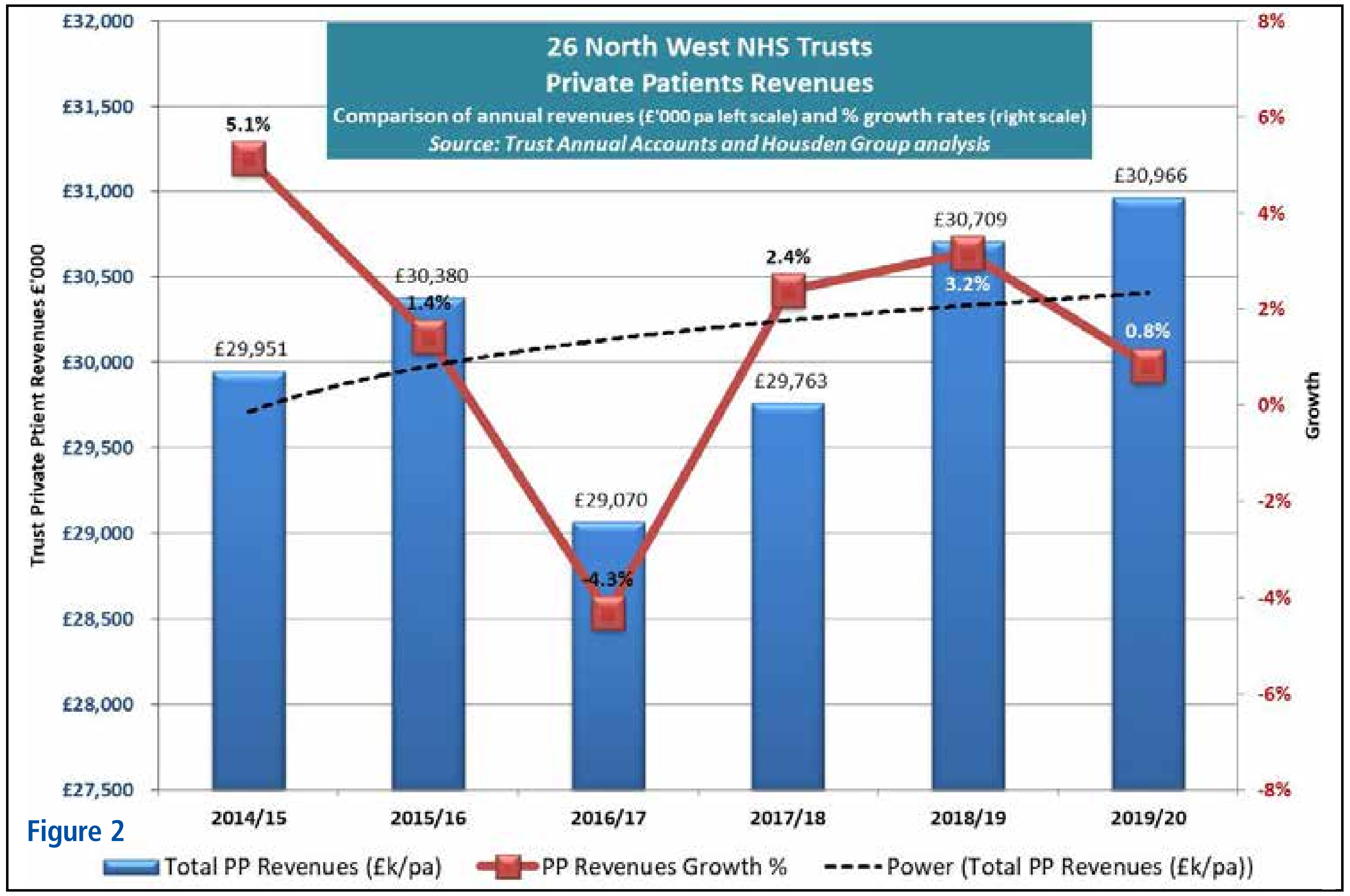

Figure 2

This is now 2.06% of the trust's revenues, down from 2.4% the previous year. These earnings principally come from the trust's long-term partnership with HCA Healthcare, which was agreed in 2009 and are 2.23% of total trust revenues, down from 2.85% the year before.

Branded The Christie Private Clinic, this provides a dedicated outpatient suite and day care unit, oncology wards with 34 beds and a haematology transplant unit.

The joint venture itself, The Christie Clinic LLP, reported a 10% jump in revenue to £43.5m as patient admissions and outpatient visits to the specialist oncology provider continue to climb.

New high

Second by revenues is **Wrightington, Wigan and Leigh**, where the JCW Private Patients wing has delivered increasing private patient revenues for the last three years and in 2019-20 these reached a new high of £3.8m.

This was an increase of £681,000 on the prior year, up 21.8%, and 1.05% of total trust revenues. The JCW Wing has outpatient consultation rooms and 16 en-suite bedrooms.

