

Can pay, will  
pay, self-pay

Setting the scene

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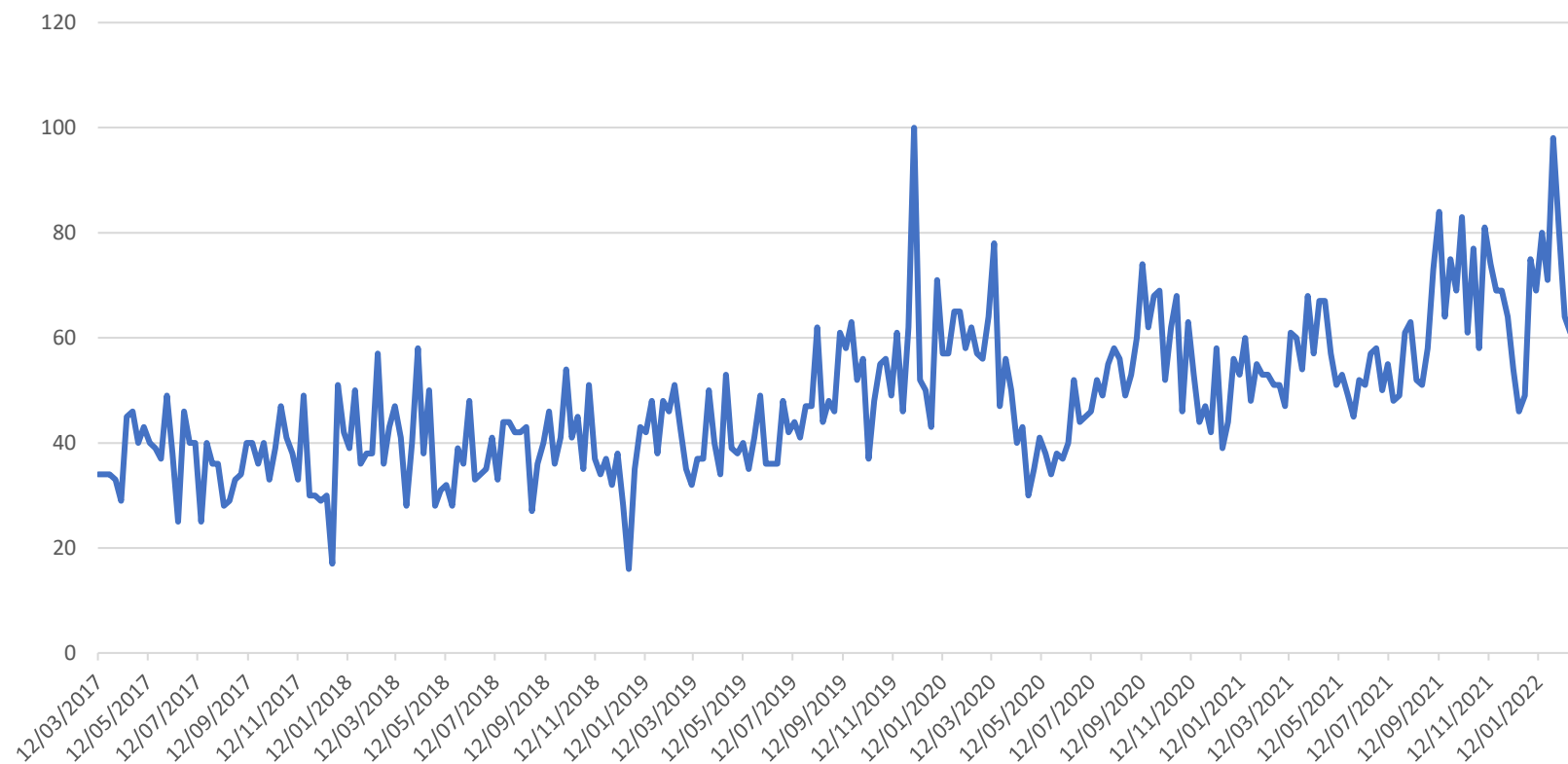
# Market value and key indicators

- UK self-pay market value circa £1.1 billion going into 2020
- Spike in growth 2015 to 2018 but slowed 2018/19
- Spire reported significant self-pay growth in full year 2021 results. Expect others to follow
- Pent-up demand in 2021 plus new demand going forward
- Geographically, growth across the North of England as well as other 'traditional' areas such as South East

