

NHS shortcomings drive growth in self-funded private healthcare

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The second edition of LaingBuisson's Private Healthcare Self-Pay UK Market Report highlights the growth of self-funded private healthcare, driven by NHS waiting lists, demand management by Clinical Commissioning groups (CCGs) and a more consumer focused private healthcare sector.

The new report examines a £1.1 billion market for self-funded treatment in the UK's private hospitals and clinics that has more than doubled over the last five years (£527million in 2013). One in four private patients are now self-funding their treatment rather than using private medical insurance.

In 2018, 21% of independent acute medical hospital revenue was derived from self-paying patients residing in the UK, equivalent to a market of £1,105 million. Over the five-year period between 2014 and 2018 inclusive, revenue from self-pay grew at an average of 7.4% per annum in real terms.

The growth in patients choosing to self-fund private hospital treatment is evidenced across all specialties and is strong in orthopaedics, ophthalmology, gastroenterology, gynaecology and urology. Restrictions on access to NHS funding for cancer drugs is fuelling growth in self-pay oncology. There is also growth in demand for diagnostic services such as MRI scans, CT scans and endoscopy where patients are seeking a more rapid diagnosis than they can obtain under the NHS.

Comprehensive pricing information on self-pay private treatment has been gathered by LaingBuisson's research team. Around 6,000 prices for private treatment were collected in total during August and September 2019. Prices for private treatment vary widely across the country:

- The price for a knee replacement varies from £8,110 to £15,160 across 171 providers.
- The price for a hip replacement varies from £8,110 to £15,050 across 169 providers.
- The price for cataract surgery in one eye varies from £1,985 to £3,515 over 155 providers.
- The price for an MRI scan (one body part) varies from £199 to £570 over 41 providers.

We are entering a new era of price transparency and consumer choice in private healthcare. Prices for self-pay or "fixed price" surgery are now published by all major private healthcare providers. Private consultants are obliged to publish their prices for consultations. Direct access to private GPs, diagnostics and consultants, and online consultation and diagnosis for primary and secondary care are becoming an important part of the self-pay market.

Demand is greatest in the over 60s age group who have greater disposable income, may have chosen to abandon their private medical insurance and are willing to pay privately for procedures rather than wait for NHS treatment. The growth in the number of over 65s will mean increasing pressure on NHS services and increased demand for private treatment. The mean age for a hip replacement is 68. According to the National Joint Registry, in 2017, the number of primary hip replacement surgeries in England, Wales and Northern Ireland totalled 91,698. As a result of the changing demographic, in 2035, demand is estimated to be 439,097 hip replacements.

The report also analyses internet searches for five of the most popular procedures and diagnostics in the UK self-pay market - cataract surgery, hip replacement, knee replacement, hernia repair and MRI scans. The level of online interest in going private for these procedures has grown steadily.

Report author, Liz Heath, said:

“It is clear from our research that there is a greater focus on consumer needs within the UK self-pay market, whether this is at an ‘entry level’ for private and online GP services and diagnostics or promoting the affordability of elective procedures such as cataract surgery. However, the sector must progress if it wants to deliver a better customer experience and a truly consumer centric offer for the self-pay patient in what is the only area of growth in the private acute healthcare market. This report provides much greater insight than previously into the market drivers that are fundamental to sustaining and growing the UK self-pay market and the elements of the patient experience that are key to success.”

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Notes to Editors

About LaingBuisson

LaingBuisson has been serving clients for over 30 years with market, policy and strategy insights, data and analysis across healthcare and social care. We are the chosen provider of independent sector healthcare market data to the UK Government's Office for National Statistics and work globally with providers, commissioners, payors, manufacturers, investors, regulators and advisors. We help our clients to understand their markets, make informed decisions and deliver better outcomes through market intelligence, consulting and data solutions.

The company manages an online portal that enables the self-pay patient to compare the offerings from private healthcare providers. GoPrivate.com. Visitors can get a personalised quote, compare prices for popular private operations such as hip and knee replacements and cataract and hernia surgery and gain an understanding of how self-pay works. At [Private Healthcare UK](http://PrivateHealthcareUK), extensive information is provided on the UK's private hospital and clinics and the 17,000 private specialists who support the sector.

For more information, please visit our website at www.laingbuisson.com.

About Liz Heath

Liz has an extensive background in healthcare marketing research, market planning and marketing communications. She has worked at a senior level throughout the independent and public healthcare sectors for many years. Having spent 13 years with General Healthcare Group, Liz was also Marketing Director for their Acute Partnership Division - private hospitals and facilities across the UK developed and run together with the NHS. She has worked with clients in the UK and overseas through her consultancy work and has held influential roles including Chair of the Institute of Marketing (CIM) Healthcare Market Interest Group and of the National CIM Market Interest Group Board.

About Private Healthcare: Self-Pay UK Market Report, 2nd edition

LaingBuisson's Private Healthcare: Self-Pay UK Market Report looks at the growing demand for private healthcare paid for directly by individuals and not covered by private medical insurance or the NHS. It looks at the drivers for the growth in this market and the opportunities that exist for further growth. The report also breaks activity down into insured and non-insured healthcare, and services provided by insured and non-insured healthcare, and services provided by independent and NHS facilities. In addition, the report covers ways in which the marketplace has made itself more open to patients, looking at the major provider schemes and financing plans now available. The report concludes with the most comprehensive price comparison directory of the country's most popular operations, procedures and tests.