## **TABLE OF CONTENTS**

RE	REPORT AUTHOR				
FOREWORD					iii
LIST OF FIGURES					ix
LIS	ST OF	TABLES	6		xiii
EX	ECUT	IVE SUN	MMARY		1
1	. CENTRAL LONDON MARKET				5
	1.1	Scope	of the Report		5
		1.1.1	Data		7
		1.2.2	Dates		7
	1.2	Size			8
		1.2.1	Revenues		8
		1.2.2	Volumes		8
	1.3	Marke	t Structure		9
		1.3.1	Major Providers	6	9
			1.3.1.1	Hospitals	9
			1.3.1.2	Care Quality Commission Ratings	12
			1.3.1.3	Clinics	14
		1.3.2	Specialties		14
		1.3.3	Regionality		16
	1.4	Marke	t Growth		20
2	PAY	ORS			25
	2.1	Overvi	ew		25
	2.2	UK Pri	vate Medical Ins	surance (PMI)	26
	2.3	Self-pa	ay		26
	2.4	Overse	eas/embassy		27
	2.5	NHS			29
3	MAJOR PROVIDERS - THE INDEPENDENT SECTOR				
	3.1	Hospit	tal Capacity		31
			In-patient Beds		31
		3.1.2	Intensive/Critic	al Care Beds	33
		3.1.3	Operating Thea	atres	34
		3.1.4	Consulting Roo	ms	35
			Consultants		37
			Outpatient Cen	tres	37
			Admissions		39
		3.1.9	Outpatients		42

	3.2	2 Operating Ratios		
		3.2.1 Revenue per In-patient Beds	43	
		3.2.2 In-patients	45	
		3.2.3 Revenue per Admission	46	
		3.2.4 Revenue per Operating Theatre	46	
		3.2.5 Revenue per Affiliated Consultant	47	
		3.2.6 Orthopaedics	48	
	3.3	Financial Performance	50	
		3.3.1 Revenue Growth	51	
		3.3.1.1 Independent hospitals	51	
		3.3.2 Wages and Employee Growth	53	
		3.3.3 Profitability	55	
	3.4	New Capacity	56	
		3.4.1 Central London	56	
		3.4.1.1 Hospitals	57	
		3.4.1.2 Clinics	60	
	3.5	Recent Acquisitions and Deals	61	
4	MAJ	JOR PROVIDERS – NHS PRIVATE PATIENT UNITS	63	
	4.1	Market Size and Structure	63	
	4.2	Growth	66	
	4.3	PPU as a Percentage Total Patient Income	68	
5	OUTI	FER LONDON MARKET	71	
	5.1	Size	71	
	5.2	Market Structure	72	
	5.3	Specialties	75	
	5.4	Regionality	76	
	5.5	Capacity	79	
		5.5.1 In-patient beds	79	
		5.5.2 Operating Theatres	80	
		5.5.3 Admissions	81	
		5.5.4 Revenue per Admission	81	
		5.5.5 Orthopaedics	83	
	5.6		85	
		5.6.1 Hospitals	85	
		5.6.2 Clinics	86	
	5.7		86	
	5.8	• • • • • • • • • • •	86	
		5.8.1 Hospitals	86	
		5.8.2 Clinics	87	

APPENDIX 1 - LAINGBUISSON GLOSSARY	89
APPENDIX 2 – MARKET DEFINITION	91
APPENDIX 3 - GREATER LONDON REGION HOSPITALS NOT INCLUDED IN THIS REPORT	93
APPENDIX 4 - TRADE ASSOCIATIONS	95
APPENDIX 5 - PROVIDER PROFILES	97
APPENDIX 6 - FINANCIAL APPENDIX	275

## **LIST OF FIGURES**

Figure 1.1	Number of patients p.a	8
Figure 1.2	Central London private acute medical care - hospital revenue	g
Figure 1.3	Central London hospital revenue by ownership	10
Figure 1.4	Top ten Central London Hospitals	10
Figure 1.5	Hospital revenues by London sub-region, 2014 – 2015	17
Figure 1.6	Hospital revenue growth by London sub-region 2014-2016	19
Figure 1.7	Ten year sector growth rates	20
Figure 1.8	Three year sector growth rates	22
Figure 3.1	In-patient beds in Central London by segment	32
Figure 3.2	Operating theatres in Central London by segment	35
Figure 3.3	Central London hospitals ranked by total admissions pa	40
Figure 3.4	Central London ranked by number of in-patients pa	41
Figure 3.5	Central London hospitals ranked by number of day-cases	41
Figure 3.6	In-patients as a percentage of total admissions	42
Figure 3.7	Outpatient visits - independent hospitals	42
Figure 3.8	Independent hospitals only – revenue per in-patient bed	44
Figure 3.9	NHS PPUs only – revenue per in-patient bed	44
Figure 3.10	Revenue per in-patient	45
Figure 3.11	Revenue per admission	46
Figure 3.12	Revenue per operating theatre	47
Figure 3.13	Revenue per affiliated consultant	47
Figure 3.14	Leading hospitals for hip operations 2016	48
Figure 3.15	Leading hospitals for knee operations, 2016	49
Figure 3.16	Market share of orthopaedics 2016	49
Figure 3.17	Independent hospitals growth rates 2007-2016	52
Figure 3.18	Recent independent hospital revenue growth	53
Figure 3.19	Independent hospital profitablity - ten years	55