# Setting the scene

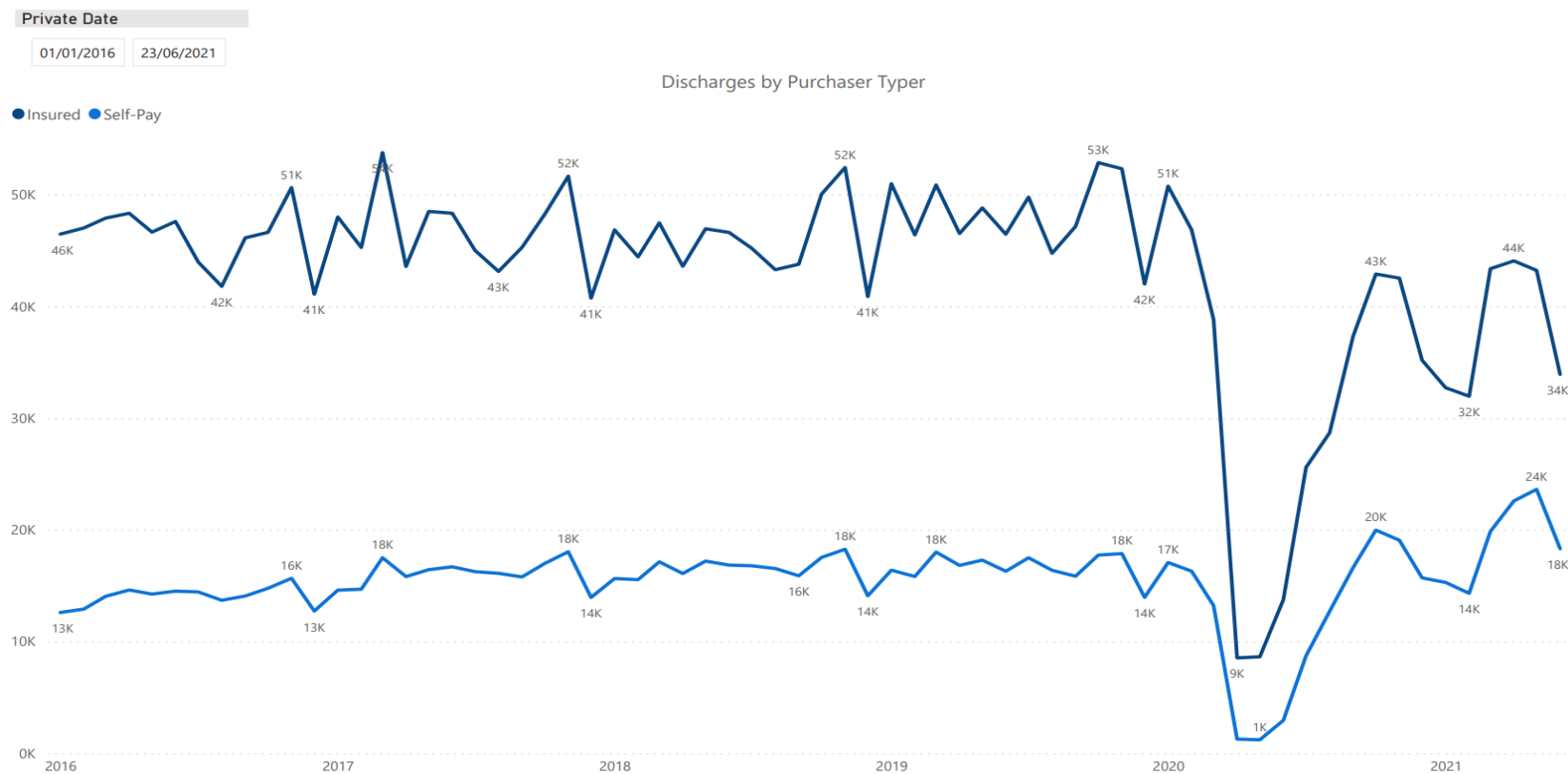
- Circa 21% of private hospital revenues self-pay patients
- Major specialties orthopaedics, general surgery, ophthalmology, gastroenterology. Cosmetic surgery rebounded immediately post-Covid but no sustained growth. Growth in other specialties such as general surgery, gynaecology, ENT
- Growth in interest in all private healthcare including PMI
- All signals positive around self-pay elective care

# Interest in private healthcare 5 year trend



Source: Google Trends UK March 2022

# Signs of recovery



Source: PHIN 2022 (Jan 2016 to June 2021)

