APRIL 2025 | VOLUME 29 | ISSUE 3

HM HealthcareMarkets

Independent. Intelligent. Insightful.

Infocus

Great expectations

How are independent providers responding to shifting attitudes to health and wellbeing?

LaingBuisson
INTELLIGENCE + INSIGHT

THERE'S DEFINITELY BEEN A SWING WHERE PEOPLE HAVE AN EXPECTATION FROM THEIR EMPLOYER TO PROVIDE SOME LEVEL OF HEALTH CARE

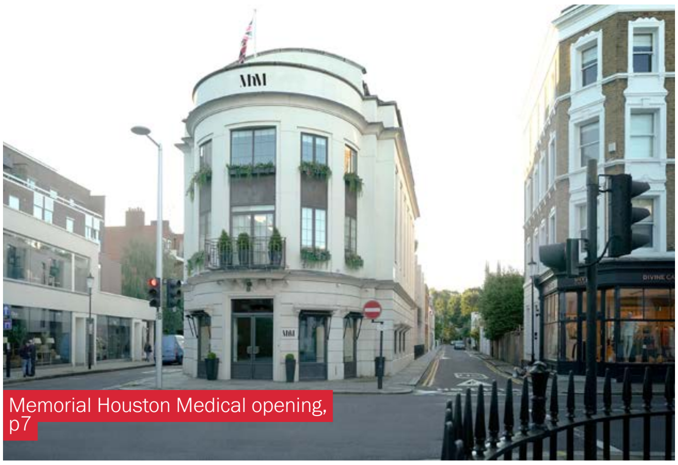
Sarah Melia,
general manager, Bupa Health Services UK,
p24

Work life balance

Should employers take on more responsibility for the health of their workforce?

Contents

Independent. Intelligent. Insightful



Memorial Houston Medical opening, p7

Goodbye NHSE, p12

Regulars

'Along with the increase in private patient admissions, elective admissions in the NHS are also now higher than pre-Covid.'
Richard Wells, director of informatics, PHIN, p6

This month…

Editor, ***Maria Davies*** *looks at this month's key issues*

People's attitudes toward health have shifted dramatically since the Covid-19 pandemic. It remains unclear whether this is driven by a greater appreciation for health following a major crisis, restricted access to services, the rise of a generation that prioritises wellbeing over wealth and status, or the combination of these and other factors. Whatever the reasons, the result has been unprecedented demand for private healthcare. The latest figures from PHIN show that the last Q3 was the busiest on record for the sector.

Some argue that far from choosing to go private, long NHS waits and non-existent services are forcing desperate people and employers to pay for healthcare. Others are adamant that there has been a genuine societal shift in both public expectations and the acceptance of private healthcare as an alternative to the NHS.

Whether driven by necessity or evolving cultural attitudes, one thing that is clear is that there is increasing reliance on the independent sector both from private payors and the NHS. How the sector adapts to these changing expectations will be a defining issue, with the public's evolving needs and the sector's response set to be key themes at LaingBuisson's Private Healthcare Summit on 15 May.

COMMUNITY

Follow us
@HealthcareLB

Join LaingBuisson
linkedin.com/company/laingbuisson/

Join HM
linkedin.com/showcase/healthcaremarkets


Sarah Melia, Bupa Health Services UK, p24


Healthcare investment activity set to rise, p32

Features

Events

HM

APRIL 2025
VOLUME 29 | ISSUE 3

CONTACT US
laingbuissonnews.com

EDITOR
Maria Davies
maria.davies@laingbuisson.com
+44 (0)20 7923 5390

RESEARCH AND DATA
data@laingbuisson.com
+44 (0)20 7923 5395

SUBSCRIPTION SERVICES
Janet Brown
janet.brown@laingbuisson.com

DISPLAY ADVERTISING
sales@laingbuisson.com
+44 (0)20 7841 0045

DESIGN AND LAYOUT
Adored Words&Pictures
adoredwordsandpictures.com

ISSN 2399-7044
HM is published ten times a year by LaingBuisson Ltd, 24 Angel Gate, City Road, EC1V 2PT. +44 (0)20 7923 5390 Printed by Rapidity, Citybridge House, 235-245 Goswell Road, London, EC1V 7JD

Insured activity driving record private patient admissions

The rise in demand from insured patients has continued to push private patient admissions to record levels despite further evidence of softening self-pay activity.

According to the latest figures published by the Private Healthcare Information Network (PHIN), private patient admissions across the sector reached 223,000 between July and September 2024, representing the highest ever for a Q3 period and the fifth highest on record for any quarter.

Once again, the figures confirm that rising demand for private healthcare is being sustained against the backdrop of long NHS waits. However, there was further evidence that continued cost-of-living pressures is dampening out of pocket spending.

Self-pay admissions were down by 6% on Q3 2023. However, they remained 30% above pre-pandemic levels in Q3 2019. At the same time, the number of insured admissions was up 4% on the same period in 2023 and 9% ahead of the previous quarter.

Insurance-funded admissions rose across all age groups under 70-years-old compared to the same period in 2023. The largest increase by volume was among 40 to 49-year-olds, up by 1,980 admissions (7%), while the steepest percentage rise was in the 10 to 19-year-old age group (13%). The trend was similar to that seen in Q2 2024.

Admissions covered by insurance fell among older age groups, down 2% for those aged 70 to 79-years-old, 3% for 80 to 89-year-olds, and 9% for those aged 90 to 99-years-old.

Self-pay admissions declined across all age groups except for 10 to 19-year-olds, where there was a marginal 1% increase. The sharpest drop in volume was among 70 to 79-year-olds, down by 1,200 admissions (7%), while the biggest percentage decrease (10%) was recorded in the 40 to 49 and 90 to 99-year-old age groups.

The figures come as NHS admissions to private hospitals continue to rise – albeit at marginal levels.

'We are continuing to see higher numbers of admissions at private hospitals as people look to exercise their right to choose who provides their treatment,' said PHIN director of informatics Richard Wells: 'Along with the increase in private patient admissions, elective admissions in the NHS are also now higher than pre-Covid. This has the effect of reducing the proportion of private verses NHS admissions overall in England.'

The figures do not include outpatient appointments, but the vast majority of healthcare in England – some 91% – is still being delivered by the NHS.

'In fact,' said Wells, 'data shows that the maximum proportion of elective admissions undertaken by the private sector was 11% (in Q2 and Q4 2023, and Q1 2024) and the lowest was 7%, which was the norm before the pandemic.

'With the increased partnership between the NHS and private sector announced by Prime Minister Keir Starmer in January, we would expect to see an increase in the number of admissions paid for by the NHS and provided by private hospitals in 2025, and we will report on that in future market updates.'

HM

'We are continuing to see higher numbers of admissions at private hospitals as people look to exercise their right to choose who provides their treatment.'

Richard Wells, director of informatics, PHIN

IHPN 'deeply concerned' by NHSE payment cap proposal

The Independent Healthcare Providers Network (IHPN) has said it is 'deeply concerned' by a proposal from NHS England (NHSE) to cap the amount commissioners pay independent providers for elective activity.

Under proposals set out in NHSE's 2025/26 Payment Scheme consultation, ICBs would be required to set a payment limit for elective services valued above £100,000. Providers and commissioners would be expected to agree planned levels of activity and 'associated financial value' in advance, with the latter representing the maximum amount commissioners have to pay.

The consultation states that if providers carry out activity above the payment limit 'the commissioner is not required to make further payments'.

Essentially, the proposals are designed to control NHS spending on elective procedures including surgery, outpatient appointments, chemotherapy, and diagnostic tests, which grew significantly in 2024/25, while ensuring that planned levels of care are met.

However, independent providers have said that in their current form, the plans would undermine patient choice and would effectively mean they have to treat NHS patients for free since they would still be obliged to accept referrals under patient choice rules.

Speaking to *Health Service Journal*, one source said: 'In effect, NHSE is saying there is a limit on payments to the IS, but that we still have a contractual obligation to take patients referred to us – even if it means doing the work without getting paid because an IS provider can't turn down a referral under the contract. That's just not going to work.'

IHPN CEO David Hare said plans to introduce payment limits for choice-based services which will cut across a patient's right to choose would reduce capacity available to NHS patients and lengthen overall NHS waiting times.

'IHPN are working urgently with our colleagues in the NHS and government to resolve this matter so that independent providers can play their full part in clearing the record backlog of care,' he added.

According to *HSJ*, the cap for NHS trusts will be based on a proportion of their 2024/25 activity, while for independent sector providers it will be decided by ICBs.

An NHSE spokesperson said: 'The NHS payment scheme is currently under consultation, and we are seeking input from stakeholders to implement an approach that protects patient choice and is affordable for the NHS and taxpayers.

'NHS usage of the private sector is up by more than 50% since 2021 as independent sector providers play an important role in supporting NHS efforts to bring down waiting lists, with the latest figures showing record numbers of people are receiving treatment, a faster cancer diagnosis or a diagnostic test – helping to tackle the backlog and reduce waiting times for thousands of patients.'

Memorial Houston Medical opens central London hospital

Post-surgical and rehabilitation provider Memorial Houston Medical (MhM) has opened its first facility outside of the US in London.

The new hospital is located on Fulham Road in South Kensington and has capacity for six inpatients alongside an in-house GP surgery with rehabilitation treatment rooms, including an exercise area.

It will focus on prehabilitation and postoperative care across a wide range of specialties including cancer care, complex wound management, orthopaedic recovery, diabetic care, inpatient pulmonary care, cosmetic surgery, and long-term acute care.

MhM was founded by doctors in the US and currently operates a facility in Houston, Texas. It said the team at its London site, which includes chief medical officer Dr Maziar Mireskandari and medical consultant Mona Ghazal, will demonstrate the same values of 'attentiveness of the wellbeing of the whole person – the emotional and physical'.

MhM UK business development lead Danny Shebaclo said: 'We are proud to have designed MhM's new London hospital with dignity in mind, from the aesthetics to the treatment programmes. Our mission is to strive for medical excellence by providing the highest quality of medical care in a compassionate and welcoming environment. People should not lower their expectations – from aesthetics to treatment – because they are in a hospital environment; when they are at their most vulnerable, they should, in fact, expect more. That is why we have elevated every detail of the patient experience, from prehabilitation to postoperative care and rehabilitation.

'We look forward to introducing our expertise in prehabilitation and rehabilitation and wholly committing to our patients by ensuring they receive the best treatment possible while equally prioritising their physical, emotional and holistic needs, as dignity should not be sacrificed in healthcare.'

Memorial Houston Medical's South Kensington facility

MYndspan partnership to offer direct-to-consumer brain scans

Health startup MYndspan, a pioneer in consumer brain health technology, has partnered with magnetoencephalography (MEG) specialist MEGIN to offer direct-to-consumer MEG brain scans from a new flagship clinic set to open in London later this year.

The immunotherapy, which harnesses the body's own immune system to fight blood cancer, will initially be available at HCA at University College Hospital (UCL) before being rolled out to the Christie Private Care in Manchester later this year.

HCA first introduced CAR T-cell therapy for certain types of lymphoma and leukaemia in 2019, where it has demonstrated durable remission in patients, but this is the first time it has been used to treat Myeloma.

Myeloma is the UK's second most common blood cancer, affecting 24,000 people in the UK at any given time. Current treatments aim to manage the disease, but CAR T-cell therapy offers a highly targeted approach with the potential for long-lasting remission.

T-cells are collected from the blood and genetically engineered in a specialised laboratory to produce chimeric antigen receptors. They are then multiplied and infused back into the patient's bloodstream where they identify and bind to the cancer cells, triggering an immune response to eliminate them.

Professor Ashutosh Wechalekar, consultant haematologist at HCA UK at UCL Private Care, said: 'We've seen incredible results using CAR T-cells to treat other blood cancers, lymphoma and leukaemia, this therapy represents a transformative step forward for myeloma, giving new hope to patients.'

Commissioner told to abandon or re-run tender process over PSR breaches

NHS England North West (NHSE NW) has been told it should abandon or re-run a £32m contract for the provision of health and justice services after the Independent Patient Choice and Procurement Panel (IPCPP) found it had breached procurement rules.

The contract for Liaison & Diversion and RECONNECT services, which supports vulnerable people before and after they encounter the criminal justice system, was put out to tender in April 2024 and subsequently awarded to Practice Plus Group.

However, incumbent provider Lancashire and South Cumbria NHS Foundation Trust (LSCFT), which was ranked third in the process, asked the panel to review the decision, raising concerns over how the bids were scored and how requests for information were handled.

The IPCPP identified three major breaches of the Provider Selection Regime (PSR):

- NHSE NW unfairly required LSCFT to submit an exit strategy for its existing service as part of its bid, creating additional burdens not placed on other bidders.
- Revised TUPE staffing information, crucial for assessing financial viability, was withheld from bidders, giving them an incomplete picture of employment costs and obligations.
- The letter notifying LSCFT of its unsuccessful bid misrepresented the reasons for the decision, failing to provide full transparency and omitting key details from the evaluation panel's final agreed feedback.

It said the breaches had a 'material effect on NHSE NW's provider selection decision' and advised that at a minimum, it should invite the three bidders to resubmit their proposals.

'In doing so, the question about service mobilisation should be revised so as to remedy the breach of the PSR regulations identified…and bidders should be supplied with revised and updated TUPE information,' it added.

An NHSE NW spokesperson said: 'We have received [the] report by the Independent Patient Choice and Procurement Panel and will be rapidly considering the recommendations and options to ensure these important services continue to be provided to best meet the needs of patients and provide value to the taxpayer.'

The IPCPP's recommendations are not legally binding, but failure to act on them could leave NHSE NW open to legal challenge.

Nuffield Health joint pain programme rolled out to NHS staff

Health Secretary Wes Streeting has announced a new partnership between the government and Nuffield Health to provide its Joint Pain Programme free for frontline NHS staff.

Under the deal, the charity will work with NHS teams to identify staff suitable for the programme, which will support NHS workers with chronic and long-term joint conditions such as arthritis.

The programme will initially be offered at ten trusts in London, Birmingham and the north west before a national rollout later this year.

MSK conditions are the second leading cause of absence among NHS staff and the partnership aims to help them recover so that they can focus on supporting patients.

'NHS staff cannot treat patients if they're in debilitating pain themselves. This partnership with Nuffield Health will help get thousands of NHS staff back to work, improve their quality of life and allow them to continue to cut waiting lists,' said Streeting.

In August 2024, NHS staff sickness led to over 2 million lost days, with back and musculoskeletal (MSK) issues accounting for more than 314,000 days and over 10,000 staff absences. Nuffield Health's programme, which offers 12 weeks of trainer-led rehabilitation followed by 12 weeks of gym access at no cost, has already benefitted 35,000 people, leading to a 35% improvement in joint pain, a 37% improvement in joint function, and the prevention of 86,226 sick days.

Nuffield Health CEO Alex Perry said: 'By offering this free programme directly to NHS staff – including nurses, porters and paramedics – we are providing them with support to recover, return to work and continue delivering essential care.


Alex Perry, CEO, Nuffield Health

'This not only improves their health but also reduces pressure on the NHS by lowering sickness absence and keeping skilled staff where they are needed most.'

HCA Healthcare offers new therapies for patients with early-stage Alzheimer's

HCA Healthcare UK is offering amyloid-targeting therapies for patients with early-stage Alzheimer's disease.

The company said it was one of only a few providers in the UK to make lecanemab and donanemab – the first two disease-modifying treatments for Alzheimer's disease licensed for use in the UK following MRHA approval last year – available to patients.

The therapies have been shown to modestly slow disease progression in patients with mild cognitive impairment or early-stage dementia caused by Alzheimer's.

HCA is offering the 18-month treatment programme to self-pay patients under the care of dementia-specialist consultant neurologist Dr Johnathan Chan at London Bridge Hospital.

'Alzheimer's is the most common dementia, affecting 60% of cases in the UK. While current treatments only ease symptoms, new licensed drugs can now slow the disease's progression for certain patients,' he said. 'Clinical trials showed lecanemab reduced cognitive decline by 27% and reduced decline in a patient's quality of life by up to 56%. Access to treatment programmes, like those now available at London Bridge Hospital, can greatly impact patients' journeys.'

