Independent Healthcare Providers Network

Building an NHS fit for the future: delivering the mission
The role of the independent healthcare sector

The new government takes office with clear priorities for action. Foremost among these is to "Build an NHS fit for the future" – one of Labour's five missions for government. And the manifesto was clear that to help achieve this "Labour will use spare capacity in the independent sector to ensure patients are diagnosed and treated more quickly".

Opinion polling showed this to be one of the most popular policies advocated by the new government – with nearly two-thirds of people (64%) in favour of using private sector capacity to tackle NHS waiting lists. Overall, a clear majority of people voted for parties that pledged to increase the role of independent providers in supporting the NHS.



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So, what now?

IHPN is the representative body for independent providers. Our members provide care to millions of NHS and private patients each year across primary, community, diagnostic and hospital care.

Independent providers have made a crucial contribution to NHS recovery already. In 2023, they were responsible for removing 1.67m people from NHS waiting lists and 1 in 5 NHS operations and diagnostics tests were carried out in the sector. Independent sector-led Community Diagnostic Centres are speeding up diagnosis for conditions like cancer, Insourcing providers are driving up NHS productivity by extending care into evenings and weekends, and community providers are providing high-quality care across every ICB in England, with over 40% of NHS community providers from the sector.



To meet Labour's commitment to once again hit the NHS' waiting target within 5 years and deliver 40K extra appointments a week, we need to move quickly. We are ambitious and positive about what can be done. Here's what needs to happen to maximise the capacity and capability on offer from independent providers and get more NHS patients diagnosed and treated as quickly as possible.

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1. Help patients choose hospitals with lower waiting lists

There is capacity available around the health system to help patients save weeks or months of waiting. Patients can on average save 3 months off their waiting time by travelling less than 30 mins for treatment. On average, waiting times in independent providers are lower than in NHS Trusts for common procedures incl hernia operations, joint replacements, and cataract surgery.

Every day, patients are referred by their GP to NHS hospitals that do not have the capacity to treat them. At the same time, capacity is going unused in the independent sector.



For this to change, we need:

- Patients to be made aware of their rights to choose a hospital of their choice when they are referred by their GP
- GPs to be encouraged or required to support choice by using the e-Referral System to identify hospitals with shorter waiting times
- Referral Assessment Centres (which centralise and triage referrals from local GPs) to offer patients a real choice, including independent providers where appropriate
- ICBs to work closely with their local independent providers to agree higher activity plans

Successful delivery will unlock spare capacity in the independent sector and achieve up to 20% more activity.

2. Simplify and strengthen NHS financial flows to improve incentives for providers to increase activity

Labour has committed to an additional 40,000 appointments every week to achieve the goal of 2 million operations, scans and appointments each year. This is eminently achievable.

To do this, we need to simplify and strengthen the way that funding flows around the NHS system – making it revenue neutral for ICBs to commission activity from any kind of provider organisation and driving up taxpayer value by ensuring that funding is closely tied to activity.

We need to reinforce the decision to return to activity-based funding for elective care and allow NHS hospital trusts to retain and invest surpluses generated from increasing their level of activity rather than risk having budgets re-allocated to other providers with financial deficits.

We need NHS unit prices to be the sole currency for elective care across NHS and independent providers so that ICBs do not 'pay twice' for care (once through a block contract with an NHS Trust that has no activity targets and again whenever they pay for activity delivered by independent providers).



Any additional funding for elective provision through the closing of the non-dom tax loophole should be routed through NHS ICB allocations and made available only on an activity-funded basis. We need collective agreement on the principle that providers should only ever be paid for the work they do and the care they deliver.

3. Make it easier for providers to deliver new and additional services to the NHS

It can be very difficult for new providers to secure contracts with local NHS ICBs to deliver services even when waiting lists are very high. Providers report slow decision-making, unnecessary red tape, and hostility to expanded provision.

We desperately need additional capacity within the NHS system and independent providers have shown themselves able to rapidly develop high-quality services incl by recruiting and training additional clinical staff.

We need to make it easier for providers to deliver new and additional services to the NHS, by entering the market for the first time or expanding on their current offering to patients.



To achieve this, we need:

- ICBs to be ensuring that they are openly commissioning new services to give new providers a ‘way in’ where they can demonstrate they can deliver innovative services?
- The Independent Patient Choice and Procurement Panel to continue to deal effectively with provider complaints when their ability to deliver services is unfairly restricted
- An expansion of the range of services where patient choice applies and where ICBs can therefore accredit providers to deliver them using light-touch procurement routes. This should include moving to models of direct-access diagnostics, self referrals and choice-based community services including MSK and physiotherapy.

4. Increase the productivity and capacity of NHS diagnostics services

The majority of people on NHS waiting lists are waiting for diagnosis not treatment. Following diagnostic tests, many people do not need onward treatment and are able to get on with their lives and be discharged from the waiting list. But for those that do need further treatment it is vital that they are quickly diagnosed so that they can receive swift and appropriate care.

Expanding diagnostics is therefore the single most effective route to rapidly clearing NHS waiting lists and improving patients' experience of care. And independent sector investment, capability and capacity can be rapidly brought to bear through both improving use of existing diagnostics services (including on Trust sites and existing Community Diagnostics Centres (CDCs)) as well as launching the next phase of the CDC programme.

Given the importance of diagnostics services, it's vital that they are as productive and efficient as possible. Benchmarking current NHS diagnostics services to establish "what good looks like" will play a key role in ensuring that existing capacity is providing maximum value for both patients and taxpayers.



We believe independent diagnostics providers can play a pivotal role here, with data collated by the industry suggesting that the number of patients scanned on each MRI scanner in the sector per year on each MRI averaging 9,000, compared to the NHS which is "aiming" for 8,000.

4. Increase the productivity and capacity of NHS diagnostics services

In addition to improving the efficiency and productivity of existing NHS diagnostics facilities, expanding the Community Diagnostics Centres (CDC) programmes will be important in increasing overall diagnostics capacity. There are already over 150 NHS CDCs but relatively few are led by independent providers. This means that there is a big opportunity to go further and faster to unlock independent sector capacity in diagnostics.

To do this, we need to:

- Launch the next phase of the CDC programme with ambitious targets for rapidly increasing the number of new centres available to patients
- Ensure that new CDCs are on community sites rather than co-located with NHS hospitals, maximising the benefit of improved patient access and the improved efficiency that results from separation from emergency care.
- Set ambitious benchmarks for productivity within CDCs including by extending the operating times of scanners and where those benchmarks are consistently not being met enable new providers to come in and operate those sites.
- Invite independent sector capital investment to fund a new wave of CDCs on a zero-volume guarantee basis supported by longer-term contracts with NHS ICBs.
- Ensure that diagnostic mobile capacity is fully utilised as an interim measure while new fixed units are constructed



Delivering on the government's mission

We think that taking the clear and decisive action outlined above will lead to a step-change in independent provision – making sure that capacity, capital and capability in the sector is available to support the NHS.

Importantly, none of this requires structural change – we can achieve a lot within the system we have.

We have the right frameworks in place to ensure value for taxpayers – independent providers are only ever paid for the activity they deliver, at prices set by the NHS, free at the point of use to patients.

We have the assurance of knowing that over 94% of IHPN members are rated Good or Outstanding by the NHS so that patients will get the very best care and treatment.

We are ambitious to play our role in delivering the government's mission to drive down waiting times and build an NHS fit for the future. Let's get started.

