

Frequently viewed as a cosmetic procedure, varicose vein removal is being restricted to the point where it could soon become non-existent on the NHS except in the most severe cases. The result has been a boom in demand for treatment in the independent sector and as **Dr Joe Taylor**, principal at health and social care consultancy Candestic, explains, high growth rates, a healthy pool of consultants and a fragmented market could present opportunities of scale

# Swelling market for a service under pressure

**V**aricose vein treatments funded and delivered by the NHS have recently been significantly curtailed. Previously, these procedures were funded and undertaken by the NHS even when the principal indication was cosmetic benefit. In the wake of the NHS' withdrawal, demand for private procedures has risen.

In June 2018, NHS England looked at 17 common treatments where the clinical evidence base is weak within many patient cohorts. Those reviewed encompassed procedures for which the principal indication was cosmetic, including the removal of benign skin lesions, breast reduction surgery and the treatment of varicose veins.

Its review concluded that limited evidence of the risk-benefit advantage,

combined with the significant resource requirements in the delivery of these treatments should result in a more selective approach to provision. At the time, national medical director Professor Stephen Powis said that 'by reducing unnecessary or risky procedures for some patients we can get better outcomes while reducing waste and targeting resource to where it is most needed'.

NHS England's guidance has effectively untied the hands of trusts to limit access to varicose vein procedures, which are considered a low priority treatment. The result has been a rise in the number of people seeking treatment in independent clinics and hospitals. Currently, more than 30,000 varicose vein procedures are undertaken by the NHS each year (Figure One), and a similar number in the

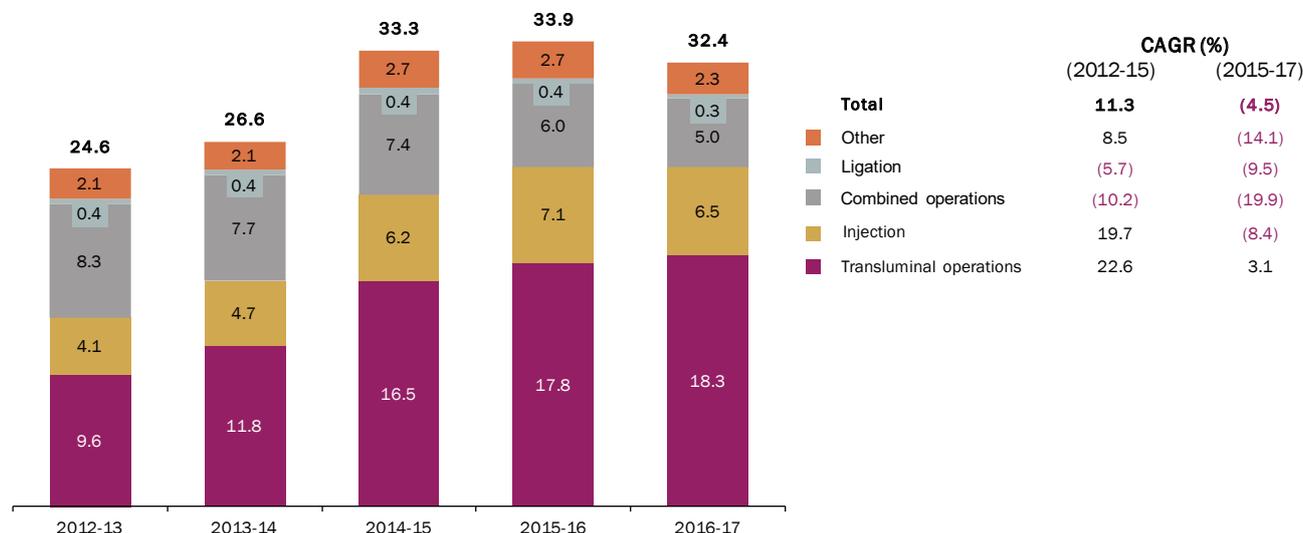
independent sector. But the number of treatments undertaken privately is set to grow.

The clinical benefits of varicose vein procedures are limited for the large number of people presenting with them. For those without risk of vascular compromise, the benefits of the procedure are almost solely cosmetic.