London Bridge Hospital chief executive Janene Madden added: 'Across HCA Healthcare UK we are committed to actively embracing innovation and the early adoption of effective treatment options such as lecanemab. The introduction of amyloid-targeting therapies at London Bridge Hospital is a positive step in the treatment of early-stage Alzheimer's disease, helping to shape the future of neurological care, offering new hope and improved outcomes for patients in our care.'


Janene Madden, chief executive, London Bridge Hospital

Circle launches UK's first hospital management qualification

Circle Health Group has partnered with Liverpool John Moores University to introduce a new degree-level qualification for hospital managers.

The one-year course, which began enrolling students in January, is the first of its kind in the UK.

Existing qualifications focus on general healthcare management, but no UK course currently specialises in hospital management. The new course recognises the complexity of the hospital CEO role, covering areas including patient safety, clinical standards, estates management, hospitality services, commercial operations, and managing consultant specialists.

According to the latest data, nearly two-thirds of NHS hospital CEOs are in their first post, while one-third have been in place for 18 months or less. Turnover rates in hospital management have increased since Covid-19 and the government is currently consulting on a new system of regulation for hospital managers to raise standards following a number of high-profile public reviews which have identified leadership failures in NHS trusts.

Circle Health Group says more than 60% of its workforce engages in continuous professional development, with over 1,000 accredited short courses delivered to clinical staff and 8,000 employees accessing development programmes. The group has been ranked among the top five best big companies to work for in the UK.

Circle chief people officer David Cooper said: 'Managing a hospital is one of the toughest jobs in the UK, with enormous responsibilities that include life and death, scrutiny from multiple regulators and managing some of the most specialised professionals in the country in consultant surgeons.


(*l-to-r*) Jenny McKnight and Karen Prins (Circle Health) with Professor Adam Shore and Lisa Knight from Liverpool Business School

Too often there has been a culture of naming, shaming and blaming, which has only made their job harder. We choose a different approach: backing our leaders with the bespoke training and teaching they need to become the best in the sector and giving them all the tools to thrive in this extraordinarily complex role.'

Jenny McKnight, head of learning and development at Circle Health Group, added: 'This has never been tried before in UK healthcare, but we believe this investment in leadership and development will reap dividends for our patients, with a group of hospital managers fully equipped to handle the daily challenges that hospital management throws their way. From dealing with coroners to delivering mass catering, or from procuring MRI machines to handling patient complaints, no two days are the same on a busy hospital floor, and most leaders are simply left to learn on the job. We think there's a better way, because patient care is too important to risk gaps in leadership and learning.'

Cygnet expands with Blackpool acquisition

Cygnet Health Care has acquired a 21-bed mental health service in Blackpool from Mental Health Care UK.

Financial details of the transaction have not been disclosed.

The service, which includes a rehabilitation suite, will be renamed Cygnet Newton House and will provide High Support Inpatient Rehabilitation (Level 2) for men struggling with their mental health.

Cygnet CEO Dr Tony Romero said: 'We are delighted to welcome Newton House to the Cygnet Group. This acquisition aligns with our mission at Cygnet to deliver compassionate, person-centred care while expanding our network of specialist mental health services in order to support more people.

'Extending our services into Blackpool reflects our ongoing commitment to delivering high-quality mental health services and ensuring individuals receive the specialist care they need. We look forward to working with the staff, service users, and the wider Blackpool community to continue providing excellent care and support.'

Cygnet Newton House will add to Cygnet's existing portfolio of 21 High Support Inpatient Rehabilitation Services (Level 2) throughout the UK.

Cygnet's chief commercial officer Lee Hammon said the service was a 'great fit' with the existing rehabilitation portfolio.

'It enables us to further collaborate with local NHS commissioners to provide in area solutions aimed to help ease pressures on acute wards and other services,' he added.


Cygnet Newton House, Blackpool

Careology partners with Entia

Careology has partnered with Entia to integrate at-home blood monitoring into its digital cancer care platform, allowing patients to self-manage more of their treatment from home.

Under the deal, Entia's Liberty, a UK-approved at-home full blood count analyser, will be incorporated into Careology's platform. The integration will enable patients to conduct blood tests at home, with clinicians remotely monitoring how they respond to treatment.

Careology's digital platform is used across the UK and US to support patients and cancer care teams in managing symptoms, medication schedules, and side effects. It also provides access to supportive care services. The integration with Liberty will add remote blood monitoring alongside existing indicators such as temperature, heart rate, and medication adherence.

Clinicians are able to access the data through the Careology Professional dashboard, enabling early intervention and care closer to home.

Paul Landau, founder and CEO of Careology said the partnership aims to enhance the patient experience and reduce the strain on health systems. 'A cancer diagnosis can be very daunting, with a schedule full of appointments and check-ins which can be both mentally and physically draining. By providing patients with self-service tools, they are able to feel less restricted by treatment and enable their cancer teams to monitor their progress remotely, enabling more oversight and early intervention.'

Entia developed Liberty in collaboration with The Christie NHS Foundation Trust and The Royal Marsden NHS Foundation Trust to meet the needs of cancer patients.

Dr Toby Basey-Fisher, founder and CEO of Entia, said: 'This collaboration marks a significant step forward in patient empowerment, allowing individuals to manage their health with greater ease and autonomy. By integrating our technology with Careology's platform, we can help to drive efficiencies in the healthcare system by not only enhancing the patient experience but also supporting clinical teams with valuable, holistic data insights.'

Doctor Care Anywhere online

Digital healthcare provider Doctor Care Anywhere (DCA) has launched a new website to support an expanded range of services, which now includes health assessments, physiotherapy support and mental health services.

The redesigned site aims to improve user experience and streamline access to its digital healthcare offerings, enabling customers to more easily navigate its expanded range of services and care pathways.

Businesses and insurers can access dedicated corporate healthcare solutions, allowing the integration of virtual GP services, diagnostics, and specialist care into employee benefit packages. A new expert-led resource hub has also been introduced, providing healthcare insights for both patients and employers.

Alongside the introduction of comprehensive health assessments, mental health services and physiotherapy support, DCA has introduced a specialist care pathways covering areas such as men's and women's health and weight management.

DCA chief customer officer Zoe Sullivan said: 'At Doctor Care Anywhere, we are committed to removing barriers to healthcare and ensuring that both individuals and businesses have access to trusted, specialist care whenever they need it. Our new website reflects this mission by offering a comprehensive healthcare experience - from virtual GP consultations and specialist referrals to mental health support and diagnostic assessments.'


Zoe Sullivan, chief customer officer, DCA

'We are committed to removing barriers to healthcare and ensuring that both individuals and businesses have access to trusted, specialist care whenever they need it.'

Howden launches private practice guide for doctors

Insurance broker Howden has launched a guide for doctors considering a move into private practice for the first time.

The company's *Pathway to Private Practice* is a ten-step guide covering key practical aspects, including setting up practice business structure, managing daily operations, and marketing.

As part of the initiative, Howden has partnered with a range of service providers to offer discounts on software, accountancy, and marketing support. Doctors can also access a 20% discount on membership of the Independent Doctors Federation and benefit from 18 months of contract-based medical indemnity insurance with Howden for the price of 12.

Howden divisional director Simon Gale said that taking the first steps into private practice can be a daunting process, and the Pathway is designed to provide doctors with both practical guidance and financial benefits, regardless of whether they are Howden customers.

The company has significantly raised its profile in the medical indemnity market since its restructure and rebrand at the end of 2023.

Gale said the Pathway reflects Howden's commitment to supporting doctors throughout their transition into private practice and beyond.

'We are also working with a group of leading consultants who have extensive experience in private practice and can act as mentors to doctors who are just starting out, providing ongoing support as they establish and grow their practice,' said Gale.

Later this year, Howden plans to launch a second Pathway guide aimed at doctors who are already working in private practice.

The surprise announcement in March that NHSE will be scrapped has left stakeholders across the healthcare sector bracing themselves for years of disruption. After promising no top-down reorganisation of the NHS, is it a huge gamble for the fledgling Labour government or 'the final nail in the coffin' for the much-loathed Lansley reforms?

Abolition of NHSE: taking back control

Despite what in hindsight appears to be weeks of trailing, the government's announcement that it will abolish NHS England (NHSE) and bring its functions into the Department of Health and Social Care (DHSC) came as a surprise.

It might not quite equate to the wholesale reorganisation of the NHS that Labour ruled out, but it comes pretty close. And with a new *10-Year-Plan* for the NHS just months away and slow progress on reducing NHS waiting lists, why would the government risk the disruption of such a seismic shift in the system so soon after taking office?

Health Secretary Wes Streeting said that the government cannot justify 'such a complex bureaucracy with two organisations doing the same jobs' at a time when money is tight. Ministers are reported to be exasperated with inefficiencies at NHSE, leading Streeting to the conclusion that 'just because reform is difficult does not mean it should not be done'.

Originally established as the NHS Commissioning Board in 2012, NHSE was intended to be the 'centrepiece' of the Lansley reforms, designed to 'liberate the NHS from day-to-day political management'. Ministers would set the objectives and hand over the budget – which in 2025 amounts to around £192bn a year – but largely leave NHSE free to decide how it was spent.

The idea was for a lean, arm's-length body overseeing a transformative, locally led commissioning landscape focused on patients. By allocating funds to the new NHS clinical commissioning groups – later superseded by integrated care boards (ICBs) – NHSE would empower clinical leaders to drive measurable improvements for patients. This emphasis on 'outcomes rather than processes' would, in the words of the Board's first chair Professor Malcolm Grant, open 'the door to clinical innovation and to addressing the different needs of different communities'.

However, the reality has proved very different. By 2025, after multiple reconfigurations including mergers with NHS Digital, NHS Improvement and Health Education England, NHSE had morphed into the 'world's largest quango'.

Scrapping it, or rather bringing its functions back into the Department of Health and Social Care, will put an end to duplication and remove 'layers of red tape and bureaucracy', say ministers. Estimates of job cuts range from 8,000 to 30,000 depending on if you include cuts at ICB and NHS trust level, but the government anticipates savings of £500m a year just from axing NHSE, which it says will be 'put back into the front line' rather than spent on 'unnecessary admin'.

At the same time, ICBs have been ordered to cut their running costs by 50% by the end of this year – a move expected to save an additional £700m to £750m annually.

In the context of the mighty NHS budget, the combined savings – while not insignificant – are not massive. But for ministers, there are other potential gains.

The reality of freeing NHS commissioning from political interference has proved less appealing for the government than the vision. Effectively, it has been left with no hard levers to enforce policy decisions while the soft levers it has retained have shown themselves to be relatively ineffectual: waiting lists were rising even before the shock of Covid and NHS trusts have continued to run up deficits despite incentives and penalties.

Taking back control of commissioning could in theory restore some of those hard levers, making it easier for the government to push policy decisions through to the front line.

However, this will take time. Street-


Sir James Mackay, transition CEO, NHSE

ing said the abolition will not require legislative change, but the transition is still expected to take two years. With the usual government delays and potential pushback from unions and other stakeholders, it could take even longer – leaving little time for the public to see any improvements before the next general election.

Independent providers, although buoyed by the appointment of Jim Mackay to lead the transition as NHSE CEO as well as the appointment of Penny Dash as chair, are bracing themselves for disruption. It is not just commissioning, but a whole host of areas from patient safety to workforce and finance, where the sector interacts with NHSE.

And in terms of commissioning, the transition could spell yet another period of confusion just as independent sector providers were beginning to navigate the administrative maze of the Health and Care Act 2022. There might not be plans for a wholesale reorganisation of ICBs, but a 50% reduction in running costs is substantial. If it leads to a cut in commissioner roles, it could result in greatly slimmed down teams with neither the skills nor the bandwidth to deliver against the government's objectives.

Pressured ICBs could simply gravitate towards the familiar and seek ways to keep services in the 'NHS family'. On the flipside, providers might find it easier to stand their ground in negotiations simply because ICBs lack the resources to push back.

Likewise, digital health providers and specialist services will be watching carefully to see what the changes to NHSE's commissioning functions bring. Ultimately, existing arrangements may simply end up being replicated in the DHSC, but there is likely to be considerable disruption during the transition.

Then there is the question of how this uncertainty will impact investment in the sector. In the longer term, with waiting lists remaining a key government priority, a reduction in NHS activity flowing through the independent sector seems unlikely. However, in the short term, investors may pause to take stock, potentially delaying deals as they absorb the implications of the changes.

For the medtech and digital health sectors, investors may hold off longer, waiting to see how the transition of NHS Digital Technology Assessment Criteria from NHSE to the DHSC unfolds.

Eventually, the abolition of NHSE may help the government achieve its goal of making the NHS more efficient and increasing elective activity.

However, with the transition likely to absorb significant resources over the next two years, it remains to be seen whether the government can deliver on its three strategic shifts – hospital to community, analogue to digital and treatment to prevention – while simultaneously tackling the politically sensitive waiting lists, any faster than it can now.

In the latest column from PHIN, clinical advisor **Dr Chris Smith-Brown** analyses Q3 2024 trends in the UK independent sector, using PHIN's national dataset to highlight key insights, including unpublished data on cosmetic surgery, endometriosis, and robotics

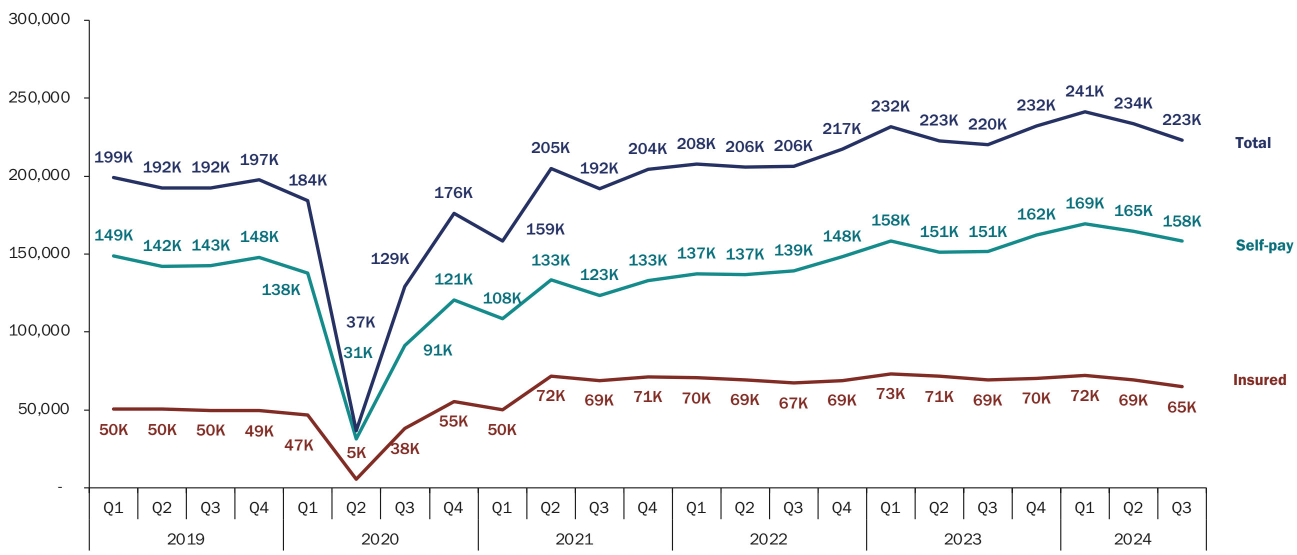
The highest Q3 in any year on record for **private hospital admissions**

The market update is a regular snapshot of the private healthcare sector in the UK, and by publishing it, we aim to help the media, patients and the general public have a better understanding of what is happening in the sector and how it supports the nation's health. We also want healthcare providers, and other industry stakeholders, to have evidence to support their plans and commercial decisions, particularly when the update is used in conjunction with our datasheets. This helps promote competition in line with the objectives of the Competition and Markets Authority's Private Healthcare Market Investigation Order.

Some key headlines from Q3 2024 data include:

- The highest Q3 in any year on record for private hospital admissions.
- Fifth highest quarter for total admissions on record, up 1% on Q3 2023.

