



Privatisation in the English NHS

Implications of Covid-19

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Reflections

Areas for potential expansion

- **Nature of anti-competitive behaviour** – how does this manifest in each category of the framework described?
- **Differences across countries of UK** – how do the agreements reached in Wales differ?
- **Context and history of the NHS's relationship with the private sector** – how has this relationship evolved over time, and what have the implications been for policy?
- **Further implications of Covid-19** – what might this evolving relationship with private sector mean for providers and patients, and which services most likely to be affected?

Overview

- **Background and context – What does ‘privatisation’ look like in the NHS and how has this evolved?**
- **What has changed under Covid-19, and where are there unknowns?**
- **How does the UK experience compare internationally?**

Background and context

A thorny issue...



Private firms handed £15bn in NHS contracts over past five years

Figures cast doubt on government's denial of creeping NHS privatisation

This article is more than 4 months old

UK government 'using pandemic to transfer NHS duties to private sector'

Critics claim Matt Hancock has accelerated dismantling of state healthcare

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Theresa May's NHS funding birthday present is a Trojan horse for privatisation – here's the proof

Trust me when I say as a doctor that we have been here before with the mental health care in the community programme, which started in the 1980s and is responsible for the dire state of mental health units today

Youssef El-Ginghy | @ElGinghy | Thursday 05 July 2018 16:40



Income from private patients soars at NHS hospital trusts

NHS trusts accused of exploiting raised limit on numbers of paying patients amid health service's 'creeping privatisation'

General election 2019: Could the NHS be "up for sale"?

By Hugh Pym
Health editor

1 November 2019



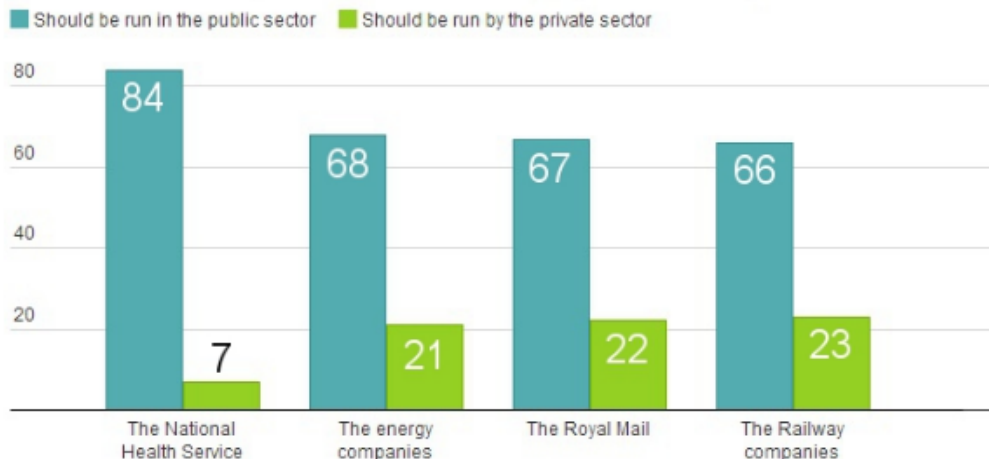
Brexit



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British public tend to prefer a 'publicly run' health service

Do you think the following should be nationalised and run in the public sector, or privatised and run by private companies? %



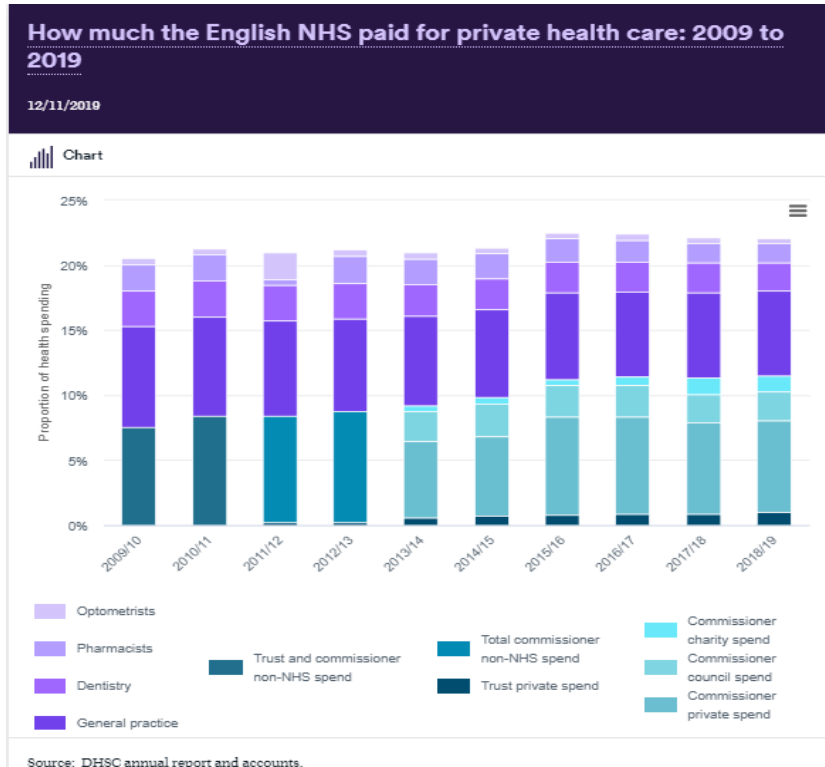
Source: **YouGov**

While privatisation is divisive, headlines can be misleading...

- British Social Attitudes Survey of 2014 found that 43% of those polled don't have a preference for whether their NHS-funded care is delivered by NHS or another private providers
- But far fewer (16%) said they would prefer to be treated by a private provider than an NHS one (39%)...