## Who treats varicose veins?

Varicose vein surgery rapidly moved into the remit of the independent sector in 2018. Within the sector, a significant majority of treatments are undertaken by generalist healthcare providers (Figure Two). However, there is a strengthening

**FIGURE ONE - VARICOSE VEIN PROCEDURES (000S) ON THE NHS IN ENGLAND BY TYPE**  
 NHS VARICOSE VEIN PROCEDURES IN THE PUBLIC SECTOR HAVE DECREASED IN NUMBER AFTER A SUSTAINED PERIOD OF GROWTH THROUGH TO 2015



SOURCE HOSPITAL EPISODE STATISTICS; CANDESIC ANALYSIS

group of specialist vascular clinics that have emerged in the market over recent years, and increasing investment to support their growth.

This remains a highly fragmented market, among both generalist players and small specialist clinics. Naturally, small chains of specialist clinics are geographically focussed and each relies upon a small group of experienced clinical practitioners.

## What role do specialist clinics play in the market?

The dominance of general private hospitals in the varicose vein private pay market is a result of GP referral practices. As is happening across the private pay market, we are seeing a trend away from this as people find services themselves through independent internet research and tend to favour specialist clinics.

Historically, specialist vascular clinical practices have been established by consultant clinicians with expertise in the field. As these clinics consolidate and founders retire, we will see professionalisation of group operations and increasing clinic efficiency to an extent that exceeds that of generalist provider hospitals.

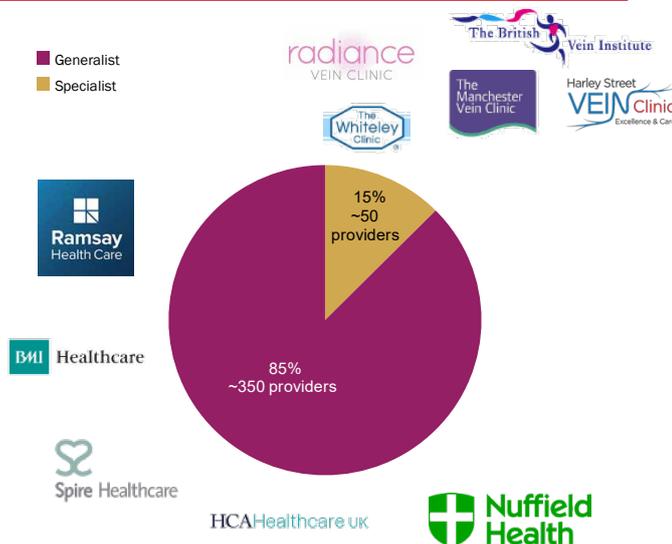
## What are varicose veins?

Veins returning blood to the heart from the legs are normally one-way streets. Blood journeys from veins near the skin's surface deep into the leg where muscle contractions pump the blood back up.

If the valves in veins connecting the superficial and deep veins become leaky then blood pools in the superficial veins and they irreversibly swell. Long torturous and dilated veins can be seen and felt through the skin in the lower legs. Sometimes they are associated with swelling, especially around the ankles, as fluid builds up.

Varicose veins are common, affecting 20-30% of adults. They are more common as we age and often appear during pregnancy. Women are more likely to undergo varicose vein procedures and do so earlier in life, mirroring the pattern seen in other cosmetic surgical procedure volumes (Figure Three). For most people, varicose veins can be unsightly

**FIGURE TWO - VARICOSE VEIN TREATMENT INDEPENDENT PROVIDERS, UK  
SPECIALIST CLINICS REPRESENT ONLY C.15% INDEPENDENTS**



**NOTE** THERE ARE APPROXIMATELY 400 FACILITIES THAT PROVIDE TREATMENT FOR VARICOSE VEINS IN THE UK. OF THESE, THE MAJORITY ARE BIG PLAYERS IN THE UK CARE LANDSCAPE SUCH AS BMI HEALTHCARE, SPIRE HEALTHCARE AND RAMSAY HEALTHCARE. MORE SPECIALISED CARE FACILITIES ARE SMALLER AND ACCOUNT FOR A SIGNIFICANTLY SMALLER PORTION OF THE MARKET.

**SOURCE** CANDESIC RESEARCH AND ANALYSIS

and may cause concern but are not a risk of illness. In more severe cases, there can be skin discolouration, bleeding underneath the skin or ulcers involving breakdown of the skin.