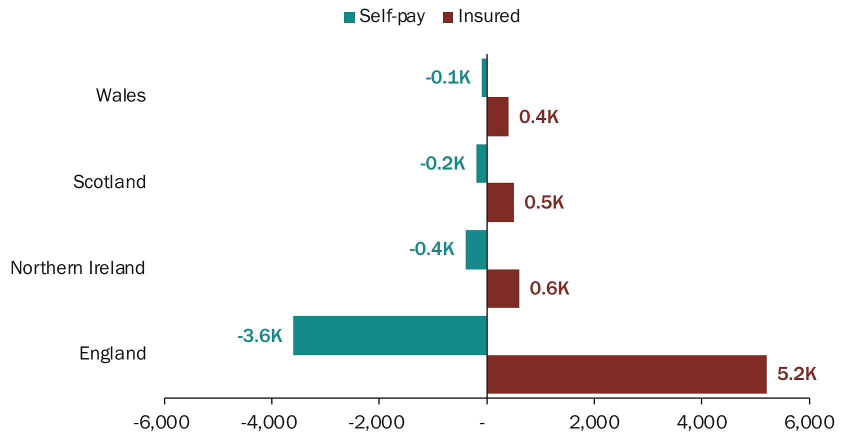
FIGURE ONE
INPATIENT/DAYCARE ADMISSIONS, Q1 2019–Q3 2024



NOTE FIGURES ARE ROUNDED TO THE NEAREST 1,000. THE TOTAL MAY NOT ADD AS THIS IS CALCULATED USING THE ACTUAL FIGURE THEN ROUNDED.
SOURCE PHIN

- PMI up 9% on same quarter in 2023.
- Self-pay slow decline, 6% down on same quarter in 2023.
- Reduction in reported admissions for several cosmetic breast procedures.
- Growth in private surgery for endometriosis treatment.
- Use of robotic surgery continues to increase in the private sector.

FIGURE TWO
CHANGE IN ADMISSIONS BY FUNDER TYPE, Q3 2023 AND Q3 2024



SOURCE PHIN

Private healthcare sector market activity

There were 223,000 admissions in Q3 2024 – a 1% increase on the same period in 2023, see Figure One.

There was a small decrease in admissions (5%) from Q2 2024, but this follows the seasonal pattern of Q3s. We expect admissions in Q4 to increase.

The gap in admissions between those paying with PMI and those using 'self-pay' narrowed to 93,000 admissions due to a larger decrease in PMI than self-pay.

Self-pay has consistently been more popular than it was before the pandemic and remains 30% above pre-pandemic levels (Q3 2019), despite a sustained decline.

Private medical insurance admissions have continued across all four nations, see Figure Two.

Cosmetic surgery

Admissions under cosmetic surgery have decreased by 10% when comparing Q3 2023 (11,570) to Q3 2024 (10,360), see Figure Three. This is the lowest quarter since the pandemic. The majority of admissions under cosmetic surgery are funded by self-pay (75%) vs national activity which is mainly funded by PMI (71%).

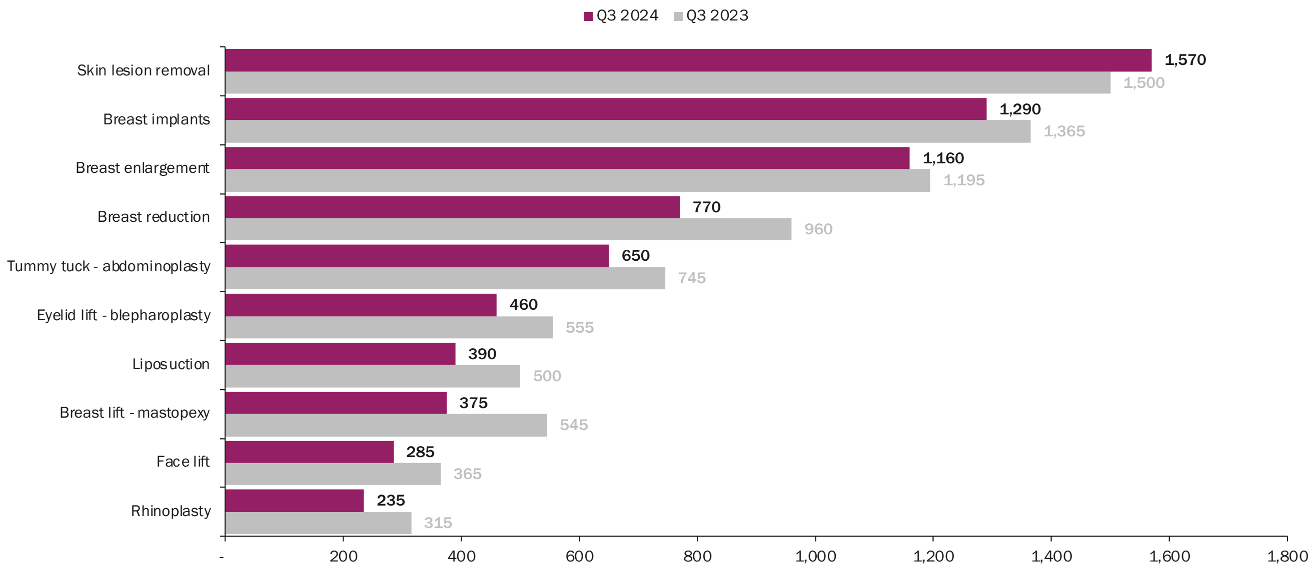
This decrease in admissions was reflected across all top ten procedures except for 'Skin lesion removal'.

The number of active consultants in cosmetic surgery also decreased by 3.1% from Q3 2023 (605) to Q3 2024 (586).

The reason for the decline in cosmetic surgery admissions is unknown but may be linked to the higher increase in the Consumer Price Index (CPI) for Health vs Overall CPI in 2024.[1]

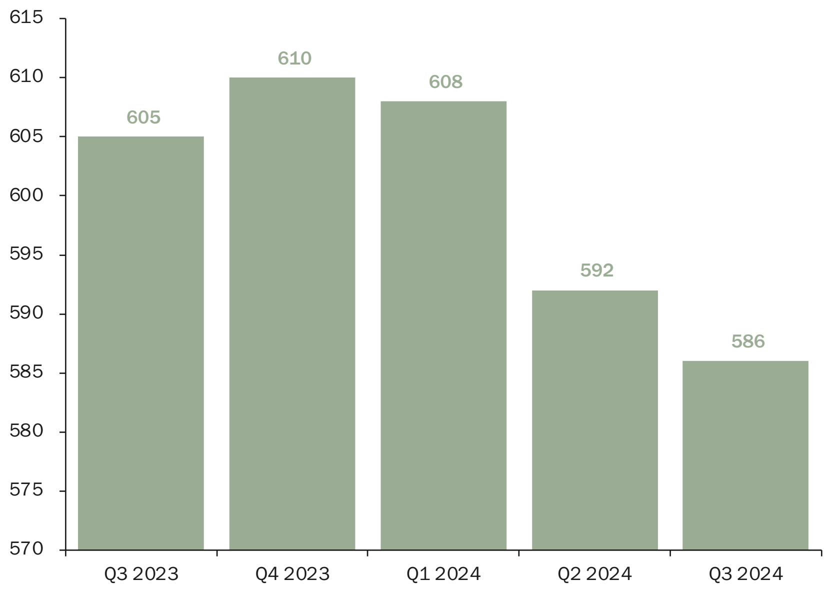
With cosmetic surgery primarily funded through self-pay, it would be interesting to know more about the causality of the decline. Are fewer patients willing/able to fund their own cosmetic surgery due to financial pressures or is the drop in self-pay impacted by a declining interest in cosmetic surgery itself meaning fewer self-pay funded procedures are taking place? This could be a crucial question for providers as they assess whether

FIGURE THREE
TOP TEN PROCEDURES FOR COSMETIC SURGERY ADMISSION, Q3 2023 AND Q4 2024



SOURCE PHIN

FIGURE FOUR
TOP TEN PROCEDURES FOR COSMETIC SURGERY ADMISSION, Q3 2023–Q4 2024



SOURCE PHIN

they need to make finance more accessible or adjust to reducing demand.

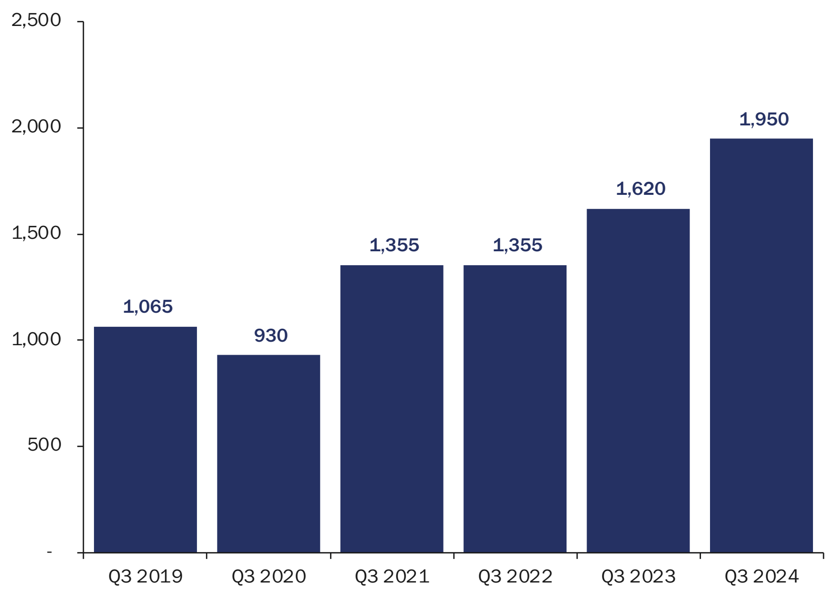
Endometriosis

PHIN typically reports only at the procedural level. However, we have noticed admissions for the treatment of endometriosis have been increasing above the annual growth for all admissions, see Figure Five.

Endometriosis is a condition where cells like those in the lining of the uterus grow in other parts of the body. This condition can significantly affect one's quality of life, but there are surgical treatments available.

Admissions rose by 20% from Q3 2023 (1,620) to Q3 2024 (1,950). Comparing Q3 2019 (1,065) to Q3 2024 there was an 83% increase, versus a 16% rise for all admission types in that period.

FIGURE FIVE
PRIVATE ADMISSIONS FOR ENDOMETRIOSIS, Q3 2023–Q4 2024



SOURCE PHIN

Women have reportedly had to wait up to nine years for endometriosis diagnosis and there has been growing criticism in the media of medical misogyny[2] and male bias in research in recent years. The increase in people turning to the private sector for treatment could reflect patients taking the matter into their own hands or a growing understanding of the issues by healthcare providers in the public and private sector.

Robotics

PHIN began reporting on a range of robotic procedures in 2024. Several robotic assisted procedures have increased in our data set over the past year, see Table One.

PHIN welcomes the use of new health technology to support patient choice and notes that both NHS and independent providers continue to invest in surgical robots.[3]

Our data shows that the patient experience is improved when robotic assistance is used, including reductions in length of stay, bringing benefits for patients and providers. Further details can be found in our report *A helping hand – The use of robot-assisted surgery in the UK*[4] available from the PHIN website.

Conclusion

Q3 2024 was the highest Q3 in any year on record for private hospital admissions and PHIN anticipates an increase in activity for Q4 2024. This will be published 3 June 2025 with complete 2024 data, allowing year-on-year comparisons across various aspects of private healthcare.

With the increased partnership between the NHS and private sector announced by Prime Minister Keir Starmer in January, in addition to the PMI and self-pay admissions, we would expect to see an increase in the number of admissions paid for by the NHS and provided by private hospitals in 2025, and we will report on that in future market updates.

PMI is expected to continue as the dominant payment method, but providers may want to reflect on the continued popularity of self-pay compared to pre-pandemic levels, and consider whether the current decline means patients aren't fully aware of their options.

Women have traditionally been higher

TABLE ONE
ROBOTIC ASSISTED PROCEDURES, Q3 2023–Q4 2024

Robotic Assisted	Q3 2023	Q4 2024	% change
Knee replacement (primary)	1,585	2,240	41.3%
Hip replacement (primary)	1,475	1,710	15.9%
Prostate removal (prostatectomy)	915	1,160	26.8%
Kidney removal (nephrectomy)	180	255	41.7%
Womb removal (hysterectomy)	100	145	45.0%
Bladder removal (cystectomy)	40	45	12.5%

SOURCE PHIN

users of private healthcare, and it is important that their needs are met. The private sector has an opportunity to ensure that this happens by offering the services patients may be unable to access elsewhere, including for endometriosis. It will also be important to note the impact of the new relugolix-estradiol-norethisterone pill[5] which has just been approved for use on the NHS. Will this new daily pill have a similar impact to weight-loss drugs which have transformed treatment for that issue?

Finally, we expect to see a further rapid increase in the use of new technologies, especially robot assisted surgery, given its successful implementation so far. We will continue to monitor and report on its use, helping providers to evaluate and evidence the business case for procuring and using such services.

Notes

All data described above taken from PHIN's private dataset describe day case and inpatient activity. This excludes activity outside of PHIN's mandate from the Competition and Markets Authority, such as outpatient diagnostics and mental health.

There is a time lag between collecting, validating and processing the data we receive from hospitals before we can publish it. This can be up to six months after treatment has been completed, to ensure a fair process and accurate data.

Activity numbers have been rounded to the nearest five, with percentage based on the unrounded figures.

NOTES

1 CPI 2024, Statista.com

2 https://www.bbc.co.uk/news/articles/c23v-42jdle7o

3 NHS Ayrshire & Arran, Daily Record, March 2025, Ross Hall Hospital, Circle Health Group, The Herald, September 2024

4 https://www.phin.org.uk/news/record-use-of-robot-assisted-surgery-technology

5 https://www.theguardian.com/society/2025/mar/13/first-of-a-kind-daily-pill-for-endometriosis-treatment-approved-for-nhs-in-england#:~:text=The%20%E2%80%9Cfirst%2Dof%2Da,while%20providing%20necessary%20hormone%20replacement

Independent Healthcare Providers Network

Taking the **temperature** of the independent health sector

Despite a challenging economic environment and tight funding envelope IHPN's latest Industry Barometer suggests leaders are increasingly positive about the outlook for the sector

Independent healthcare has arguably never been more prominent – whether that's around the sector's support for the NHS in tackling the record backlogs of care, or the growing normalisation of 'going private' with record numbers of people paying for treatment. The sector's involvement in the healthcare system is something seemingly everyone has an opinion on, but how do independent providers themselves feel about their current role and how this will evolve in the coming years?

IHPN has sought to answer this very question with our fifth and latest 'Industry Barometer' – kindly supported by Practicus – which provides a snapshot of how senior leaders across the independent healthcare sector feel about all their key markets and the issues affecting their business.

This year, over 50 of our members who deliver a range of services from acute, diagnostic, primary and community to cancer care and insourcing, responded to our survey – providing a rich set of data and insights about both the private and NHS market and prospects for the future.

What does it tell us?

Firstly, while it's undoubtedly a difficult operating environment – whether that's the financial constraints in the NHS or rising costs of doing business (particularly with incoming ENIC rises) – our members remain optimistic around all their key markets. This can particularly be seen with regards the private market and notably around PMI.

Overall, three quarters (74%) of respondents feel positive or very positive around the PMI market, perhaps unsurprisingly given recent data showing record numbers of people now hold an insurance policy (the majority through their employer). Indeed, when asked where members see the greatest opportunities in the private pay market over the next five years, there has been a significant increase in the numbers citing PMI at 53%, up from just 28% the previous year.

Looking at the self-pay market, almost two thirds (62%) of respondents feel positive or very positive about this area – a small drop from last year, though this is still the area where the greatest opportunities for growth are seen in the private pay market (also at 62%), with demand particularly strong in diagnostics and primary care.

In terms of the market for international self-pay, respondents this year are feeling much more confident, with a significant jump from just 10% feeling very positive or positive last year to over half (53%) this year. This is an area IHPN has been prioritising in the last year, particularly through our Healthcare London network which has been working closely with our partners in government and embassies across the world to promote the capital as a destination for international patients.

Looking at the NHS market, it's a slightly more nuanced picture and demonstrates the challenges the health service is currently facing. When asked about where members expect to see the greatest growth over the next 12 months across all their business areas (NHS and private), NHS funded services was by far the most common area cited by 54% of members, compared to PMI services at 22%.

This demonstrates a real desire in the sector to support the NHS in tackling the still record backlogs of care it faces across hospital, community and primary care, backed up by the NHS and Independent Sector Partnership Agreement published earlier this year to support closer working between the two sectors and improve care for NHS patients.