Third highest in the North-west is **Liverpool Women's Hospital**, which has dedicated private patient facilities and reported growth of £53,000 to climb to £3.3m (up 1.6%).

The trust's PPU, The Catharine Suite, opened in 2009 and is located on the Crown Street site, supporting a range of private gynaecology and cosmetic surgery procedures plus a range of non-surgical cosmetic procedures. The Catharine Suite comprises two consultation rooms and a treatment room, as well as seven single en-suite rooms.

Fourth is **The Clatterbridge Cancer Centre**, which in June 2021 opened a new private patient facility, Clatterbridge Private Clinic, to meet demand from the trust's catchment across Cheshire, Merseyside and beyond.

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The clinic is based inside The Clatterbridge Cancer Centre's new 11-storey specialist cancer hospital, which opened in June 2020.

Innovative treatments

Based in the heart of Liverpool's Knowledge Quarter, the clinic offers inpatient and outpatient care, a rapid diagnostic service and a range of servicces including radiotherapy, chemotherapy, immunotherapy and other targeted drug therapies, as well as innovative treatments such as Papillon Therapy – a specialist form of radiotherapy for rectal cancers.

In 2019-20, the trust's private patient revenues were £3.3m, up 37.3% and £893,000 from £2.4m the year before. That is 1.95% of total trust revenues, a new high.

Fifth highest is **Manchester University Hospitals** which does not have a dedicated inpatient service for trust private patients.

However, it is the Private Patient Centre at the Manchester Royal Eye Hospital that delivers the majority of trust earnings, with paediatrics and to a lesser extent dental also contributing. The trust achieves a relatively modest 0.19% of turnover at £3.0m, but this was up 28.1% and £600,000 from 0.11% and £2.4m revenues the year before.

The Private Patient Centre at the Manchester Royal Eye Hospital has a series of dedicated private consulting rooms and en-suite inpatient rooms.

In sixth place, **Liverpool Heart and Chest Hospital**, revenues fell back for the third year in a row, this time by 7.5% and £228,000 to

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£2.94m. The trust's private patients are principally delivered through the six-bed Maple Suite and represent 2.03% of total trust revenues, down from 2.31% in 2018-19 and well down on the high of 3.27% in 2014-15.

Across the city, in seventh, is **Liverpool University Hospitals**, formed from the merger of Aintree University Hospital with Royal Liverpool and Broadgreen from 1 October 2019, mid-way through the 2019-20 financial year.

The new trust's private patient revenues in 2019-20 were £1,455,000, down 12.3% and £205,000 from a combined £1,660,000 in 2018-19. This is 1.35% of the new trust's total income.

The combined trust has access to the 19 bed Sefton Suite at Aintree, which has a theatre, access to intensive care units, physiotherapy facilities and specialist nurses, and outpatient consulting rooms and diagnostic imaging facilities at Kenilworth Road Diagnostic Centre.

In eighth, **Blackpool Teaching Hospitals** does have a small dedicated inpatient facility for private patients. Earnings from Victoria Hospital's six-bed Lancashire Suite were £1.38m last year, down by 21.3% and £374,000 from £1.75m in 2018-19. This is now 0.33% of total trust revenues.

Purchase completed

Ninth by revenues is **Mid Cheshire Hospital** in Macclesfield. The trust completed the purchase from BMI of the South Cheshire Hospital at Crewe, located on the Leighton Hospital NHS campus, in February 2020.

This provided the trust with additional two operating theatres and 32 beds, and post-Covid expectations are that this could lead to a significant increase on the £1.2m revenues achieved in 2019-20. That figure was £308,000 and 20.4% down on the previous year and a drop from 0.66% to 0.49% of total revenues.

Concluding the North-west's top ten trusts is **St Helen's and Knowsley**, where the trust increased revenues by 34% and £246,000 last year to £966,000 – the eighth consecutive year of growth, now reaching 0.26% of total trust revenues.