## How are varicose veins treated?

Treatment of varicose veins is straightforward and associated with infrequent and mild complications. Most people with asymptomatic varicose veins, or whose symptoms are mild, do not seek or undergo treatment.

Treatment of any underlying causes combined with patient education are first line options. Avoidance of prolonged standing, regular walks and use of support stockings are all effective.

Injection sclerotherapy is the mainstay of treatment in the NHS and independent sector. It involves injection of a substance, sometimes as a foam, that closes down the vein permanently. Non-surgical treatment of varicose veins is not highly complex and requires limited clinical skill to diagnose and treat using modern techniques.

Surgery is another option, with two very small incisions made to enable the vein to be stripped out of the leg.

Increasingly, varicose veins are treated in the independent sector using endovenous laser ablation (EVLA). This involves the use of a very small laser that heats the vein from the inside to seal it closed. It is ordinarily performed as a day procedure, taking about 20 minutes and done under local anaesthetic.

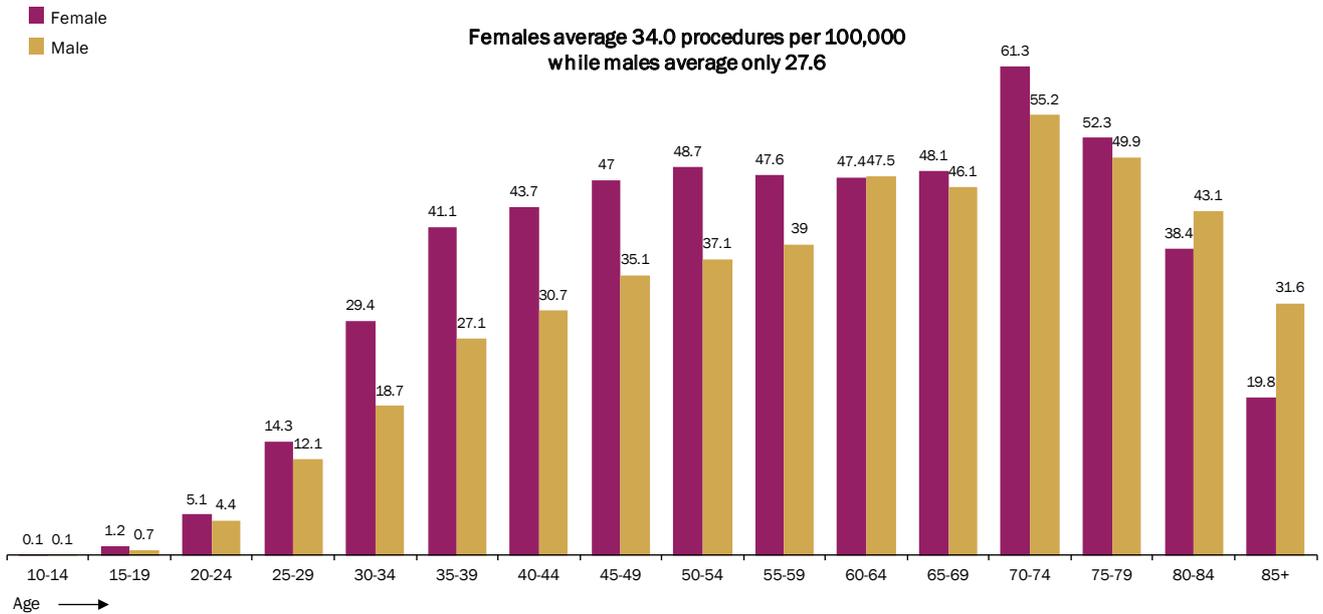
The skills and experience required to undertake low-risk vascular surgery are common to a number of other minor surgical procedures. And, as the NHS cuts back on the treatment of other 'non-essential' treatments, such as benign skin changes, it is likely that we will see an increasing number of specialist cosmetic vascular surgical clinics moving into dermatological practice, which shares similar demand demographic characteristics (Figure Four).

## How is payment structured?

Finance products are available to enable people to spread payments, although treatment courses are relatively inexpensive compared to other cosmetic interventions and most people pay 'out of pocket'.