However, there's no doubt that members also recognise the huge challenges facing the health service, with more than half (56%) citing commissioner pressure to achieve savings as being the main driver of NHS commissioner behaviour over the next few years, second to which is the need to tackle NHS backlogs. This tight financial climate will no doubt have an impact on independent providers and

is the likely cause of member positivity around the NHS market softening from 54% last year to just 40% this year. There's obviously much change in the NHS landscape at the moment, but IHPN has strong relations with those at the top who are leading the Department of Health and Social Care/NHS England merge and will continue to ensure that the sector is able to play its full part in the NHS recovery.

Looking at some of the broader issues facing independent providers, one that has climbed up the healthcare agenda in the last year is undoubtedly the ongoing reviews of the CQC and the regulatory landscape more generally - cited by almost two thirds (65%) of providers as a key challenge. With 94% of our members rated good or outstanding by the CQC, and our recent Quality and Safety report showing record levels of safe, high-quality care delivered by independent providers, our members take this issue very seriously. IHPN is therefore prioritising working with the new CQC leadership, as well as Dr Penny Dash as part of her ongoing reviews on the safety landscape, to ensure that the sector is fully factored

> WHAT REALLY COMES ACROSS IN THE SURVEY IS THE CLEAR DESIRE FOR THE SECTOR TO MEET THE NEEDS OF GROWING NUMBERS OF BOTH NHS AND PRIVATE PATIENTS

into any new regulatory regime and can continue to demonstrate the high-quality patient care they deliver.

Of course, no conversation about healthcare can ignore the still significant workforce challenges that remain across all providers, both public and private. Recruitment and retention of staff continues to be cited as the top concern for members, with 70% viewing this as an issue. What really comes across this year though is the proactive work members are undertaking in this area, with 83% (up from 63% last year) stating they will be resolving these challenges through 'growing their own' workforce, including through apprenticeships, training and development and widening participation.

These are just a snapshot of the findings from this year's Industry Barometer and you can read the full results here. Taking a step back, there are of course many things the independent sector can't control – particularly the state of public finances and wider economic climate – but what really comes across in the survey is the clear desire for the sector to meet the needs of growing numbers of both NHS and private patients, including through taking proactive steps to 'grow their own' workforce and increase training and development opportunities for their clinicians, something that will put them in a good position in the years ahead.

Alex Fairweather, specialist consultant in healthcare technology and founder of HealthTech & AI Partners, explores why leadership training is vital for AI adoption

AI training for private healthcare leadership

'The illiterate of the 21st century will not be those who cannot read and write, but those who cannot learn, unlearn, and relearn,' Jamie Notter.

This sentiment is pertinent to AI in healthcare: the technology's potential is great, but even transformative solutions have no value without leaders to knowledgably champion and integrate them. In private healthcare, leadership training in AI is critical to bridge the gap between technology's promise and practice.

Why leadership training is critical for AI adoption

Successful technology integration begins with informed leadership. Healthcare executives need a solid understanding of their possibilities and limitations. Studies indicate that organisations should implement comprehensive leadership development – including targeted AI training and cross-functional collaboration – to equip leaders with the skills needed for AI integration (Sriharan et al, 2024).

When top leaders are knowledgeable, they can identify high-impact use cases, steer investments wisely and importantly ask the right questions. Furthermore, trained leaders are better prepared to manage the changes that AI brings, aligning new tools with clinical workflows and strategic goals. In short, leadership training builds the vision and confidence required to drive initiatives forward.

Barriers leaders face in AI adoption

AI adoption is a multifaceted challenge spanning technical, regulatory, strategic, operational and human aspects.

Key barriers include:

- **Regulatory and legal uncertainty:** Ambiguity in regulations and unclear liability for AI-supported decisions create hesitation. Leaders may delay adoption if guidelines are not clearly defined. Current differences in regulation and ideology between different nations and jurisdictions may fuel this delayed decision making.

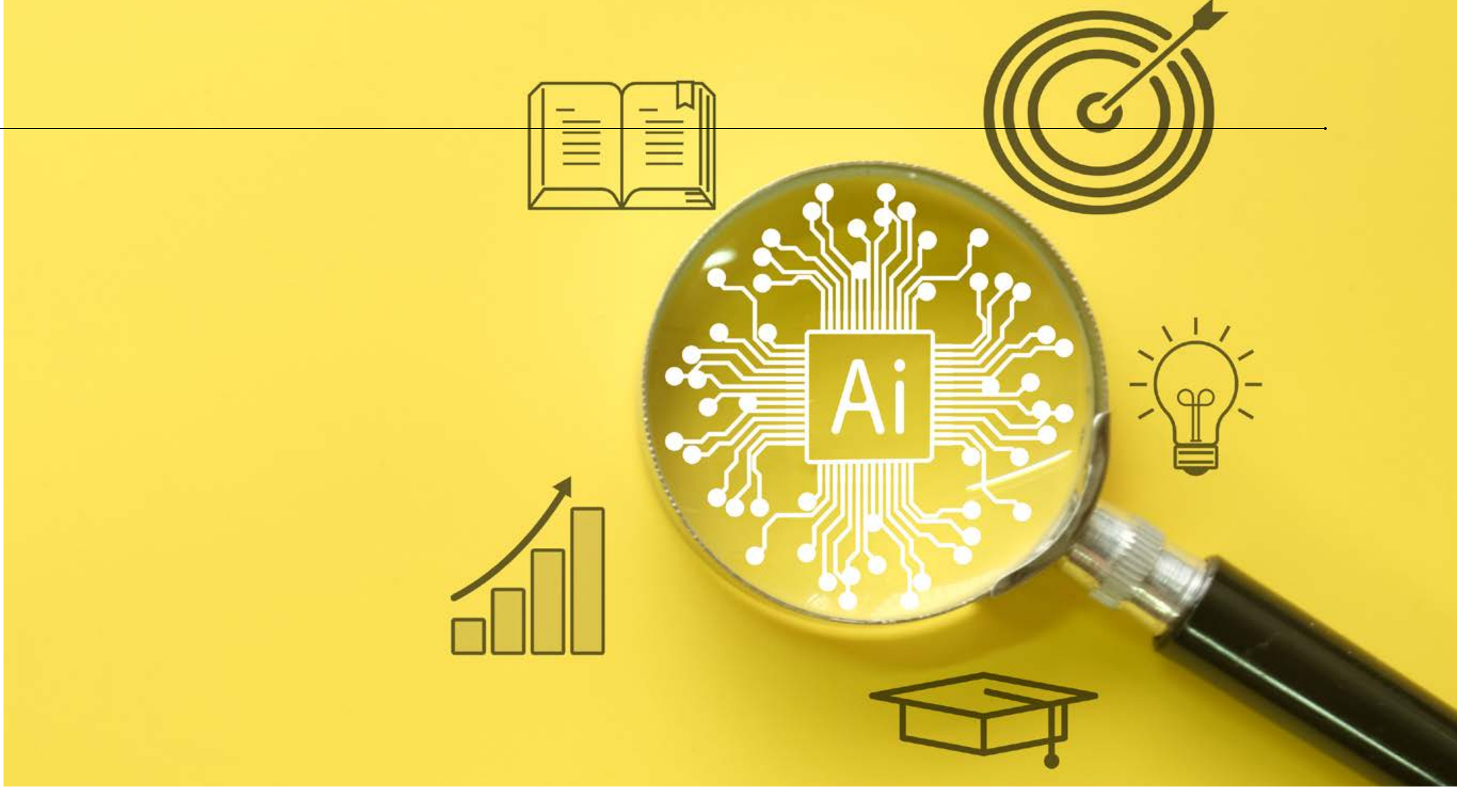
- **Limited AI literacy and skills:** Many healthcare organisations lack in-house AI expertise. If executives and staff are unfamiliar with AI concepts, they will struggle to evaluate solutions or trust their outputs. This skills gap may create reliance on vendors or a need to hire external experts.

- **Cultural resistance to change:** As previously written in this series, a risk-averse culture can slow innovation. Fears that AI will disrupt leaders' roles, impact public image or trust are real concerns. Without leaders obtaining knowledge surrounding these concerns and demonstrating AI's benefits, even promising projects can stall, or worse, never be explored.

- **Data and technology gaps:** Siloed systems and outdated IT infrastructure make it difficult to implement AI at scale, since quality data and digitalised workflows are prerequisites for effective AI.

FOR PRIVATE HEALTHCARE EXECUTIVES, EMBRACING AI IS NO LONGER OPTIONAL; IT'S ESSENTIAL FOR STAYING COMPETITIVE AND IMPROVING PATIENT CARE

These barriers underscore the need



for proactive leadership. Trained leaders can mitigate these issues by advocating for clear policies, investing in skill-building and targeted recruitment, fostering an innovative mindset, and modernising infrastructure.

Building AI capabilities: a structured approach

Despite the hurdles, healthcare leaders can guide their organisations through a step-by-step approach to build AI capabilities:

1. **Set a vision & align with strategy:** Define how AI will support the organisation's mission. This starts with educating the leadership team on AI basics and industry use cases. Armed with that understanding, leaders can pinpoint priority areas where AI aligns with strategic goals of the organisation. A well-articulated strategy keeps efforts focused on real needs instead of hype.

2. **Start small with pilot projects:** Initiate small pilot projects to test AI solutions. Form cross-functional teams (e.g. clinical, IT & operations) to tackle a specific problem. Starting small allows experimentation and learning; early successes build momentum, while setbacks provide lessons at low risk. Pilot wins can then be scaled for broader integration.

3. **Develop talent and culture:** Invest in people through training, upskilling & recruitment. Provide hands-on AI learning opportunities for staff and cultivate internal expertise. Most important is fostering a culture of innovation. Encourage curiosity and make it clear that AI is meant to augment human performance, not replace them – the human/AI ensemble. An open, learning-oriented culture helps employees embrace new tools rather than resist them (James, 2025).

4. **Scale up with strong governance:** When an AI solution shows value, plan for scaling it. Establish governance to oversee AI integration, addressing data standards and ethics. Oversight ensures that as AI use grows, it remains aligned with safety, quality, the organisation's strategy and values.

Leaders should monitor outcomes and adjust strategy as technologies and regulations evolve.

Strategy, culture, and continuous training

A structured approach should be formed of three key pillars: strategy, culture, and ongoing training. A coherent strategy aligns AI projects with organisational objectives, resources and capabilities, preventing scattershot experimentation.

An innovative, supportive culture encourages innovation and trust, making teams more willing to adopt new technologies. Continuous training ensures that leaders and staff maintain the skills to leverage AI effectively. Strengthening these pillars creates an environment where AI can fulfill its promise (HealthManagement, 2024).

Conclusion

AI has the potential to be transformative in healthcare, but realising its potential depends on effective knowledge, training and leadership. For private healthcare executives, embracing AI is no longer optional; it's essential for staying competitive and improving patient care. By investing in their own AI literacy and cultivating the necessary strategy, culture, and skills, leaders can turn AI into a valuable asset. Those who lead on AI integration will likely position their organisations for better outcomes, while complacent organisations risk being left behind if they cannot adopt AI and other emerging technologies.

REFERENCES

Sriharan A, Sekercioglu N, Mitchell C, Senkaiahliyan S, Hertelendy A, Porter T, Banaszak-Holl J. February 2024. *Leadership for AI Transformation in Health Care Organization: Scoping Review.* J Med Internet Res 2024;26:e54556. URL: https://www.jmir.org/2024/1/e54556

James, T. February 2025. *Health Care Leaders' Role in Ensuring Success with AI Adoption.* Harvard Medical School, Healthcare Industry Insights. URL: https://corporatelearning.hms.harvard.edu/blog/health-care-leaders-role-ensuring-success-ai-adoption#:~:text=To%20ensure%20the%20successful%20adoption,%E2%80%9D

HealthManagement, 2024. *Leadership Challenges In Healthcare's AI Revolution. NEJM Catalyst: Innovations in Care Delivery.* URL: https://healthmanagement.org/c/hospital/News/leadership-challenges-in-healthcares-ai-revolution#:~:text=Perhaps%20most%20critically%2C%20leaders%20must,projects%20with%20limited%20practical%20value

LaingBuisson INTELLIGENCE + INSIGHT

Major providers of UK mental health[1] April 2025

Operator	Sector	MH hospitals	MH beds	Year end	Revenues £m	EBITDAR[2] £m	EBITDAR margin %
Priory Group	P	52	2,223	2023	768	116	15.1%
Cygnet	P	63	2,035	2023	611	85	14.0%
Elysium Healthcare	P	39	1,453	2023	630	27	4.3%
St Andrew's Healthcare	V	3	511	2024	218	14	6.3%
Active Care Group	P	8	262	2023	188	18.4	9.8%
Royal Hospital for Neuro-disability	V	1	237	2023	53	4	7.8%
Barchester[3]	P	6	171	2023	871	259	29.7%
Inmind Healthcare Group	P	5	157	2022	27	6	21.9%
St. Matthews Limited	P	3	155	2023	34	1	3.5%
Riverside Healthcare Ltd	P	1	107	2023	20	3	15.5%
Alternative Futures Group Ltd	V	6	104	2024	72	6	8.5%
Livewell Southwest	V	3	81	2024	166	10	6.0%
Bramley Health	P	1	76	2023	17	7	40.0%
Nightingale Hospital London	P	1	73	2023	24	3	12.9%
Brainkind	V	2	65	2023	67	15	21.7%
Ellern Mede	P	3	51	–	–	–	0.0%
Mental Health Care (UK) Ltd	P	3	46	2024	42	7	16.9%
Rushcliffe Care Group	P	2	46	2023	57	12	21.2%
CareTech	P	2	39	2023	575	61	10.7%
Options for Care	P	2	34	–	–	–	0.0%
Equilibrium Healthcare	P	1	33	2023	8	-2	-24.5%
Schoen Clinic (Mental Health)	P	1	28	2023	10	-1.8	-18.1%
NAViGO Health & Social Care CIC	V	1	27	2024	62	1	1.6%
Shaw Healthcare	P	1	21	2024	139	16	11.8%
Optima Care Group	P	1	14	2023	5	–	0.0%
Making Space	V	1	10	2024	34	–	1.1%

NOTES P PRIVATE **V** VOLUNTARY **1** NUMBER OF REGISTERED MENTAL HEALTH HOSPITALS OWNED/LEASED BY INDEPENDENT OPERATORS, RANKED BY BEDS **2** EBITDAR(M) PRE-EXCEPTIONAL EARNINGS BEFORE INTEREST, TAX, DEPRECIATION, AMORTISATION, RENT (AND CENTRAL COSTS) **3** REVENUE ALSO INCLUDES CARE HOMES

SOURCE LAINGBUISSON DATA

DATA CORRECT AS OF 27 MARCH 2025

INFOCUS

MEETING PATIENT NEEDS

As the sector gears up for LaingBuisson's Annual Private Healthcare Summit in May, we hear from key speakers. Bupa Health Services UK general manager Sarah Melia talks about expanding services to meet shifting patient expectations while Hill Dickinson's Emma Galland looks at some of the latest developments in patient safety. Plus, we explore whether M&A activity will eventually take off in 2025 and the ongoing crisis in CAMHS.

HM meets... Sarah Melia

Bupa Health Services UK has expanded rapidly in recent years as demand for private primary care continues to spiral. General manager Sarah Melia talks to HM about shifting patient expectations, the role of digital healthcare, and Bupa's strategy for delivering more personalised and streamlined pathways

Demand for private primary care services has surged over the last five years. The increase is often attributed largely, if not entirely, to the growing difficulties patients face in accessing timely NHS services. However, according to Sarah Melia, general manager at Bupa Health Services UK, this explanation only captures part of the story.

'I believe there has been a fundamental shift. People now expect quick access to primary care, and as more employers seek to support their staff with healthcare, it's becoming the norm,' she tells HM. At the same time, she adds, people are becoming more interested in their health and wellbeing, and want services that are more convenient and streamlined, but also personalised to their needs.

Expanding with demand

Melia was managing director of Bupa Health Clinics for three years before taking on the role of general manager for the health services division, which includes the Cromwell Hospital and Bupa's digital healthcare offering, in 2021. Since then, the business has expanded rapidly. Following its acquisition of Smart Clinics in 2023, activity ramped up in 2024 when it bought Blackberry Clinics' 22-strong portfolio, London Medical and The Dermatology Partnership (TDP). It now operates 84 clinics and has expanded its digital offering with new subscription services for both corporate and individual customers.