Figure 3.20	Independent hospital profitability, EBITDAR % revenue – three years	56
Figure 4.1	Central London NHS Private Patient Units - by revenue	65
Figure 4.2	Ten year PPU Revenue growth	66
Figure 4.3	Three year PPU Revenue Growth	67
Figure 4.4	PPU income as a percentage total patient income – by NHS Trust	69
Figure 5.1	Outer London independent and PPU revenues	73
Figure 5.2	Outer London independent hospital revenues by ownership	74
Figure 5.3	Outer London In-patients, day-cases and admission	75
Figure 5.4	Outer London independent hospital revenues by sub-region	76
Figure 5.5	NHS revenue as a percentage of total revenue, by sub-region	77
Figure 5.6	Outer London, Private Patients Only	79
Figure 5.7	Outer London Admissions per hospital	81
Figure 5.8	Outer London revenue per admission, by hospital	82
Figure 5.9	Outer London hip operations p.a.	83
Figure 5.10	Outer London knee operations p.a.	83
Figure 5.11	Outer London market share in orthopaedics	84
Figure A2.1	HCA Catchment Area Map – where 80% of patients come from	91
Figure A2.2	HCA Catchment Area Map – competitors outside Central London	92
Figure A5.1	Ten-year financial performance - Barts Health NHS Trust	100
Figure A5.2	Ten-year financial performance - Barts Health NHS Trust	110
Figure A5.3	Three-year financial performance - Barts Health NHS Trust	111
Figure A5.4	Ten-year financial performance - BUPA Cromwell Hospital	135
Figure A5.5	Three-year financial performance – BUPA Cromwell Hospital	136
Figure A5.6	Ten-year financial performance - Chelsea & Westminster Hospital NHS Foundation Trust	139
Figure A5.7	Three-year financial performance - Chelsea & Westminster Hospital NHS Foundation Trust	140
Figure A5.8	Ten-year financial performance - Great Ormond Street Hospital	150
Figure A5.9	Three-year financial performance - Great Ormond Street Hospital	151
Figure A5.10	Ten-year financial performance – Guy's and St. Thomas'	154

Figure A5.11	Three-year financial performance – Guy's and St. Thomas'	155
Figure A5.12	Ten-year financial performance – HCA International Ltd.	164
Figure A5.13	Three-year financial performance – HCA International Ltd.	164
Figure A5.14	Ten-year financial performance – St. Martin's Healthcare Ltd.	166
Figure A5.15	Three-year financial performance – St. Martin's Healthcare Ltd.	166
Figure A5.16		169
Figure A5.17	Three-year financial performance – Leaders in Oncology Care	194
Figure A5.18	Ten-year financial performance - Hospital of St. John & St. Elizabeth	198
Figure A5.19	Three-year financial performance – Hospital of St. John & St. Elizabeth	199
Figure A5.20	Ten-year financial performance – Imperial College	203
Figure A5.21	Three-year financial performance – Imperial College	203
Figure A5.22	Ten-year financial performance – King Edward VII's Hospital	207
Figure A5.23	Three-year financial performance – King Edward VII's Hospital	208
Figure A5.24	Ten-year financial performance – King's College Hospital	212
Figure A5.25	Three-year financial performance – King's College Hospital	213
Figure A5.26	Ten-year financial performance – Moorfields Eye Hospital	216
Figure A5.27	Three-year financial performance - Moorfields Eye Hospital	217
Figure A5.28	Ten-year financial performance – The New Victoria Hospital	222
Figure A5.29	Three-year financial performance – The New Victoria Hospital	223
Figure A5.30	Ten-year financial performance - Royal Brompton & Harefield	233
Figure A5.31	Three-year financial performance – Royal Brompton & Harefield	233
Figure A5.32	Ten-year financial performance – Royal Free Hospital	237
Figure A5.33	Three-year financial performance - Royal Free Hospital	237
Figure A5.34	Ten-year financial performance – Royal Marsden	242
Figure A5.35	Three-year financial performance – Royal Marsden	242
Figure A5.36	Ten-year financial performance – Royal National Orthopaedic Hospital	247
Figure A5.37	Three-year financial performance – Royal National Orthopaedic Hospital	248
Figure A5.38	Ten-year financial performance – St. George's Healthcare	260

Figure A5.39	Three-year financial performance – St. George's Healthcare	261
Figure A5.40	Ten-year financial performance – The London Clinic	265
Figure A5.41	Three-year financial performance – The London Clinic	265
Figure A5.42	Ten-year financial performance – University College London Hospitals	269
Figure A5.43	Ten-vear financial performance – University College London Hospitals	270