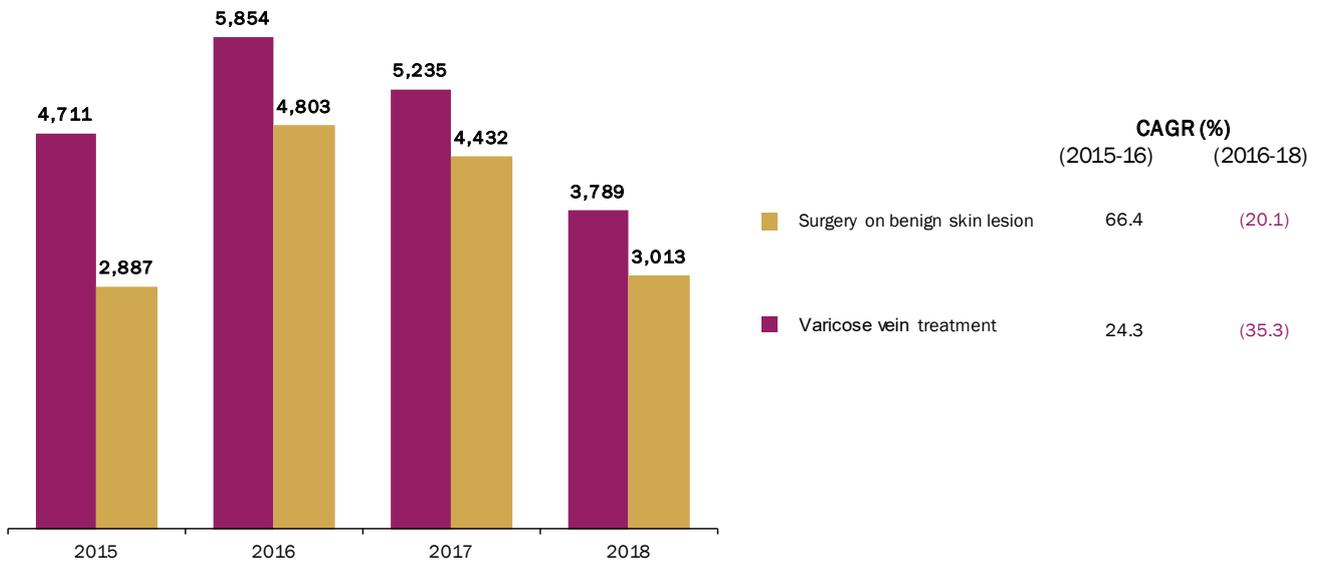
Clinics often take payment for the full consultation and treatment course in ad-

**FIGURE THREE - VARICOSE VEIN PROCEDURES PER 100,000 PEOPLE AGED TEN YEARS AND OVER, APRIL-SEPTEMBER 2017**  
 WOMAN ARE MORE LIKELY TO UNDERGO VARICOSE VEIN PROCEDURES IN THE PRIVATE SECTOR, PARTICULARLY THOSE AGED UNDER 60 YEARS



SOURCE NHS PATIENT REPORTED OUTCOME MEASURES; CANDESIC ANALYSIS

**FIGURE FOUR - REFERRALS FOR INDEPENDENT COSMETIC DERMATOLOGICAL TREATMENTS COMPARED TO INDEPENDENT VARICOSE VEIN TREATMENTS**  
 NUMBER OF REFERRALS FROM NHS GPs TO INDEPENDENT TREATMENT CLINICS

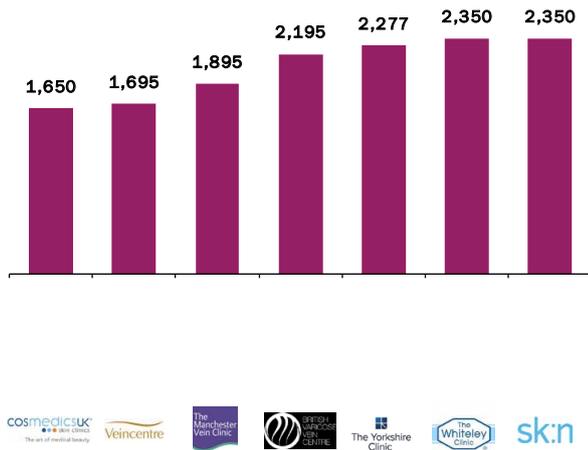


NOTE E-REFERRALS COMPRISE ONLY A FRACTION OF TOTAL YEARLY REFERRALS, BUT WE EXPECT MORE PEOPLE TO USE CHOSE AND BOOK IN THE FUTURE