Expansion has been driven by customer need, both in terms of location and specialty, and, according to Melia, aligns with Bupa's strategy of providing more services directly to customers.

She is keen to emphasise that offering choice for customers and collaborating with partners remains fundamental to Bupa's proposition. However, it is increasingly leveraging its expertise across insurance, dental, primary, and secondary care to provide a more streamlined experience for customers.

> PEOPLE ARE GENERALLY BECOMING MORE HEALTH CONSCIOUS AND MORE PROACTIVE

'It's really about differentiating our product. If you're a Bupa customer and you have Bupa insurance, we can create some really accessible pathways for you, and we can make sure you get to see the right person when you need it,' she tells HM. 'We're not going to try and deliver all of the care – we've got a great network of partners – but we feel there's room for us to do more than we have done over the past ten years.'

Digital access

And the business has been developing its customer proposition at pace. It provides its digital services in-house and has delivered more than 800,000 appointments since it launched in 2020 in what Melia describes as a step-change in how people access primary care. Last year, it launched a new subscription service, priced as low as £15 a month for a digital-only option and rising with add-ons such as face-to-face appointments and access to mental health and physiotherapy services.

Demand for digital healthcare accelerated in the wake of the pandemic but the uptick is also now being driven by younger customers who are adept at organising other aspects of their lives online. However, says Melia, the desire for speed and convenience spans across the age range.

'People are generally becoming more health conscious and more proactive,' she says. 'When they have a health issue, they want the time to speak to a health professional quickly so they can get back on with their lives.'

'But people also want the convenience of having an appointment from home early in the morning or late at night or on their lunch break. And I think they are less concerned about seeing a particular, named individual than they used to be. I don't know if that's attitudes changing post-pandemic but they also realise that GPs and hospitals are busy and that they can get faster access through the services offered by employers.'

Despite an increase in self-pay, roughly 70% of Bupa's clinic business is funded by corporate customers. Results from Bupa's latest Wellbeing Index found that a third of employees now expect their employer to support them with their health and wellbeing.

'There's definitely been a swing where people have an expectation from their

HM meets...
Sarah Melia

General manager – health services, Bupa UK

Career
General manager – health services, Bupa UK (2021–)
Managing director, Bupa Health Clinics (2018–2021)
Regional managing director, Bupa Care Services (2013–2018)
Regional manager north, Bupa Care Services (2011–2013)
Organisational development and learning partner, Bupa Care Services (2013)

Education
Aston Business School, MBA (2001–2003)

linkedin.com/in/sarahmelia/

employer to provide some level of health care for them and their family. And GP access is one of those services that most large employers now offer. It's great for the individual, but it's also great for the employer, and we're able to demonstrate that we're helping people get back to work more quickly,' says Melia.

Personalised pathways

However, it's not just speed and convenience that are driving demand. Patient expectations are also shifting to more personalised and preventative medicine and Bupa is responding by bringing genetics into services, such as its health assessments.

It is currently running a pilot scheme, My Genomic Health, which uses whole genome sequencing to test for risk of around 60 'actionable diseases', including ten cancers.

'This means we are only looking at things that people can actively change, by making lifestyle or treatment choices,' says Melia. 'For some people, there may not be anything they can proactively manage, but others may need to take action now, such as increase screening, and they will come away with a personalised health plan and recommendations.'

A second pilot involving polygenic risk scoring is about to commence. Rather than targeting the whole genome, this will focus on specific disease risk – perhaps due to concerns because of family history of certain conditions such as breast or prostate cancer, type 2 diabetes or cardiovascular disease.

As part of the pilots, Bupa is also testing pharmacogenomics, which uses genomic sequencing to understand how an individual might react to certain medications, allowing for a more personalised approach to prescribing.

'For example, an individual might be considering starting a weight loss drug and want to know if it's right for them. We can give really good advice about that, but if you look at genomics as well, that takes it to another level,' Melia explains.

Eventually, she says, this depth of knowledge will provide a much more personalised experience for customers, helping to ensure they get the right medication at the right dose to provide the best clinical outcome, as well as reduce unnecessary drug costs.

In the meantime, the business is attempting to meet demand for a more personalised approach from patients by extending speciality clinics such as those focused on women's health, men's health and weight management.

HEALTHCARE IS COMPLEX, AND I THINK ALL PROVIDERS HAVE TO WORK ON THE BASIS THAT THEY ARE CONTINUOUSLY IMPROVING THE CUSTOMER JOURNEY

Acquisitions and collaborations

Recent acquisitions have, in part, been driven by the need to improve access for particular specialties.

'Dermatology is a good example. It's really hard to find a dermatologist in the UK. Some of our customers were waiting for a long time to see a consultant, so we thought buying TDP would improve that access for our customers. It's only a recent acquisition but we expect access to come down to around ten days, as opposed to 40,' Melia tells HM. 'But more than that we can also work with our consultants operating at TDP to give more specialist training to our GPs.'

Out of that partnership has come the recent introduction of an at-home skin check in collaboration with Skin Analytics, which offers an app-based mole check service and if needed onward referral to a dermatologist.

'By having more expertise in our team, we can build these products that are really relevant for our customers,' says Melia. 'Again, the acquisition of London Medical was a great opportunity as we needed more diagnostic and outpatient facilities in the Harley Street area. But it also has strong expertise in diabetes so we can work with more experts to bring experience to the rest of our team around supporting people with obesity and diabetes prevention.'

The same logic applies to collaboration across the UK business. Regulation clearly restricts the customer information that can be shared between Bupa's insurance and healthcare provision businesses, but it does have business-wide customer listening hubs to gather and analyse patient feedback, and the shared goal is to connect services in a way that improves the patient journey.

For example, says Melia, a customer visiting one of its dental centres could be referred on to a head and neck cancer specialist at the Cromwell Hospital if the dentist spots anything of concern. Similarly, a virtual GP consultation could lead to a referral to one of Bupa's clinics for a face-to-face assessment and diagnostics clinic and then on to a hospital if needed.

'Healthcare is complex, and I think all providers have to work on the basis that they are continuously improving the customer journey,' says Melia. 'Pathways are really important, and we've got some great examples in our cancer and gynaecology pathways, where people are accessing the right specialists quickly and having a smooth journey without weeks of anxiety while waiting for results. Bupa is a trusted brand, so it's about convenience, choice and taking the pain out of the journey.'

Looking ahead, Melia says that in the medium term, Bupa is focused on continuing to build out its capabilities in early diagnosis and personalised health as well as expanding its range of specialty clinics to 'offer more tailored, specific products to meet customer needs'.

'There will definitely be more M&A in the pipeline,' she adds. 'We will continue to look for the right opportunities to support our existing customer base and grow new ones.'

Sarah Melia will be speaking at LaingBuisson's Annual Private Healthcare Summit in London on 15 May.

A shift in the coroner's approach to PFD reports is placing greater pressure on organisations to respond – or risk public scrutiny. With the chief coroner's 'Badge of Dishonour' warning, failing to act on these reports could have lasting consequences as Hill Dickinson's **Emma Galland** explains

Learning lessons in healthcare

the evolution of prevention of future death (PFD) reports and consequent implications

Contrary to sensationalist reports in the national media, it is widely recognised by those working in the health and social care sector that such organisations strive to improve and to learn lessons from mistakes. One of the functions of the coroner (sometimes referred to as the secondary function, the primary being to establish who, when, where and how the person died) is to ensure that when mistakes are made, those lessons are learned and action taken to avoid the same mistakes being made in the future. Even when mistakes are not made, it is important that organisations continue to learn.

The evolution of Prevention of Future Death Reports (previously Rule 43 reports) is an interesting one. The toothless reports of yesteryear, which could only be written if the issue being considered was causative to the death being considered in the inquest with no implication for a lack of response, are long gone. The recently appointed chief coroner for England and Wales, HHJ Alexia Durran, spoke last year of a new era of PFD reports – specifically the responses to those reports.

Those organisations who do not respond to a PFD report – either by way of a substantive response or seeking an extension to provide the substantive response – within the 56 days set out in law are being named and shamed on an annual list. And, according to the chief coroner, being identified on this list should be considered a 'Badge of Dishonour'.

What next?

As it stands, when issuing a PFD report, the coroner is still only permitted to raise concerns. How (and if) those concerns are acted upon is entirely a matter for the agency in receipt of the report, beyond there being a statutory requirement for an investigation and response in 56 days. There is no provision for the coroner to enter into a dialogue about ongoing changes and no provision, if the coroner is dissatisfied with the outcome of any investigations into the concerns raised, for them to ask that the matter be revisited. The response should be published alongside the PFD report but there the story ends.

However, there are other ways in which a PFD report can be used to highlight concerns. Most, if not all, coroners will send PFD reports to the CQC – repeated issues are likely to result in an increased focus at the next inspection or, subject to the gravity of those concerns, may result in an inspection taking place.

Commissioners

If the coroner is concerned about the provider of a service and/or specific issues, there would be nothing to prevent them sending a PFD report to the commissioner of that service. Such a report may, for example, highlight the concerns surrounding a particular service and the onus will be on the commissioner to investigate the concerns raised – effectively forcing the commissioner to undertake an investigation into a service and provide a response.

Procurement

More and more frequently we are seeing procurement exercises which include a requirement for confirmation that the organisation has not received a PFD report. Despite the clear steer from the chief coroner (and her predecessor) that PFD reports should not be seen as being punitive and should be welcomed as an opportunity to learn further.

It is not a big leap to see a situation in which procurement exercises include a request for confirmation that a tendering organisation has not been given the 'Badge of Dishonour'.

Reputation

Historically, while organisations worked hard to avoid a PFD report, there were few repercussions attached to the report being issued and any subsequent response. The annual report changes this. Failing to respond will be widely known and reported on. The 'naming and shaming' of organisations will inevitably have consequences reputationally which are likely to filter to commissioners and investors.

Conclusion

The coroner's powers insofar as inquests are largely limited to ascertaining who the deceased was, where and when they died and how they died within the narrow scope of an inquest. This secondary function, and the emphasis being placed on it by the chief coroner should be welcomed not as a stick to beat organisations with, but as a means to ensure that there is a genuine desire to learn – the inquest process does not stop at its conclusion.

This new approach requires clarity from organisations as to where PFD reports should be sent – it would be unfortunate if an organisation was named on the list in circumstances where the PFD report had not been responded to because it had not been sent to the correct person within an organisation. If the coroner does indicate that a PFD report is to be sent, it is worth ensuring that the coroner has the correct address of the person to send it to and that there are appropriate internal systems in place to ensure that all reports are sent to the correct department as a matter of urgency.

Emma Galland is speaking about patient safety at LaingBuisson's Private Healthcare Summit on 15 May 2025.

Children’s mental health services are under more pressure than ever, with demand rising at the same time as service provision is falling. Drawing on data from its latest annual bed analysis of services, Candesic’s **Dr Michelle Tempest** and **Dr Iham Kasem** explore the challenges and examine how policymakers, providers, and investors can help address the mounting crisis in the next generation’s mental health

Out of kilter kids

addressing the CAMHS demand and supply crisis

The prevalence of mental health issues among children and adolescents in England continues to rise. NHS England has published a series of follow-up reports to the 2017 Mental Health of Children and Young People survey. The latest findings, published in 2023, indicate that a staggering 20% of 8 to 16-year-olds have a probable mental disorder. Figure One illustrates that this has risen significantly since earlier survey findings, which report 13% and 18% in 2017 and 2021, respectively. Overall, this translates to an estimated 1.27 million 8 to 16-year-olds with a mental disorder in 2023.

THE NEED FOR EARLY INTERVENTION IS NOW CLEARER THAN EVER BEFORE

Contributing factors to rising prevalence include the continued effects of the Covid-19 pandemic, rising levels of cyberbullying and academic pressures. The excessive use of social media has also been shown to be linked to symptoms of depression in children, with John Hopkins Medicine reporting associated lack of healthy activities, poor sleep and increased social isolation as young people spend less time interacting with family and friends in person. In addition, the cost-of-living crisis has left many families struggling, with 22% of those with a probable mental disorder in 2023 citing a reduction in household income in the past year and 20% stating that their household could not afford to keep their home warm enough. In contrast, only 13% and 8%, respectively, of those unlikely to have a mental disorder cited those same household circumstances.

The need for early intervention is now clearer than ever before, yet CAMHS services are still struggling.

The status of care provision

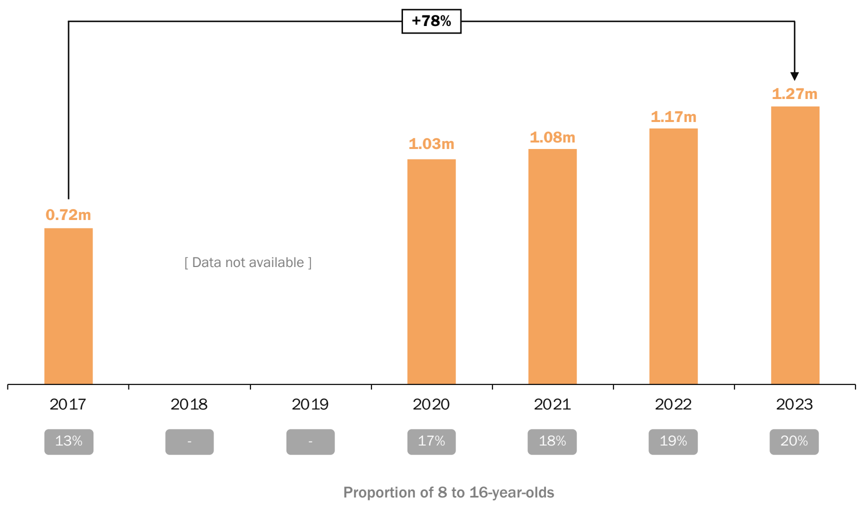
CAMHS services in England are structured into four tiers. Tier 1 involves GPs, health visitors and school nurses, while Tier 2 services are offered by a range of agencies and specialist mental health professionals which cater for children at risk of developing mental health problems. Tier 3 involves child and adolescent psychiatrists and a more extensive multi-disciplinary teams, often accessed via a referral and care being delivered in the community setting. Tier 4 represents the most specialised inpatient services for young people exhibiting severe and complex mental health conditions. These services encompass general adolescent units, eat disorder units, as well as secure forensic units among others.

The 2022/23 children's mental health services report published by the Children's Commissioner in March 2024 states that 'demand for children's mental health services continues to outstrip the availability of support'. Among other staggering findings, nearly 950,000 children and young people had active referrals for CAMHS services in 2022/23. Those who began treatment within that year waited an average of 108 days (mean). In addition, the report indicates that 39% of patients had their referrals closed before accessing services.

Although the number of people in contact with children and young people's mental health services has more than doubled to nearly 470,000 over the last six years (see Figure Two), it is clear that services are not meeting the growing needs of young people.

FIGURE ONE
ESTIMATED POPULATION OF 8 TO 16-YEAR-OLDS WITH A PROBABLE MENTAL DISORDER IN ENGLAND, 2017–23

NUMBER OF CHILDREN



SOURCE NHS ENGLAND; ONS; CANDESIC RESEARCH AND ANALYSIS

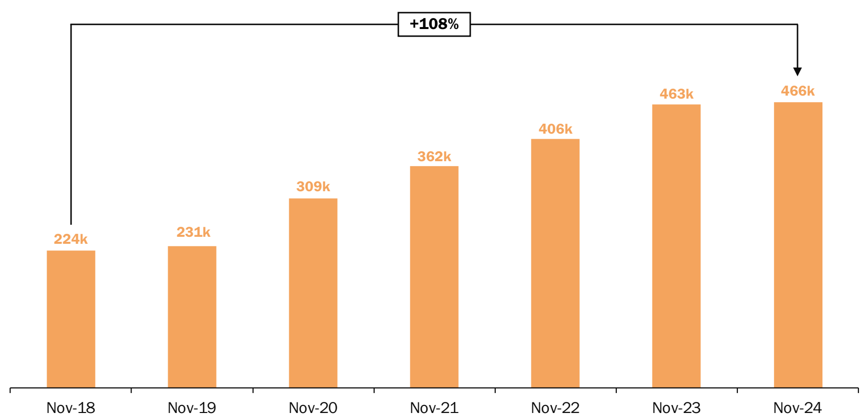
CAMHS inpatient services

A fundamental component of the CAMHS system is the availability of inpatient beds to serve those most in need. Candesic has conducted an extensive mapping of the availability of Tier 4 inpatient beds in England. The results indicate that provision has fallen by 16% from 2021 to 2025. Figure Three demonstrates that NHS provision appears to have remained flat, while independently provided beds have reduced by 36%. Furthermore, we have seen a 30% reduction in CAMHS Tier 4 beds days over this period (see Figure Four). All this at a time when the mental health needs of young people have risen.

