

Comments on the Prime Minister's NHS plan

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Commenting on Prime Minister Sir Keir Starmer's speech outlining plans on how the government aims to use the private sector to help reduce hospital waiting lists in England.

Carly Caton, Partner specialising in commercial healthcare at UK and Ireland law firm **Browne Jacobson**, said: "The government's stated ambition is to make facilities and resources with latent capacity in the private sector available to the NHS where it is most needed or in the 'national interest' to cut waiting times.

"But if the Prime Minister really does want to form a stronger relationship between the private and public sectors, another, longer-term approach with the potential to generate additional revenue for the NHS itself while delivering better patient outcomes is to encourage NHS trusts to expand their private patient units (PPUs) by partnering with independent healthcare providers.

"Increasing private patient activity within NHS hospitals is also one of the easiest routes to develop further collaboration between the public and private sectors. Most trusts already run PPUs but, with the exception of a few, these tend to be relatively small, meaning they provide untapped potential in terms of raising additional income to plough back into NHS services.

"Research from Latchmore Healthcare Associates found they generated £634m of revenue in 2019 – a 14% share of the private patient market – and identified more than £500m of potential private care within NHS PPUs outside London that is treated in the NHS each year, due to most smaller private hospitals in the regions not having facilities for high acuity or high complexity treatment.

"PPUs are ideally placed to serve the high acuity and complex segment of the market as they can share resources within the NHS facilities. As the NHS is already treating these individuals as NHS patients, providing a private pathway would mean payment from insurers for work they are doing anyway, and effectively very high margins

"There are numerous ways of expanding PPUs and it doesn't necessarily require significant capital investment if a trust is willing to partner with a private provider. Partnership structures can extend from commercial agreements to developing some form of physical expansion to estates, and all whilst creating new income streams for NHS patients at no cost to the taxpayer – meaning everyone is a winner."

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