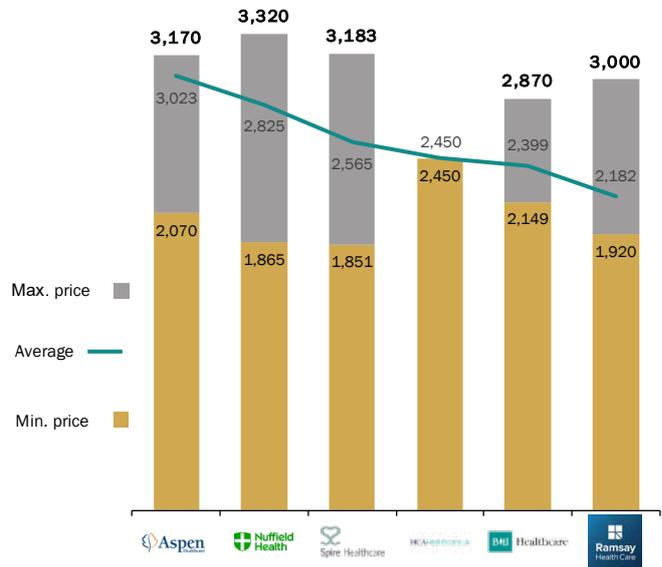
SOURCE NHS E-REFERRAL DATA; CANDESIC ANALYSIS

**FIGURE FIVE - VARICOSE VEIN PROCEDURES PRICE COMPARISON (SINGLE LEG), £GBP**  
**SPECIALIST CLINICS CHARGE LOWER FEES THAN LARGER HOSPITAL CHAINS FOR ENDOVENOUS LASER ABLATION (EVLA) PROCEDURES**

**EVLA PRIVATE TREATMENT FEES IN SPECIALIST CLINICS**



**EVLA PRIVATE TREATMENT FEES IN HOSPITAL CHAINS**



SOURCE COMPANY WEBSITES; CANDESCIC ANALYSIS

vance, including post-procedure review. It is by this means that clinics ensure they get 'full' payment, even from people who consider their needs to have been met by the initial intervention. It is common practice in cosmetic clinics to have unnecessary pre- and post-intervention consultations in order to maximise total fees. In the future, these could be undertaken remotely by lower cost operators.

There is some variation in varicose vein treatment fees. For example, advertised standard treatment fees for EVLA range between £1,650 and £2,450 per leg (Figure Five). The advertised fee disparity can be accounted for by two principal factors: higher rates in London and the area around the M25 and differences in the extent of cosmetic rectification.

Businesses will aim to up-sell cosmetic treatments following procedures to address significant varicose veins. Varicose veins are often associated with thread veins, otherwise known as 'telangiectasias'. These little dilated veins near the surface of the skin are asymptomatic but people don't like the look of them. They can be eliminated by procedures involving injection or by external laser therapy.

**Will the NHS become an increasing source of income for independent operators?**

As fewer varicose vein procedures are undertaken in NHS services, it's likely that trusts will look to outsource the work they continue to fund. Existing private providers will increasingly load balance their private clinical practice with block NHS contracts.

Although there is limited data available, indicative results suggest better outcomes in private clinics and hospitals than in the NHS. This likely reflects their specialist nature and the volume of procedures undertaken. Value-based commissioning practices will lead trusts to consider independent sector operators as the most appropriate partners for varicose vein surgery.

**What is the outlook for specialist cosmetic vascular clinics?**

The market for private cosmetic vascular procedures is likely to continue its increase in the UK over coming years. With broadening understanding that the NHS no longer provides cosmetic vascular procedures and proactive marketing on the part of private providers more people will be considering paying for varicose vein surgery.

An opportunity exists to develop one of the existing specialist platforms into a larger group through consolidation. It is likely there will be accompanying reductions in prices as volumes rise, but operational efficiencies will increase with scale to maintain margins.