A national surveillance study led by researchers at the University of Nottingham and published by BMJ Mental Health in 2023 discovered that over one-fifth of young people waited more than ten days to be admitted to an adolescent mental health unit, and a further c.18% waited for seven to ten days. Surprisingly, given the clinical urgency and need, just 9% waited less than one day. While waiting for an appropriate CAMHS bed, most patients waited in general hospital settings including paediatric wards, adult medical

FIGURE TWO
PEOPLE IN CONTACT WITH CHILDREN AND YOUNG PEOPLE'S MENTAL HEALTH SERVICES IN ENGLAND, 2018–24

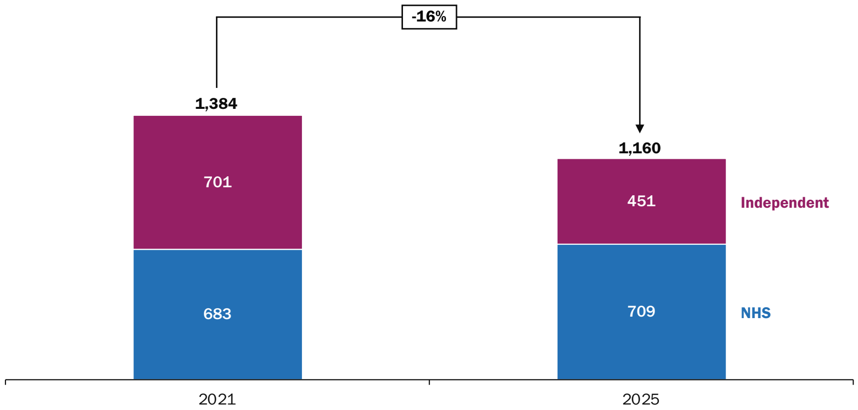
NUMBER OF CHILDREN



SOURCE NHS ENGLAND; CANDESIC RESEARCH AND ANALYSIS

FIGURE THREE
CAMHS INPATIENT BEDS IN ENGLAND, 2021 AND 2025

NUMBER OF BEDS



SOURCE CQC; NHS; COMPANY WEBSITES; CANDESIC RESEARCH AND ANALYSIS

wards or the emergency department. These settings are largely unsuitable for those requiring inpatient psychiatric care, with a separate 2024 report by the Health Services Safety Investigations Body highlighting the risks associated with placing children with mental health needs on general paediatric wards.

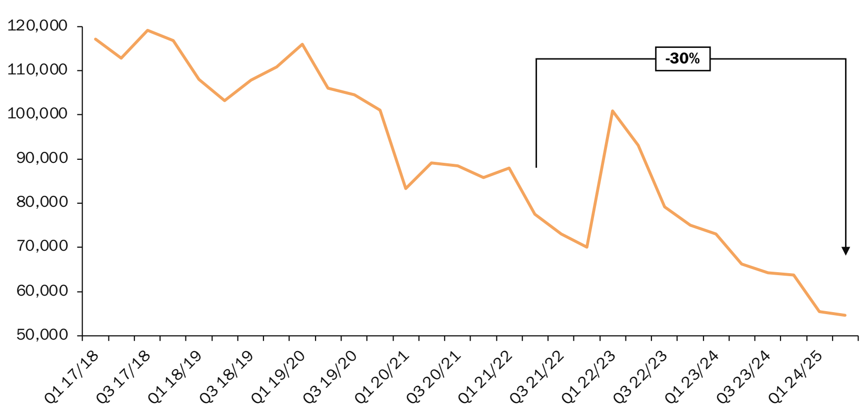
The lack of adequate CAMHS inpatient beds is consequently resulting in patients being placed far away from their homes. The University of Nottingham surveillance study found that of young people admitted at-distance to a mental health unit (greater than 50 miles from home or out of region), c.40% were being placed over 100 miles away.

Additionally, the study found that distance from home contributed to delayed discharge in more than a third of such cases, further affecting delivery of appropriate care and placing additional strain on available capacity.

Overall, existing CAMHS Tier 4 inpatient provision is inadequate to meet demand. Our survey of the clinical community within both NHS and independent operators revealed many opportunities for improvements, while the key challenge was how to recruit and retain safe staffing levels for high acuity specialist services.

FIGURE FOUR
CAMHS TIER 4 WARDS BED DAYS FOR PATIENTS UNDER THE AGE OF 18 IN ENGLAND, 2017/18–23/24

TOTAL NUMBER OF BED DAYS



SOURCE ROYAL COLLEGE OF PSYCHIATRISTS; NHS ENGLAND; CANDESIC RESEARCH AND ANALYSIS

Considering the long-term impact

It is important to highlight the under-provision of behavioural health support for children, as consequences are likely to materialise later in adult life. The *Student Mental Health in England* research briefing released by the UK Parliament in September 2024 reports that the proportion of home university students disclosing a mental health condition to their university increased from below 1% in 2010/11 to 5.7% in 2021/22. This is likely correlated with the growing unmet need in mental health care provisions for young people.

Poor mental health has widespread impacts on the national workforce. The Office for National Statistics reports 185.6 million working days lost to sickness or injury in 2022, with mental health accounting for 7.9% of absences. Additionally, the effects of mental health disorders are likely to have a long-term impact on the individual's future employment and income prospects.

Recent analysis published by the Centre for Mental Health estimates that the impact of childhood mental health problems leads to £1 trillion in lost earnings across the generation. Overall, the consequences of inadequate mental health services in early life are likely to have long-lasting and significant impacts down the line. It is evident that more must be done to address the shortage of care.

Staffing challenges: A major barrier

As with most of the healthcare sector, workforce shortages are among the most pressing issues in CAMHS, particularly tier 4 services which require the highest level of specialist input. Analysis from the Royal College of Psychiatrists 2023 workforce consensus found that CAMHS has faced the highest consultant vacancy rate of any psychiatry specialism, with one in five consultant posts remaining vacant. When the analysis considered posts being covered by locums, the total vacancy rate was found to be more than 36%. Additionally, Health Education

England reported the CAMHS nursing vacancy rate to be 18% in 2022 compared to 14% in 2021. With the highly specialised nature of healthcare professionals in the sector, recruitment and retention continue to be a problem for CAMHS.

In conclusion

Lord Darzi's report on the state of the NHS mentioned mental health 129 times – more than any other key terms such as GPs, cancer and public health. It is evident that mental health must be a central priority for the NHS and the government, yet we have seen little progress towards achieving this goal.

According to Dr Quazi Haque, chief medical officer at Elysium Healthcare, a provider of Tier 4 Specialist services: 'While transformation of mental health support in the community is welcome, this shouldn't detract from the need to have readily accessible in-patient care. We recognize how challenges in the system mean young people are left behind, with many not being referred for treatment until their needs are highly acute or at crisis point.'

WITH THE HIGHLY SPECIALISED NATURE OF HEALTHCARE PROFESSIONALS IN THE SECTOR, RECRUITMENT AND RETENTION CONTINUE TO BE A PROBLEM

Candesic has identified key steps to address the under-served need. First, continued investment in additional inpatient beds is necessary to address persistent shortages, including building modern facilities that meet the highest standards of care. Second, the workforce needs to be better supported to improve recruitment and retention, such as the Royal College of Psychiatrists' campaign to encourage more doctors to enter the speciality. Third, we see an increasing role for technology, enabling earlier intervention to better support young people before they require higher levels of specialist care.

Finally, we advocate for everyone reading this article to solve for success as supporting the next generation is both the right thing to do and economically imperative.

After a sluggish 2024, hopes are high for a rebound in M&A activity as falling interest rates encourage investors to deploy capital into innovative, resilient healthcare businesses. Goodwin Procter's **Sophie McGrath**, **Arvin Abraham**, **Anne Stroude**, and **Mike Grainger** assess the outlook and highlight key trends

Healthcare M&A and financing in 2025

A market poised for takeoff?

While the healthcare financing market showed early signs of recovery in 2024, M&A activity remained sluggish for much of the year, only picking up modestly in the second half. As 2025 progresses, declining interest rates, an evolving US political landscape, and the return of big banks to deal lending are setting the stage for a significant rebound. Several countervailing factors also influence this landscape, including persistent geopolitical risks that could derail deal activity and have so far in 2025 muted an expected resurgence of deals. Nevertheless, the sector remains cautiously optimistic, with investors seeking opportunities in resilient healthcare subsectors that balance innovation with financial sustainability.

Much of the M&A activity in 2024 was led by corporates and strategic buyers, while private equity investors were constrained by high interest rates and tighter financing conditions. However, with historical levels of dry powder waiting to be deployed, private equity is expected to regain momentum in 2025. Although healthcare transactions lagged behind other industries in 2024, early indicators suggest an uptick in activity especially in AI-driven healthcare, precision medicine, and digital health.

Last year saw a shift toward fewer but larger, high-impact investments, as firms focused on late-stage opportunities with strong clinical validation and scalable technologies. This trend is likely to persist, though unexpected scientific breakthroughs, such as advances in AI-driven drug discovery or obesity treatments, could revive interest in earlier-stage ventures.

Private equity's positioning in healthcare M&A

Private equity investors faced a challenging 2024, constrained by high interest rates, tighter credit markets, and valuation mismatches that extended average hold periods. However, despite geopolitical headwinds with interest rates declining and financing conditions improving, 2025 is expected to see a wave of sponsor-to-sponsor transactions, carve-outs, and roll-ups as firms seek liquidity. Large healthcare companies are also offloading non-core assets, creating attractive buyout opportunities for PE firms focused on operational efficiencies and strategic consolidation.

Investment priorities are shifting toward scalable, recession-resistant healthcare sectors. Outpatient and ambulatory care services continue to see strong demand as cost pressures push procedures outside hospitals. Mental and behavioural health remains a key focus, benefiting from increased awareness, policy support, and growing private sector involvement. Pharma services and contract research organisations (CROs) are also gaining traction, as biopharma companies increase outsourcing to improve efficiency. In specialist physician practices, PE interest is concentrated in high-margin fields such as dermatology, cardiology, and fertility, where consolidation and operational streamlining remain compelling.

Regulatory scrutiny remains a key factor shaping deal strategies. The UK's Digital Markets, Competition and Consumers Act 2024 introduces stricter market concentration rules, affecting consolidation-driven M&A. In the EU, heightened antitrust oversight continues to influence large healthcare transactions, particularly in the pharmaceutical and hospital sectors. Meanwhile, in the US, the FTC and DOJ are intensifying scrutiny on PE-led roll-ups and serial acquisitions, questioning whether these deals reduce competition and increase healthcare costs. As corporate acquirers face increased regulatory pushback, PE firms may emerge as preferred buyers, leveraging creative deal structuring to navigate competition concerns.

IN ADDITION TO TRADITIONAL VENTURE CAPITAL, GOVERNMENT AND INSTITUTIONAL FUNDING IS PLAYING AN INCREASINGLY IMPORTANT ROLE IN HEALTHCARE INNOVATION

Despite these challenges, private equity remains a major force in healthcare M&A. Firms that focus on high-growth, defensible sectors and proactively manage regulatory complexities will find compelling opportunities to deploy capital in 2025.

Venture financing in healthcare: a new wave of innovation

After a cautious 2024, venture investors are expected to deploy capital more aggressively in 2025, with a strong focus on biotech, digital health, AI-driven diagnostics, and precision medicine. Investors are increasingly prioritising scalable, capital-efficient business models with clear paths to commercialisation and lower burn rates, ensuring that startups can sustain growth without excessive reliance on future fundraising.

AI continues to revolutionise healthcare, driving substantial venture interest in AI-powered diagnostics, drug discovery, and personalised medicine. This sector has attracted significant attention as AI advances accelerate clinical decision-making, reduce R&D costs, and enhance patient outcomes. However, early-stage healthcare companies are facing greater scrutiny, particularly regarding clinical validation and regulatory hurdles, leading to a shift in funding toward later-stage ventures. Series B and later-stage companies are seeing stronger investor interest, as they offer more proven business models and de-risked clinical pipelines.

In addition to traditional venture capital, government and institutional funding is playing an increasingly important role in healthcare innovation. Public-private partnerships, along with non-dilutive financing options such as NIH grants in the US and UK government incentives, are providing alternative capital sources to support research-intensive healthcare startups. These initiatives are expected to complement private sector investment, further accelerating growth in high-impact healthcare technologies.

With venture capital firms regaining confidence, 2025 is likely to see a resurgence in funding rounds, particularly for scalable and clinically validated healthcare ventures. This renewed investment momentum will support broader M&A and private equity activity, fueling long-term innovation and sector growth.

Hot sectors for healthcare investment in 2025

The recovery in healthcare M&A will not be uniform across all subsectors. While some areas are poised for accelerated deal-making, others may remain in a holding pattern due to regulatory complexities or slower-than-expected market stabilisation. AI-driven drug discovery and precision medicine continue to attract significant investor interest, as artificial intelligence is increasingly being used to expedite drug development and precision therapies. Despite ongoing regulatory uncertainty, the potential for AI to revolutionise clinical research, treatment personalisation, and drug discovery pipelines makes it one of the most compelling areas for investment.

The digital health and healthcare IT sectors are also seeing a surge in private equity and venture capital activity. AI-driven efficiencies are reducing operational costs, streamlining patient care, and enhancing healthcare delivery, making this space particularly attractive for investors looking at technology-enabled cost-saving solutions. Meanwhile, biopharma remains a dominant force in healthcare M&A, having been 2024's most active subsector. This momentum is expected to continue, particularly among mid-market PE firms that specialise in pharmaceutical services, contract research organisations

(CROs), and specialty drug development.

Another critical area of investment is aging population and long-term care, as increasing longevity is driving demand for specialised clinical services, home healthcare, and chronic disease management solutions. Healthcare investors are particularly focused on scalable, high-quality care models that can address the growing needs of aging populations across Europe and North America.

Medtech and healthtech innovations are also drawing investor attention, particularly in areas such as robotic-assisted surgery, next-generation medical imaging, and AI-powered diagnostics. The convergence of software, AI, and medical devices is creating new opportunities for growth, with connected health solutions and remote monitoring technologies gaining widespread adoption. Investors are increasingly favouring companies with strong clinical validation, regulatory approval pathways, and scalable business models.

Mid-market healthcare investments are expected to outperform, as smaller, more agile PE firms continue to demonstrate strong execution and deal flow. Mid-market fundraising has increased 40% year-over-year, signaling continued expansion in specialist physician practices, pharma services, and targeted healthcare roll-ups. These smaller-scale transactions offer lower regulatory barriers and greater flexibility, making them particularly appealing in a market where large-scale consolidation faces increasing scrutiny.

As 2025 unfolds, healthcare investors will focus on scalable, technology-driven sectors that balance regulatory compliance, financial sustainability, and long-term market resilience.

What lies ahead in 2025?

As we move into 2025, healthcare investors face a dynamic and evolving landscape. Declining interest rates, high levels of dry powder, and increasing sector consolidation provide a strong foundation for a rebound in healthcare M&A and financing activity. However, regulatory uncertainties, macroeconomic risks, and shifting investment priorities will require flexibility, strategic foresight, and a focus on resilient sub-sectors.

For investors, the key to success in 2025 will be balancing near-term opportunities and uncertainties with long-term structural shifts leveraging data-driven insights, staying ahead of regulatory changes, and deploying capital into scalable, high-impact healthcare businesses that can weather market cycles and drive sustained growth. While the anticipated rebound has yet to hit in full force, we remain confident of a buoyant healthcare deal market in the year ahead.

Current regulations shape the use of AI in healthcare and more are on the horizon. **Gayle Curry**, partner at Mills & Reeve, discusses what they mean for healthtech companies

How can healthtech companies get ahead of **AI regulation?**

AI is being deployed in health and care and is set to play an increasingly important role in the move from analogue to digital. Companies that can get ahead of regulations will have a competitive advantage.