# NHS access pre and post-Covid

- 6.1 million patients waiting for NHS elective treatment at end of December 2021
- 300,00 waiting more than 52 weeks. 104 week waits now recorded and reported
- 18 week and cancer standards are a significant challenge
- Demand management
- Issues with growing waiting times pre-Covid

# Diagnostics

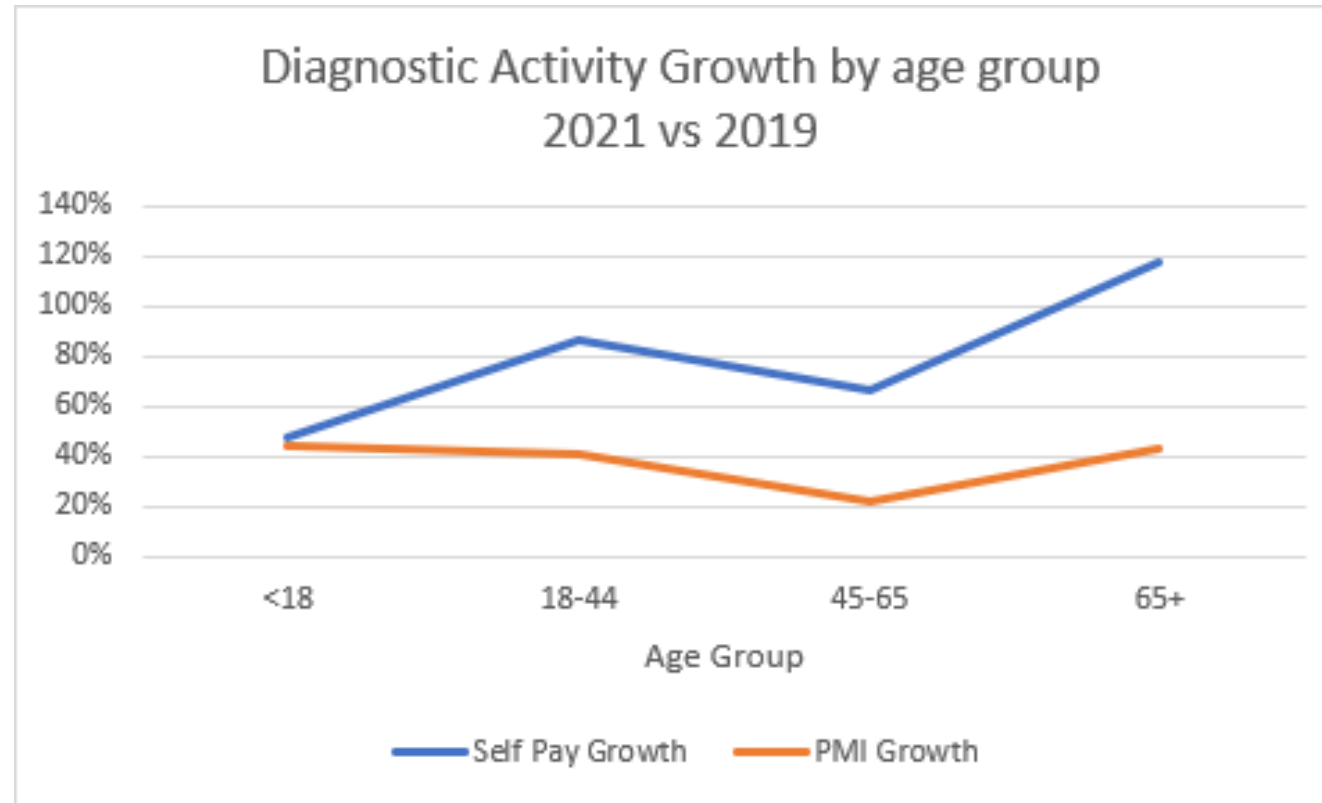
1,445,000 patients waiting for a key diagnostic test at the end of December 2021, increase of 261,000 from December 2020

Still significant issues with numbers waiting 6 weeks or more

Growing demand for private diagnostic imaging and 'affordable' modalities showing volume growth – e.g. MRI