## **LIST OF TABLES**

Central London in context	1
Central London individual hospital revenue – ranked by size	11
Central London individual hospital revenue – alphabetical	11
Central London hospitals CQC rating	13
Central London revenues and admissions by specialty – independent hospitals only	15
Central London revenues and admissions by specialty	15
Specialities by consultant income	16
Hospital revenues by London sub-region	19
Ten year growth in hospital activity	21
Recent hospital activity	22
Sources of funding	25
Oil price trends 2013-2016	27
Recent change in embassy revenues	28
Revenue from overseas patients	29
In-patient beds in Central London – by number of beds	31
Level 3 ITU beds in Central London independent hospitals	33
Operating theatres in Central London independent hospitals	34
Consulting rooms in Central London independent hospitals	36
Number of consultants at individual independent hospitals	37
Outpatient centres in Central London	38
Independent hospital admissions and outpatients	40
Orthopaedic activity	50
Independent hospitals revenue growth ten years, £m	52
Wages as a percentage of turnover	53
Wages and Employee growth - ten years	54
Wages and employee growth - three years	54
Independent hospital profitability, EBITDAR % revenue – ten years	55
	Central London individual hospital revenue – ranked by size Central London individual hospital revenue – alphabetical Central London hospitals CQC rating Central London revenues and admissions by specialty – independent hospitals only Central London revenues and admissions by specialty Specialities by consultant income Hospital revenues by London sub-region Ten year growth in hospital activity Recent hospital activity Sources of funding Oil price trends 2013-2016 Recent change in embassy revenues Revenue from overseas patients In-patient beds in Central London – by number of beds Level 3 ITU beds in Central London independent hospitals Operating theatres in Central London independent hospitals Consulting rooms in Central London independent hospitals Number of consultants at individual independent hospitals Outpatient centres in Central London Independent hospital admissions and outpatients Orthopaedic activity Independent hospitals revenue growth ten years, £m Wages as a percentage of turnover Wages and Employee growth – ten years

Table 3.14	Independent hospital profitability, EBITDAR % revenue - three years	56
Table 4.1	Central London NHS Private Patient Units - alphabetical list	63
Table 4.2	Central London PPUs	64
Table 4.3	Central London NHS Private Patient Units - by revenue	65
Table 4.4	NHS PPU revenue growth, £m	67
Table 4.5	PPU income as a percentage of total patient income - by NHS Trust	69
Table 5.1	Outer London compared to Central London	71
Table 5.2	Outer London Hospitals CQC ratings	72
Table 5.3	Outer individual hospital revenue – ranked by size	73
Table 5.4	Outer London independent hospital revenues by ownership	74
Table 5.5	Outer London In-patients, day-cases and admission, p.a.	76
Table 5.6	Outer London independent hospital revenues by sub-region, £000	77
Table 5.7	Outer London independent hospitals revenue by sub-region, £000	78
Table 5.8	Outer London in-patient beds	79
Table 5.9	Outer London operating theatres	80
Table 5.10	Outer London independent hospital admissions and outpatients	82
Table 5.11	Outer London orthopaedic activity	84
Table A3.1	Independent hospitals within c. 30 miles from Charing Cross station	93
Table A5.1	Financial performance - Barts Health NHS Trust (£000)	100
Table A5.2	Financial performance - Barts Health NHS Trust (£000)	110
Table A5.3	Financial performance - BUPA Cromwell Hospital	136
Table A5.4	Financial performance - Chelsea & Westminster Hospital NHS Foundation Trust	140
Table A5.5	Financial performance - Great Ormond Street Hospital (£000)	151
Table A5.6	Financial performance - Guy's and St. Thomas' (£000)	155
Table A5.7	Financial overview of HCA in the UK	158
Table A5.8	HCA partnerships with clinicians	159
Table A5.9	HCA proforma hospital only results, revenue £000	161
Table A5.10	HCA international revenues	162

Table A5.11	Employees and wages - HCA International Ltd.	165
Table A5.12	Employees and wages - St. Martin's Healthcare Ltd.	167
Table A5.13		168
Table A5.14	Financial performance - Hospital of St. John & St. Elizabeth	198
Table A5.15	Financial performance – Imperial College (£000)	203
Table A5.16	Financial performance – King Edward VII's Hospital	208
Table A5.17	Financial performance - King's College Hospital (£000)	212
Table A5.18	Financial performance - Moorfields Eye Hospital (£000)	217
Table A5.19	Financial performance - The New Victoria Hospital (£m)	222
Table A5.20	Financial performance – Royal Brompton & Harefield (£000)	233
Table A5.21	Financial performance - Royal Free Hospital (£000)	237
Table A5.22	Financial performance - Royal Marsden (£000)	242
Table A5.23	Financial performance - Royal National Orthopaedic Hospital (£000)	248
Table A5.24	Financial performance – St. George's Healthcare (£000)	260
Table A5.25	Financial performance - The London Clinic	264
Table A5.26	Financial performance – University College London Hospitals (£000)	269