We see AI being used to improve efficiency in hospitals and bed/place management and also in the diagnosis and treatment of disease like cancer and heart disease, in some cases more effectively than clinicians.[1] The government recently announced a trial to use AI tools in routine screenings to catch breast cancer early.[2] The 'C the Signs'[3] tool can be used alongside GP appointments and uses AI to predict any cancers that the patient is at risk of developing and recommends referrals. AI tools can also analyse data to predict outcomes and improve care quality. For example, the NHS is rolling out an AI tool[4] which predicts patient's risks of falls and monitors potential virus symptoms, then flags healthcare staff who can intervene to reduce hospitalisations.

How AI regulations are expected to apply

As exciting new AI tools are emerging, regulations are being developed with different jurisdictions taking different approaches.

The UK government is taking an enabling pro-innovation stance, having published its AI Opportunities Action Plan earlier this year.[5] The government has so far prioritised a sector-specific approach, which will be implemented by existing regulatory bodies and through existing laws.

In contrast, the EU AI Act which came into force last year aims to prevent potential risks associated with AI from materialising. It classifies AI according to risk level, with medical devices (which can include AI software) classed as high-risk. Most provisions will be implemented from 1 August 2026. It is likely that many healthcare uses of AI will be classified as 'high-risk'. Even if AI tools are classified as 'low risk', there are transparency obligations to consider.

The EU AI Act sets out a series of obligations for high-risk AI systems.[6] High-risk AI systems must be consistently accurate and robust, and resilient to cybersecurity risks. Developers must put in place risk management systems with regular reviews and updates and ensure regular testing. AI systems will need technical documentation demonstrating compliance. There are requirements for data governance and management practices. AI systems must be trained on data which meets quality standards, to prevent biases in data. There are also requirements for AI systems allowing automatic data logging. Beyond automated processes, high-risk AI systems need to be overseen by humans and appropriate oversight measures need to be implemented.

AI regulations have been welcomed as a necessary framework for responsible use of AI which prioritises patient safety and builds public trust.[7] Increasing clarity on regulation helps healthtech companies to plan ahead.[8] However, some have expressed concern over the risk that regulation will slow innovation. For example, MedTech Europe voiced concerns that the EU Act's human oversight requirements could have a negative impact on the benefit-risk ratio of medical devices.

It will be challenging for healthtech companies to understand how different regulations work together and apply to their products. Input from specialist advisors will likely be needed, which will create a higher barrier to entry for startups.

Navigating AI regulations

Early planning is critical for healthtech companies looking to continue to develop and launch innovative AI products. The first step is to consider whether technologies will fall within scope of legislation and, in the EU, whether they are high-risk. Companies can then focus on identifying their compliance strategy. Healthtech companies can start developing their internal governance systems and ensuring that data used for training is reliable and compliant. They can also make any changes to their quality management and prepare and deliver training to their employees.

NOTES

1 https://www.imperial.ac.uk/news/249573/new-ai-tool-detects-13-more/

2 World-leading AI trial to tackle breast cancer launched – GOV.UK

3 An AI support tool to help healthcare professionals in primary care to identify patients at risk of cancer earlier - Cancer digital playbook – NHS Transformation Directorate

4 NHS England » Nationwide roll out of artificial intelligence tool that predicts falls and viruses

5 https://www.gov.uk/government/publications/ai-opportunities-action-plan

6 See EU AI Act, Chapter III: High-Risk AI Systems, Section 2 Requirements for high-risk AI systems Regulation – EU – 2024/1689 – EN - EUR-Lex

7 https://www.digitalhealth.net/2023/06/value-of-regulation-continues-to-rise-as-ai-and-health-technology-booms/

8 Regulation in healthcare: will AI law impact innovation?, Zühlke

LaingBuisson INTELLIGENCE • INSIGHT

Major UK acute hospitals providers[1]
April 2025

Operator	Hospitals	Beds	Operating theatres	Year End	Revenue £m
Circle Health[2]	48	2,135	151	2023	1,130
Spire Healthcare	38	1,590	141	2024	1,511
Nuffield Health[3]	38	1,462	125	2023	1,357
Ramsay Health Care UK[4]	32	836	91	2024	718e
HCA Healthcare UK	9	769	50	2023	1,200e
Practice Plus Group	10	239	37	2024	599
Cleveland Clinic London	1	184	8	2023	148
Trustees of the London Clinic	1	175	10	2023	185
Medical Services International Ltd	1	129	5	2023	146.9
Imperial Private Healthcare	5	107	29	–	–
KIMS Hospital Ltd	1	99	6	2023	43
Ulster Independent Clinic Ltd	1	70	5	2023	37
Horder Healthcare	2	61	6	2023	40
Kingsbridge Healthcare Group	2	57	5	2024	137
King Edward VII's Hospital	1	56	4	2023	43
Phoenix Hospital Group	4	55	12	2022	20
Guy's & St Thomas' Private Healthcare	4	55	25	–	–
The Royal Marsden NHS FT (Private Care)	6	54	23	–	–
Frimley Health NHS FT	2	53	20	–	–
Royal Free London NHS FT	2	52	3	–	–
The Transform Hospital Group	2	44	6	2021	48
Fortius Clinic	2	44	6	2022	27
Great Ormond Street Hospital for Children NHS FT	1	43	12	–	–
The Healthcare Management Trust	2	40	5	2023	51
Hospital of St John & St Elizabeth	1	40	6	2022	74
St Joseph's Independent Hospital Ltd	1	35	3	2023	24
One Healthcare[5]	2	38	6	2022	25
Spencer Private Hospitals Ltd	3	34	16	2024	21
Benenden Hospital Trust	1	32	3	2023	49
Fairfield Independent Hospital	1	32	3	2022	14
Chelsea & Westminster Hospital NHS FT	1	30	20	–	–
Maidstone & Tunbridge Wells NHS Trust	1	26	10	–	–
University Hospitals Sussex NHS FT	2	25	19	–	–
University College London Hospitals NHS FT	2	21	6	–	–
Royal National Orthopaedic Hospital NHS Trust	1	21	10	–	–
New Victoria Hospital	1	19	3	2024	32
Papworth Hospital NHS FT	1	16	5	2023	287
Oxford University Hospitals Private Healthcare	2	16	4	–	–
Robert Jones & Agnes Hunt Orthopaedic Hospital NHS FT	1	16	9	–	–
Brighton & Sussex University Hospitals NHS Trust	2	14	7	–	–
King's College Hospital NHS FT	1	14	27	–	–
Moorfields Eye Hospital NHS FT	1	12	3	2023	296

NOTES 1 MAJOR ACUTE/SURGICAL HOSPITAL OPERATORS RANKED BY BED NUMBER MAJOR ACUTE/SURGICAL HOSPITALS ARE DEFINED AS THOSE HAVING AT LEAST ONE OPERATING THEATRE EQUIPPED TO CARRY OUT SURGERY UNDER FULL ANAESTHESIA (DAYCASE AND OVERNIGHT) **2** REVENUES STATED NET OF CONSULTANTS' FEES **3** COMBINED REVENUE FOR HOSPITAL AND WELLNESS BUSINESSES **4** £ ESTIMATE FOR ACUTE HOSPITAL BUSINESS ONLY – AUS$1.4BN ACTUAL **5** FIGURES SELF-REPORTED BY ONE HEALTHCARE **e** ESTIMATE

SOURCE LAINGBUISSON DATABASE **DATA CORRECT AS OF 27 MARCH 2025**

INBUSINESS

75% OF THOSE IN YOUNGER AGE GROUPS THINK THEIR EMPLOYER IS PRIMARILY RESPONSIBLE FOR HEALTH, AS OPPOSED TO THE NHS SO THAT'S A SOCIETAL CHANGE

Justin Ash,
CEO, Spire Healthcare
p38

Spire announces further growth for primary care business as group revenue jumps 6.2%

Spire Healthcare has said it plans to grow EBITDA from its fledgling primary care business to £40m in the mid-term as it builds on its acquisitions of Vita Health Group (VHG) and the London Doctors Clinic to capture more of the patient journey and develop a 'pivotal role' in employee health.

The news came as the group announced a 6.2% jump in revenue in FY24 to £1,511.2m on the back of strong growth in both insured and NHS patient activity.

Primary care remains a relatively small part of Spire's business, but revenue jumped by 15% to £121m, largely due to its 2023 acquisition of VHG. Primary care EBITDA was up from £0.2m to £10.3m as a result of the acquisition and new contract wins, with a very strong expansion in EBITDA margin of 340 bps to 8.5%.

CEO Justin Ash said the business planned to almost quadruple EBITDA by opening more physio clinics, winning new occupational and mental health contracts, and making 'small tactical occupational health acquisitions' to increase its geographical coverage.

Alongside the hospital business, Ash said primary care expansion was creating a healthcare ecosystem that no other providers could replicate.

'Nobody else has got the mental health capability, the physio capability, the hospital capability and occupational health capability,' he told HM.

Spire is building a system which Ash said would provide a superior patient journey that enables people to get back to work at a time when NHS services remain under pressure.

'That's not to say that the NHS can't work and isn't doing a good job,' he said. 'But if you have an employee with a back problem, it's going to be a while before the NHS pathway can provide the speed of recovery that we now can, and that we intend to scale up.'

Spire is fully leaning into the continued growth in corporate funded healthcare and PMI across the business.

Its 38-strong hospital business reported Adjusted EBITDA of £249.7m (2023: £233.8m) on revenues of £1,390.2m – up 4.7% on the prior year. Reflecting wider sector trends, self-pay dipped by 3% to £332.9m. However, Ash said continued strong growth in PMI, which increased by 7.6% to £662.4m, reflected a broader trend of individuals switching to insurance for longer term protection and employers looking to take on greater responsibility for their workforce.

'[Investors] should feel positive about that because insurance is the long-term private market,' said Ash. 'Employers don't switch it off quickly so what it actually does is grow the private market in the long-term.'

The dip in self-pay was also mitigated by higher-than-expected increases in NHS revenues of 7.7% to £367.4m. Ash said this had largely been driven by eRS but that the Concordat signed between the sector and the NHS in January had the potential to drive further growth.

Spire has joined others in raising concerns about the planned 2% increase in the National Tariff, which Ash said doesn't cover inflation given increases in National Insurance and the National Minimum Wage.

'The government has already signalled it wants to work with us, and we have said we're happy to partner with them. What we have said publicly is that we can only do things which are sustainable economically,' he added.

Spire expects its hospital business to grow by at least 5% a year for the foreseeable future, and Ash said it continues to be interested in acquiring 'infill' hospitals to build its network 'if they become available in the right place at the right price'.

The group expects both NHS and PMI demand to continue driving momentum across both parts of the business and said it would be able to absorb the impact of National Minimum Wage and National Insurance increases by 2027 by continuing to focus on sustainable efficiency.

Justin Ash, CEO, Spire Healthcare

Adjusted group EBITDA increased by 9% to £260m reflecting a higher acuity mix alongside cost saving benefits which mitigated impacts from payor mix changes. Operating profit came in at £137.5m with pre-tax profit of £38.3m (2023: £34.6m).

Spire is guiding adjusted EBITDA for 2025 in the region of £270m to £285m, but in the long-term Ash says the increasing role of employers in healthcare will be a key driver of growth and something Spire plans to continue leaning into through its occupational health business.

'75% of those in younger age groups think their employer is primarily responsible for health, as opposed to the NHS so that's a societal change,' he said.

Looking ahead, he added that private healthcare continues to offer strong opportunities.

'It's a market where quality is paramount, let's not forget that, and a lot of our efficiencies actually improve patient service, through speed of response, billing, hospital safety through digitisation and so on. It's not an easy market, but it is a great market.'

'[Private healthcare] is a market where quality is paramount, let's not forget that, and a lot of our efficiencies actually improve patient service, through speed of response, billing, hospital safety through digitisation and so on.'

PureHealth tightens grip on Circle Health amid boardroom exodus

Circle Health Group owner PureHealth has tightened its grip on the UK business, driving sweeping boardroom changes that have seen the abrupt departures of long-time CEO Paolo Pieri, CFO Henry Davies, and general counsel Shane Cobb.

Pieri, who had led the UK hospital group since 2016, is understood to be on gardening leave after a sudden exit from the business in March. His departure follows close on the heels of the surprise dismissal of Davies and Cobb in February. Davies had been with the business for almost ten years and served as group CFO of BMI Healthcare prior to its acquisition by Circle in 2020. Cobb had been Circle's general counsel since 2008.

Chief operating officer and former BMI Healthcare CEO Karen Prins has been appointed interim CEO. Jawad Khan has been appointed as CFO.

There have been rumours of growing tension between Circle's management and shareholder management in recent months, following PureHealth's acquisition of the business last year.

Circle has continued to demonstrate strong financial performance, booking a 15.9% increase in EBITDA to £191.6m on revenue of £1.2bn in FY23. However, sources told HM that while PureHealth had initially allowed UK management to operate with a greater degree of autonomy it had become increasingly hands-on in recent months.

One source told HM that cultural differences in management approach had led to friction between the Abu Dhabi and UK teams and that further board exits could follow in the wake of the 'destabilising atmosphere' created by the departure of 'well-respected, long-serving' directors.

Majority-owned by Abu Dhabi sovereign wealth fund ADQ, PureHealth is the UAE's largest healthcare provider and includes Abu Dhabi Health Services Company (SEHA) and the Nation Health Insurance Co (Daman), alongside lab network PureLab, group procurement organisation Rafed and Abu Dhabi Stem Cells Centre.

Its c.£960m acquisition of Circle, which completed in January 2024, was part of a global expansion programme and marked its first wholesale overseas acquisition. It had previously taken a minority stake in US-based healthcare provider Ardent Health Services, which listed on the New York Stock Exchange in July 2024.

Since then, it has continued to extend its global reach, acquiring a majority stake in Hellenic Healthcare Group, the largest private healthcare provider in Greece and Cyprus, earlier this year.

Transformational acquisitions and organic growth helped drive a 58% year-on-year increase in revenue to AED 25.8bn (c.£5.4bn) in FY-2024. The company also reported a 69% leap in EBITDA to AED 4.1bn (c.£860m) on the back of 'strong top-line growth, improved operational efficiencies, and the successful integration of newly acquired assets'.

However, despite what appear to be strong fundamentals, its performance on the Abu Dhabi Securities Exchange has been lacklustre since its December 2023 IPO. Although its share price rallied following the proposal of its first ever dividend in February, it remains well below the highs reached in the immediate aftermath of its stock market debut, when it surged 76% above its list price of AED 3.26 per share.

A spokesperson for Circle Health Group said: 'Circle Health Group is under new ownership. Standard practice as part of any change of ownership is to realise some synergies and re-focus the business through changes to the board.'

They said that both Prins and Khan bring extensive experience to the board and their new roles.

'We remain focused on providing our patients across the country with an outstanding quality of care,' added the company.

Revenue up at Ramsay's acute hospitals but challenges at Elysium hit UK earnings

Continued momentum in NHS volumes and operational efficiency delivered strong performance for Ramsay Health Care UK in H1, but results for the overall UK business were hit by ongoing occupancy challenges at mental health business Elysium.

Admissions across Ramsay's portfolio of UK acute hospitals were up 4.4% in the six months ending 31 December 2024, resulting in an 8.4% jump in revenue to A$747m (c.£371m) at constant currency rates.

A 7.2% increase in NHS admissions alongside October's tariff uplift were the main drivers of growth. A small rise in insured admissions was partially offset by a decline in self-pay patients but outpatient admissions were up 5.1% and private patient volumes represented more than a quarter of all admissions.

Ramsay said margins had benefited from planned strategic actions, increased volumes and higher acuity activity.

The business continued to invest in its digital capabilities, with investment in digital and data opex reaching £6.2m compared to £4.2m in the prior period. Ramsay said that against the backdrop of inflationary pressure, it continues to focus on operational efficiencies, particularly recruitment, staff management and theatre utilisation.

EBITDA increased by 14.9% to A$126m (c£63m) and after depreciation and amortisation, EBIT leaped by 39.3% to A$73.4m (c.£36.5m) with margins up from 8.3% to 9.9%.

However, **as trailed by Ramsay in March**, overall UK segment performance was impacted by ongoing challenges at Elysium.

