

Our top 5 tips: entering the health and social care market

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22 July 2020

Please note: the information contained in this legal update is correct as of the original date of publication.

As the country has mobilised in response to the Pandemic there have been a number of new entrants to the health and social care market providing everything from new technologies to enable the delivery of digital healthcare services to PPE, filling gaps in the market or supplementing overstretched suppliers in other parts of it.

The new entrants are not necessarily restricted to front line suppliers and service providers the market is also attracting new investors looking for their next opportunity. However, the health and social care market can at times be challenging to navigate. If you are looking to grow your presence in this market, here are our five 'top tips' for getting started.

1. **Know your target customers and the regulatory framework they are subject to:** NHS organisations and local authorities, unlike the independent sector, are subject to the Public Contracts Regulations 2015 (PCR) which impacts on the manner in which those organisations can award contracts for supplies and services. If you are competing for public sector contracts and/or places on frameworks make sure you are up to speed with the PCR.
2. **Know your target customers' buying patterns:** NHS organisations and local authorities will purchase directly through frameworks, independently award contracts and at times join together to leverage economies of scale and buy at scale. The independent sector has a number of buying groups but there are many who purchase only for themselves. It is also not unknown for there to be localised buying arrangements even for national operators.
3. **Understanding the contracts:** Unlike the NHS, local authorities do not have standard suites of contracts. If you are contracting with those public sector organisations make sure you fully understand the contractual terms on offer. The NHS operates on a set of standardised contract terms – ensure you do your due diligence and understand how and when the different terms are used.
4. **Due diligence:** if you are investing in a company or business which operates in this space ensure your due diligence does not overlook the regulatory framework, take the time to understand how the market operates and the relevant regulatory regimes. Investing in a company locked out of the market for a number of years because it failed to get on key frameworks may not be such a good investment nor investing in one whose tech does not have the necessary approvals/licences.
5. **Regulatory requirements:** There are a number of regulatory regimes governing the supply of health and care services, the production and supply of medical devices and other aspects of this market. A thorough understanding that regime is necessary to ensure you have a marketable product/service. A number of controls have been relaxed as the response to the Pandemic has been mapped out – don't be caught out focusing on the current regime without considering whether it may change in the near future as the immediate crisis passes.

For further information or to discuss how we work with clients to advise on routes to market, the regulatory landscape and provide sector specialist due diligence for corporate transactions please contact [Clare Auty](#) or [Rachel Whitaker](#).

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