



Private firms enlisted to cut waiting lists for tests and surgery in £780m contract

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Private firms have reached a deal potentially worth £780m (£1.1bn; \$1.2bn) over four years to help NHS hospitals in England ease waiting times for surgery and diagnostic tests.

Critics have warned that the new national framework agreement to provide mainly mobile clinical services such as operating theatres, imaging, and ultrasonography marked an “expansion” of the private sector in the NHS.

The 11 for-profit firms in the agreement include Circle and Care UK, which have faced criticism by the Care Quality Commission.

Eric Watts, chairman of the anti-marketisation pressure group Doctors for the NHS, said, “This is another example of using the private sector for a short term fix whereas the sensible solution would be investment to ensure we have sufficient capacity to treat people in well run, purpose built hospitals.”

But David Hare, chief executive of the NHS Partners Network, which represents private firms that provide services to the NHS, said that the agreement did not guarantee work to the suppliers and that although its value could ultimately reach £780m this was “very unlikely.” He told *The BMJ*, “There’s nothing in this to suggest it would lead to dramatic additional work going to the private sector.”

The national framework agreement was struck by NHS Supply Chain, an outsourced procurement organisation that operates as an “agent” for the NHS Business Services Authority. Such agreements are intended to help local organisations speed up procurement and reduce the need for individual tendering.

The 11 firms are:

- Alliance Medical
- Care UK Clinical Services
- Circle Health
- Cobalt Unit Appeal Fund
- Diagnostic World
- Inhealth
- Medical Imaging Partnership
- Nuffield Health
- Ramsay Health Care UK
- Regent’s Park Cardiovascular Solutions, and
- Vanguard Healthcare Solutions.

Earlier this year Circle announced its withdrawal from managing Hinchbrook Hospital under contract after a damning report by the Care Quality Commission.

NHS Supply Chain said the total value of contracts could reach £780m if the services were “used to full capacity under the framework agreement.” But the firms, which were selected after a tender process, were not guaranteed work over the term, and it was up to individual NHS trusts to decide which services they might require.

Watts said that mobile units were expensive and limited in the range of procedures they could handle. He told *The BMJ*, “We now have sufficient experience of independent sector treatment centres (ISTCs) to show that they are on average 11% more expensive than the NHS equivalent, and there have been many examples of poor results where the regular NHS hospitals have had to put right the complications and fix the damage done through poor quality private services using temporary teams working in a hurry.”

Responding to media reports that this move was further damaging “privatisation” of the NHS, an NHS Supply Chain spokesperson said, “This framework agreement only allows for services to be procured and managed efficiently. The commissioning of healthcare remains the responsibility of the NHS, and no ownership of goods or services from the NHS legally transfers ownership to the provider in these contracts; it only provides the service to the NHS for a set fee based on each individual organisation’s specification.”

Hare said that the agreement should enable speedier access to capacity “if trusts want it.” He added, “The reality is that for decades the private sector has been used to help trusts meet waiting time targets, particularly for diagnostics and elective procedures. Where trusts are struggling they will quite rightly turn to the private sector, and we’ve seen that quite a lot over the winter.

“If somebody chooses to use the framework they probably would have looked to find a nearby provider anyway. They’re just happening to put that work through the framework because it’s slightly easier or are looking for a mobile solution. It’s certainly not a significant expansion.”

A Department of Health spokesperson said, “It’s nonsense to suggest that this contract means significant outsourcing of clinical services. Use of the private sector in the NHS represents only 6% of the total NHS budget—an increase of just 1.7% since May 2010. Charities, social enterprises, and other

providers continue to play an important role for the NHS, as they have done for many years, and the NHS should hold providers to account if they do not meet the high standards of care that patients expect.”

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