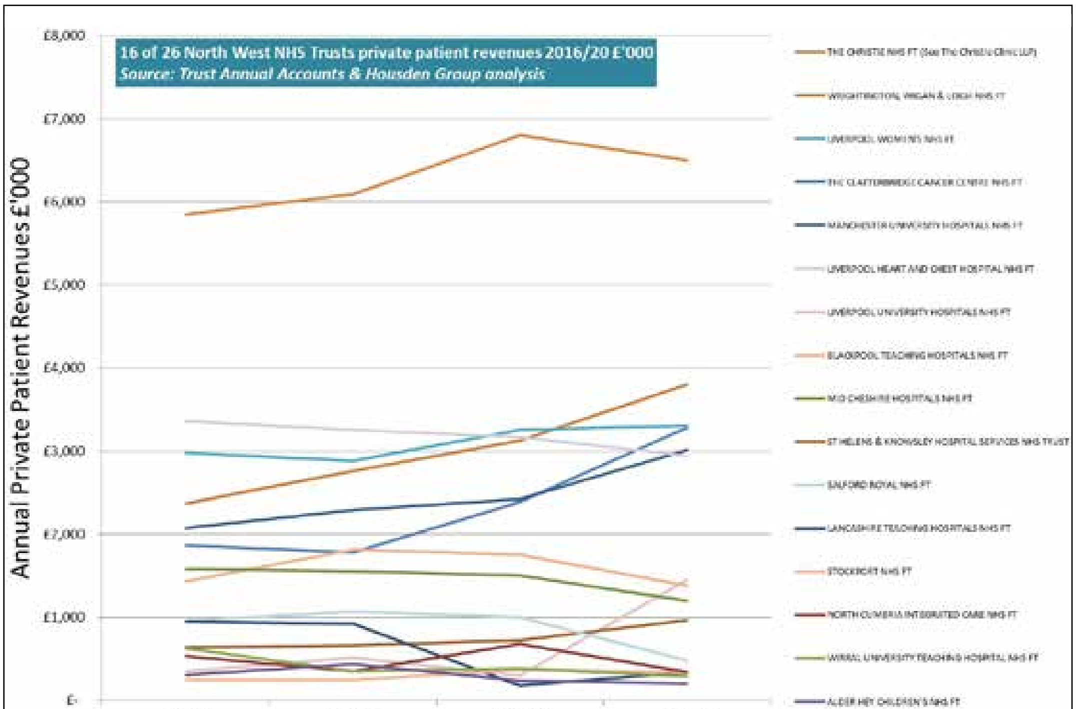

Figure 3

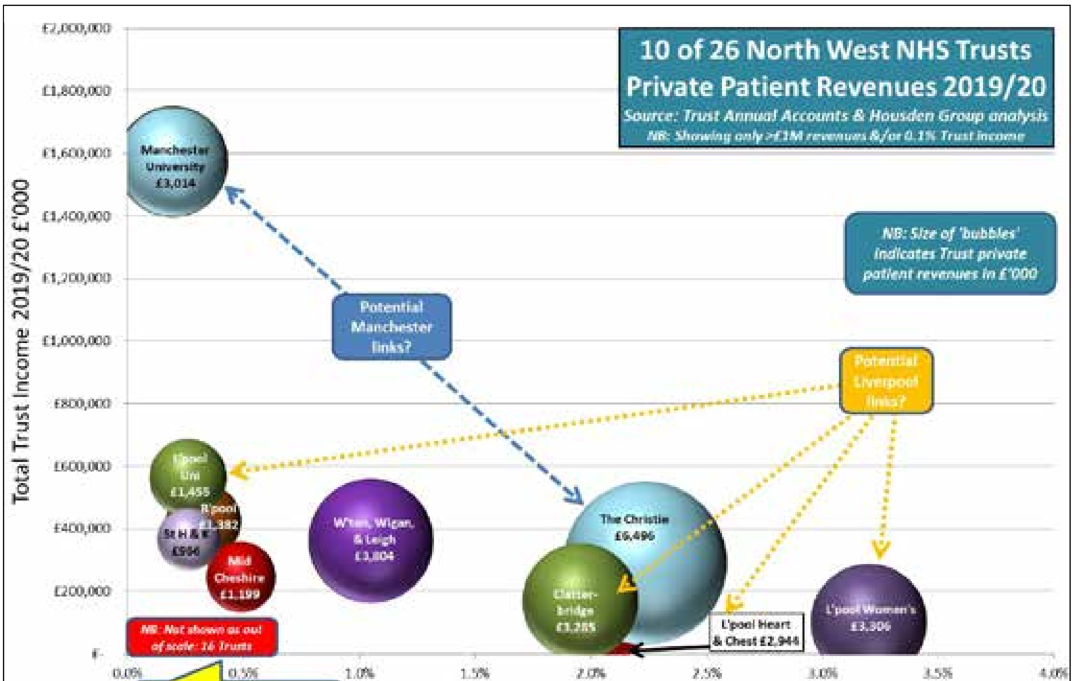

Figure 4

Of the remaining trusts, none have a dedicated inpatient PPU, although **Salford Royal** offers services for private day-case and ambulatory services from The Salford Clinic and delivered £483,000 revenues, a 51.8% fall.

The 26 trusts across this large region deliver very different private patient performance. Unsurprisingly, the minority of trusts that have invested in dedicated inpatient capacity have achieved the best returns.

Post-Covid, perhaps neighbouring trusts, particularly those within the two major cities of Liverpool and Manchester, could pool their expertise and resources in order to drive revenues and brand presence in the biggest markets.

Further, these centres of excellence might consider supporting some of the other trusts across the North-west to modernise and professionalise the delivery of their private patient services, or in several cases, start up a new service.

■ **Next time: The North-east**

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