# Diagnostic imaging demand





# Demand drivers

Demographics – age and clinical need

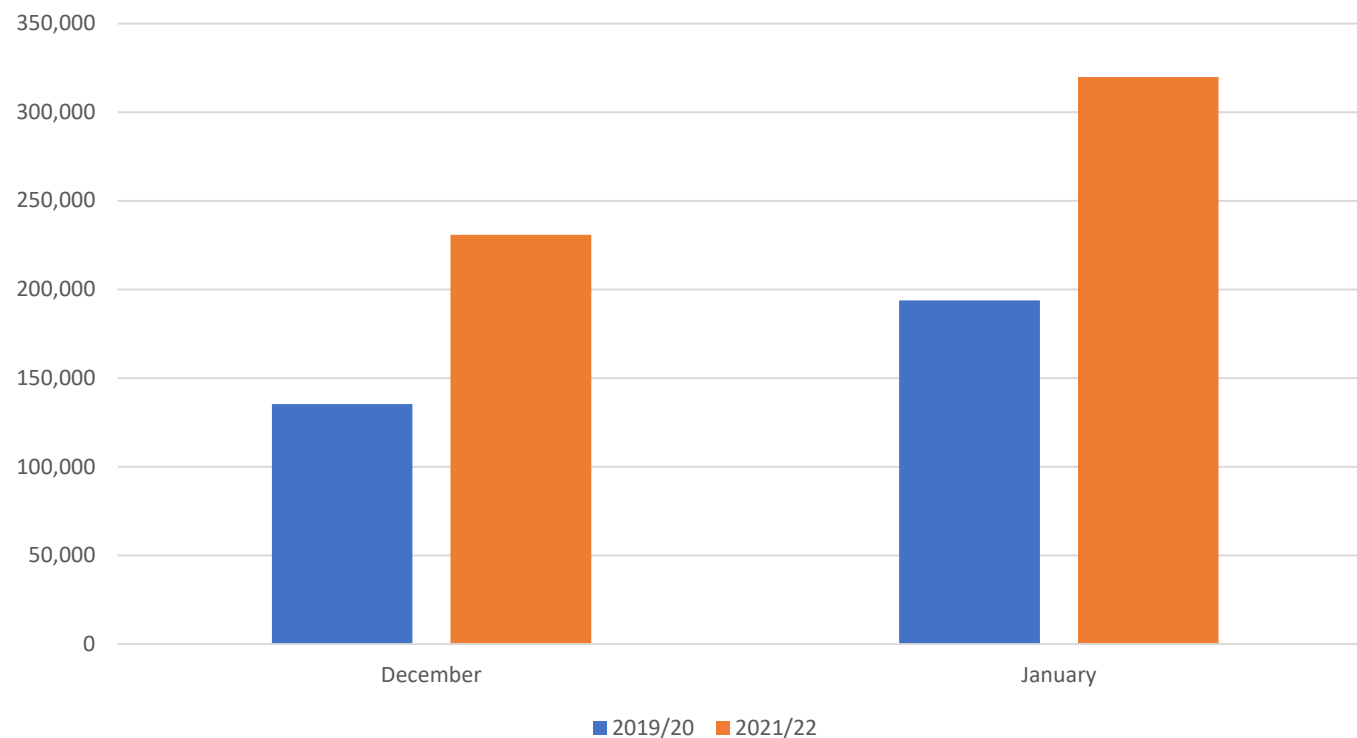
NHS waiting times and access

Disposable income, discretionary spending

Ability to pay and spread cost



# Interest translating into action



*Source: Private Healthcare UK February 2022*

# Self-pay engagement

- The whole spectrum of paid acute private healthcare. Not just about elective surgery
- Over 55s still the key demographic but don't forget younger age groups
- Mix and match approach to discretionary spending on healthcare here to stay
- Consumers more willing to explore non-NHS options
- Promote payment options and affordability
- Many new to private healthcare and need guidance and support

# Demographics and consumer engagement

- Access and affordability of private healthcare – understand consumer characteristics
- Make it easier to pay
- Talk about safety and quality
- Over 55s fastest growing internet user group (Ofcom)



# Extending payment choice

- Increasingly important element of consumer decision making
- Spreading the cost – payment plans
- Significant growth in demand for finance
- Chrysalis reporting growth in 40-55 age group
- Finance information and options ‘front and centre’

# Barriers to market growth

- Economic factors?
- Converting interest into activity - earlier conversations about payment options?
- Consumers not being signposted into private healthcare choices and options
- Capacity and staffing
- Ignoring the 'not sure how to' audience

# In summary

2022 data will show the true scale of demand. But 2021 already suggests a self-pay market with a promising growth trajectory that looks sustainable

There appear to be fundamental shifts in consumer attitudes to private healthcare which we need to be understand and be responsive to

So, where are we headed?.....



**Thank you**