How much of the NHS is privatised?

How much does the NHS buy from private sector?

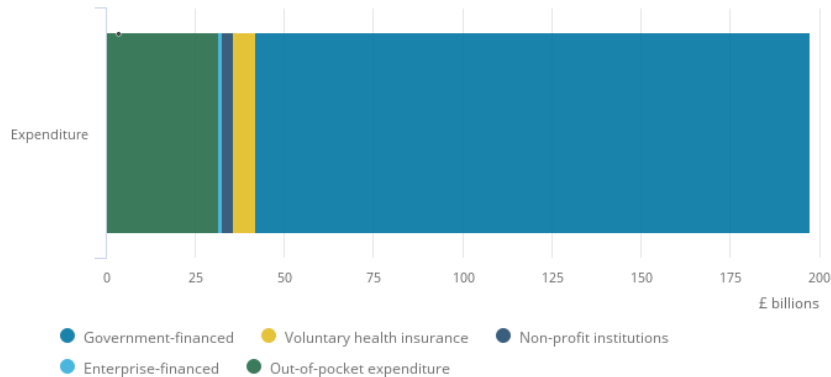


- In 2018/19 22% of the English health spending goes to organisations that are not NHS trusts or other statutory bodies.
 - 7.3% on independent sector providers
 - Figure most frequently cited by DHSC, but can be misleading

How much of British healthcare is privately financed?

Figure 1: Government financing represented almost four-fifths of healthcare expenditure

Total current healthcare expenditure by financing scheme, UK, 2017



- Government expenditure on healthcare accounted for 79% of total current healthcare expenditure in 2017.
- Largest share of private expenditure comes from OOP (16%), followed by voluntary health insurance (3%)

How and why has this changed over time?

NHS-purchased, privately delivered

- Drive to increase competition in the provision of care since 1990s.
- Focus on patient choice and improved access
- Health and Social Care Act 2012 – increased number of contracts to private providers, but not overall spending in private sector
- Mental health and community services have seen quickest increases.
 - Contracts retendered most frequently in these areas?
 - Larger number of private / non-NHS providers?

How and why has this changed over time?

Privately funded, NHS-delivered

- Health and Social Care Act 2012 lifted cap on private patient income in NHS to 49%
 - Income from private patients in NHS has not changed significantly since lifting of cap (<1% of overall provider income since 2011/12).
- Exceptions in some trusts, particularly London hospitals with long traditions of treating overseas patients

Impact of Covid-19

A new relationship with private health care?

NHS-purchased, privately delivered care: what changed?

- Private hospital capacity requisitioned by government
 - “Buffer capacity” to deliver essential procedures throughout Covid-19
 - Maintaining as “clean” non-Covid sites to reduce backlog and waiting lists
 - Newly announced training partnership
- Health and care voluntary sector particularly hard hit by Covid-19

NHS purchased, privately delivered care: open questions

- Challenges of capacity going into the pandemic may make an ongoing relationship with independent sector key part of recovery
- But to what extent will ongoing relationships with independent sector result in additional capacity?
- How will an expanded relationship with independent sector impact quality, efficiency and equity across services?
- How will procured services compare to previous years in terms of patient needs, preferences, etc.?

Privately funded, NHS-delivered care: what happened?

- Reduction in private work throughout Covid-19 (due to requisitioned services, and restrictions on non-urgent care)
 - 84% reduction in episodes of privately funded care at height of Covid-19 pandemic compared to previous year
 - Insurer-funded oncology activity returned to pre-pandemic levels in June, but overall private health activity remained at 47% of the same period in 2019.

Privately funded, NHS-delivered care: open questions

- Will private access be reduced as NHS continues to use independent sector facilities and capacity?
- What impact will longer waiting times have on demand for private insurance?
- Will NHS trusts reliant on private income be able to maintain this revenue?

**International experience
with the private sector
during Covid-19**

Country	Converting existing hospital theatres and wards into critical care capacity	Repurposing public facilities or military hospitals/building new Covid-19 treatment centres	Creating designated Covid-19 hospitals or treatment centres from existing providers	Transfer care to private sector and/or repurpose medical equipment from private hospitals	Redistributing patients or equipment to regions to adjust for needs in local capacity
England	X	X	X	X	
Australia		X	X	X	
Austria	X	X	X		
Belgium	X	X	X		X
Canada	X	X	X		
Czech Republic	X		X		
Denmark		X		X	X
Estonia	X	X			
Finland	X	X	X		
France	X	X		X	X
Germany	X	X	X		
Greece	X	X	X	X	
Hungary	X	X		X	X
Iceland	X		X		
Ireland	X			X	X
Italy	X	X	X	X	X
Latvia	X		X	X	X
Lithuania			X		
Luxembourg		X	X		
Netherlands	X	X		X	X
New Zealand				X	
Norway	X		X		
Poland	X		X		
Portugal	X	X		X	
Russia	X	X	X		
Slovenia	X	X	X		
Spain		X		X	
Sweden	X	X		X	
Switzerland			X	X	X
Turkey		X	X	X	
United States	X	X			

The international picture

- Many countries also turned to private sector to increase testing capacity, add extra hospital beds, equipment, or health care workers (as in France, Germany, parts of Italy)
 - Many countries have secured a cost price for additional capacity to avoid excess profits
 - Other countries (Australia, Spain, Ireland) took similar approach to England and 'block booked' capacity
- Some countries continue to work with private sector to increase capacity as part of recovery - as in Italy, Spain, Austria, Canada and Greece

Conclusion



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