The mental health business, which Ramsay acquired for £775m in 2021, booked a 10.4% rise in revenue to A$528.4m (c.£263m) driven by a 1.3% increase in paid beds and an 8.9% rise in average daily fees. But occupancy levels were down from 90.4% to 87.3% as new facilities took longer than anticipated to ramp up.

EBITDA was down 16% to A$36.8m (c.£18m) but after depreciation and an impairment of A$305m (£151m) reflecting ongoing underperformance against the original business plan, total EBIT plummeted from A$75.7m (c£38m) to a loss of A$216.7m (c.£108m).

The overall result was an EBIT loss of £106.1m for the UK segment on total revenue of £633.3m (2023: £598.1m). However, stripping out non-recurring items, underlying EBIT increased by 19.1% to £50.7m

Ramsay Health Care CEO and managing director Natalie Davis said the business had taken swift action to turn Elysium's performance around. It has paused capital expenditure on new facilities and Ramsay Health Care UK CEO Nick Costa has taken over from Joy Chamberlain as interim CEO.

'We are building our capabilities to improve performance, accelerate transformation and improve capital returns across the portfolio.'

Natalie Davis, CEO and managing director, Ramsay Health Care

Since Davis took over from Craig McNally in October, Ramsay has increasingly set its sights on transforming its market-leading business in Australia. This raises questions over the longer-term future of Elysium, which along with Ramsay Santé, has provided low returns on capital with limited realisation of global synergies.

It has now appointed Goldman Sachs to advise on its 52.8% shareholding in Ramsay Santé and has engaged consultants to undertake a 'rapid strategic and performance review' at Elysium.

Looking ahead, Ramsay said its UK acute business remained well positioned to support waiting list reduction as well as grow its private patient business.

It will continue to focus on growing volumes in more complex specialties, alongside 'selective investment' in development sites.

'Pleasingly, we saw activity and revenue growth in all our regions in the first half of FY25, with solid performance in Australian hospitals and continuing performance momentum in our UK hospitals. However, profitability continues to be impacted by industrywide challenges and weak results in Elysium and Ramsay Santé,' said Davis.

'Having recently announced a new Group operating structure and strategic focus on the transformation of our core Australian hospitals business, we are building our capabilities to improve performance, accelerate transformation and improve capital returns across the portfolio. There is clear alignment between the Board and leadership, and a commitment to do what is necessary to position Ramsay for success.'

Assura 'minded to recommend' new KKR offer in emerging bidding war

Assura has said it would be 'minded to recommend' the latest bid for the business from private equity firm Kohlberg Kravis Roberts & Co (KKR) to shareholders if a firm offer is made.

KKR has teamed up with Stonepeak Partners (UK) to make a 49.9p per share possible cash offer for the specialist healthcare REIT valuing it at £1.6bn.

This is KKR's fifth offer for the business and represents a 30.6% premium to the volume weighted average share price of 37.8p over the three months to 13 February 2025.

Assura said KKR and Stonepeak are long-term infrastructure investors and that the Consortium views its 'leading platform and portfolio' as key social infrastructure assets for the UK, indicating it will deploy further capital in the portfolio to support its growth.

'The Board has decided to engage in discussions with the Consortium in relation to [the] terms and to allow the Consortium to complete a limited period of confirmatory due diligence,' said Assura.

Following an extension in mid-March, the Consortium has until 11 April to make a firm offer for the business.

Assura also disclosed that it had received an indicative, non-binding proposal from competitor Primary Health Properties (PHP) for a potential all-share merger. The proposal, structured as an offer by PHP for Assura, is based on an exchange ratio linked to each company's most recently reported NTA per share, with an implied value of 43p per Assura share.

However, the Board has rejected the proposal on the basis that the Consortium offer is more attractive and 'provides shareholders with the opportunity to receive cash consideration at a significantly higher value per share than the proposal from PHP and with materially less risk'.

PHP has until 5pm on 7 April to make an offer.

PHP said its Board believes there is 'considerable merit' in working with Assura to see if 'an offer can be made on terms attractive to both sets of shareholders'.

The company said an all-share combination would deliver significant value for both sets of shareholders creating a significantly enlarged portfolio, reducing the cost of capital and realising value from synergies. In addition, it said the move would create a strong platform for growth while strengthening the combined group's balance sheet and materially increasing its liquidity, and 'leveraging the strong experience and expertise of the combined management team'.

Assura achieves £200m disposal milestone

Assura plc has exchanged on the disposal of seven assets for a gross consideration of £64m.

This brings the number of disposals made by the company since the start of the financial year to 30 assets for gross proceeds of £200m at a weighted average net initial yield of 4.8%.

Net proceeds have been deployed in reducing the acquisition debt used to finance the company's £500m private hospital portfolio acquired in August 2024 at 5.9% yield on cost and marks further progress in its overall debt reduction plans reducing its proforma net LTV to 47%.

The assets have been sold into Assura's £250m joint venture, taking its gross assets to £172m. It retains a 20% equity interest in the joint venture, resulting in net proceeds of £51m.

It said the latest disposals would be immediately earnings enhancing and reinforce that the quality of its portfolio and resilience of underlying cash flows 'remain highly attractive to the investment market'.

Assura CEO Jonathan Murphy said: 'Reaching this £200m milestone in our disposal programme means we are on track to achieve our target of net debt to EBITDA below 9 times and LTV below 45% well ahead of the previously outlined timetable. This accelerated delivery and our ability to achieve sales is testament to our operational excellence and the quality and attractiveness of our property portfolio.

'The disposal programme was announced at the time of our transformational acquisition of high-quality private hospital assets in August 2024. The acquisition has positioned Assura as a leader in a structurally supported market, and has cemented our position as the UK's leading diversified healthcare REIT offering an attractive investment opportunity into favourable long-term trends.'

PHP announces ahead of consensus results as rental outlook improves

Primary Health Properties (PHP) has said the market has reached an inflexion point as a stronger rental growth outlook offsets the impact of further yield expansion.

The comments came as the specialist healthcare REIT announced above consensus results for the year ended 31 December 2024.

Net rental income was up 2.9% to £153.6m and adjusted earnings increased by 2.4% to £92.9m, driven by organic growth from rent reviews and asset management projects, together with increased profit generated by its Irish property management business Axis PHP.

Rent reviews contributed an additional £3.1m. Importantly, said PHP, open market rent reviews completed in the year contributed an additional £1.4m, representing a 6% increase over the previous passing rent, equivalent to 1.9% (2023: 1.8%) on an annualised basis.

IFRS profit after tax rose by 51.6% to £41.4m (2023: £27.3m), reflecting a more stable property valuation environment.

Alongside positive momentum in rental earnings and growth, Mark Davies, who took over from long-standing CEO Harry Hyman last year, said positive valuation growth in the second half had led to stability in the company's Adjusted NTA per share.

'Construction costs have risen significantly over the past decade, surpassing the growth in primary care rents, driven by material and labour costs and increasing sustainability requirements.'

Adjusted earnings per share increased by 2.9% to 7p – marginally ahead of analyst consensus. Total dividends of 6.9p per share were distributed during the year (2023: 6.7p) – an increase of 3%. The first quarterly dividend of 1.775p per share, paid on 21 February, is equivalent to 7.1p on an annualised basis and will represent the company's 29th consecutive year of dividend growth.

Investment activity remained subdued as the company prioritised financial discipline amid market volatility. PHP said it continued to assess opportunities for standing investments and asset management projects, with a particular focus on sustainability and improving energy efficiency.

It said it had chosen not to progress with several potential transactions that were not accretive to earnings and that Ireland continued to be its preferred area of investment with 'attractive returns and a lower cost of finance'.

Coinciding with publication of the results, PHP announced it had acquired a health & wellbeing clinic with urgent care and diagnostic facilities in Cork, Ireland, for a total consideration of €22m as it continues to grow its Irish portfolio.

The property is fully occupied and leased to Laya Healthcare, part of AXA. The FRI lease has an unexpired term of just over 12 years and benefits from fixed rental uplifts in 2027 and 2032.

'Now that valuations have stabilised and look set to improve as rental growth accelerates we are seeing more opportunities to acquire earnings accretive acquisitions and this was demonstrated by our acquisition in Ireland of the Laya Healthcare urgent care and diagnostic facility at a yield of 7.1%,' said Davies.

'I have been impressed by the hard work and dedication of my colleagues along with the depth of knowledge and our relationships in both the UK and Irish healthcare markets. This gives us great confidence about the future of our business and that we can continue to deliver strong financial results and sector leading performance, especially with the demographic tailwinds and political support for primary care in both countries.'

Looking ahead, Hyman, who has now taken over as chairman, said that while PHP stands ready to support the government's ambition of moving more care out of hospital and improving GP access, declining rents have made investing in the transformation of UK GP facilities less appealing.

'Construction costs have risen significantly over the past decade, surpassing the growth in primary care rents, driven by material and labour costs and increasing sustainability requirements, all of which have been compounded by Brexit, the Covid-19 pandemic and the volatile fiscal policy outlook,' he added. 'We look forward to the publication of the new *10-Year Health Plan* expected later in spring 2025 with further details on the government's proposals especially around community healthcare.'

Lloyds Clinical planning major expansion following rebrand

Lloyds Clinical is planning major expansion to meet rising demand for out of hospital care.

The private equity-backed business rebranded from LloydsPharmacy Clinical Homecare at the end of last year in a move designed to emphasise its specialist clinical capabilities, independence and experience.

CEO Paul Adams told HM: 'Lloyds Pharmacy is a household name and our role as Lloyds Clinical is in the provision of specialist medicines and clinical treatments outside of hospitals and patient communities.

According to Adams, the rebrand also reflects the company's broader vision to develop patient-centred services that play a key role in increasing capacity and reducing NHS waits.

'Our aim is to solve the problems that the healthcare system currently faces, one being the extensive and growing waiting times for chronic diseases, particularly for cancer,' said Adams. 'One of our main goals is, where we can, reduce or eliminate the time patients have to wait for their treatment.'

Lloyds Clinical provides a fully integrated service from the production of compounded medicines through to the delivery of complex clinical treatments in communities and in patients' homes in partnership with the NHS and independent sectors.

Adams said it planned to scale the business over the next three years via new community clinic openings, strengthening Lloyds Clinical's existing capabilities including thalassemia and developing into new therapy areas.

'The DNA of what we do is oncology and Home Parenteral Nutrition (HPN) therapies because it's in those areas that we compound right through to administering the drugs,' he told HM. 'Because we know how to get that right and do it well, it gives us the edge in rolling out services to other diseases as new therapies become available.'

Aurelius bought the business as part of its acquisition of LloydsPharmacy from McKesson in 2021. Since then, it has grown substantially. It described growth in the year to 31 March 2024 as 'exceptional'. Turnover increased from £1,279m to £1,310m on the back of a 3% rise in patient numbers, service expansion and growth in its nurse and compounded drug services. However, investment in digitalisation, along with improved efficiency and economies of scale, helped drive a £6m-plus jump in EBITDA to £9.5m.

Adams said that with the continued backing from Aurelius, the business was looking at M&A opportunities alongside organic growth, as well as continuing to invest in its digital capabilities.

The company uses platforms such as iQemo and Careology to support its services, but is also building its own digital solutions to enhance patient care.

'We've got to find innovative ways of doing things in a more effective way and so our design around digitalisation is not only for ourselves, it's around the people we interface with,' said Adams. 'Patients need simplicity and time. We're talking about things that are highly emotional for patients. Every minute for them seems like an hour and what we have to do is take away that time of anxiety and the pressure over how long it's going to take to get their treatment.'


Paul Adams, CEO, Lloyds Clinical

Demand for clinical homecare has continued to rise in the wake of the Covid-19 pandemic and the expansion of speciality drugs requiring complex administration presents further growth opportunities. Lloyds Clinical is anticipating continued growth as this, alongside the integration of digital technology, presents opportunities to improve patient care while reducing costs.

However, despite successive governments' committing to move more care out of hospital settings, Adams believes more could be done to accelerate change and make meaningful reductions in waiting times.

'My frustration is that this problem could be solved really quickly by utilising partnerships with companies like us that have the experience, the knowledge and the know-how to support patients collaboratively,' he told HM.

Lloyds Clinical is contributing to discussion on partnership with the NHS and in policy terms, Adams would like to see an NHS Plan that gives more recognition to clinical homecare and care outside of hospital as an integrated part of the health system. There needs, he says, to be a teamwork approach to partnerships between the NHS and independent sector providers.

'This is one of the most dynamic environments I've ever been involved in. I've been at Smith & Nephew involved in hips and knees and wound management, I've been in dentistry and nothing at all compares to both the contribution to healthcare and the opportunity for growth in this sector,' said Adams.

BGF backs OCL Vision's expansion plans

Private ophthalmology provider OCL Vision has secured a multi-million pound investment from growth capital investors BGF.

Exact figures have not been disclosed but OCL said it would use the funds to pursue its 'ambitious growth plans'.

Founded in 2018 by eye surgeons Ali Mearza, Allon Barsam, and Romesh Angunawela and later joined by Chien Wong, OCL Vision delivers almost 4,000 elective and clinical private procedures a year from its clinics in Marylebone and Kensington in London and Elstree in Hertfordshire.

It plans to use the new funding to open new clinics across the UK and hire more clinicians. It will also enhance its marketing and sales capabilities to promote its services to increasing numbers of patients at a time of rising demand.

OCL Vision has not published recent accounts but said it had recorded double-digit growth in patient numbers and revenue in 2024.

The company said long NHS waits and reduced ophthalmology capability in many private hospitals was helping drive demand. Its clinics have also seen a significant increase in patients seeking aesthetic treatment and OCL said it had increased its surgical staff numbers as a result.

It currently employs 70 members of staff, including 12 surgeons and offers a full spectrum of specialist ophthalmic procedures across two core segments: refractive procedures, including laser vision correction, and essential clinical procedures such as cataract, retinal, glaucoma and oculoplastic surgeries.

OCL Vision CEO Nicholas Rudge said there was a significant market opportunity to establish a leading premium ophthalmology brand across the UK.

'The support of BGF's value creation team and expertise in growing healthcare businesses will be key as we continue our growth journey. Strategic planning has been key to our success – establishing clinics in areas of high demand, hiring a team that are committing to treating patients with excellent care and investing in the latest technology that delivers the best results and most importantly a relentless focus on patient outcomes and clinical excellence,' he added.

'This is an exciting time for OCL Vision, and we are delighted to have received such a sizable investment that allows us to chase our ambitious plans. Expanding to other parts of the country, building our team, and continuing to invest back into the company through new technology and marketing strategies, are all on the horizon.'

Commenting on the deal, Alistair Brew, investor at BGF, said: 'OCL Vision is a great example of a fast-growing healthcare business that has demonstrated exceptional clinical outcomes and a strong commercial trajectory. With a reputation for excellence and an ambitious expansion strategy, the business is poised to capitalise on the increasing demand for high-quality ophthalmology services across the UK.

'At BGF, we are committed to backing innovative, high-potential businesses that are driving growth and setting new industry standards. Our investment in OCL Vision aligns with our track record of supporting dynamic businesses to scale their operations, strengthen their market position, and deliver long-term value. We look forward to working with the team as they continue to expand and build a premier ophthalmology platform.'

Mansfield Advisors acted as exclusive sell-side commercial due diligence advisor to OCL Vision. Arrowpoint Advisory were financial advisors to OCL.

Nicholas Rudge, CEO, OCL Vision

YFM Equity Partners backs Audiological Science MBO

YFM Equity Partners has backed the management buyout of London-based independent audiology provider Audiological Science with a £12.4m investment.

The company, which holds contracts for the provision of community-based audiology services at nine NHS integrated care boards (ICBs), will use the funding to accelerate its growth plan and expand into new UK regions.

YFM said hearing loss had become an increasing concern in the UK as access to NHS audiology services continue to face challenges and commissioners look to the private sector to support the delivery of low complexity cases. Alongside NHS contracts, the company also has a private patient offering and YFM added that services need to scale up in order to meet rising demand.

'The team of expert audiologists at [Audiological Science] have a deep understanding of how frustrating it can be getting access to hearing care. As a result, they have built a scalable model focussed on delivering care in community settings; settings which are more familiar and more convenient to its patients. Its audiologists are highly trained, delivering expert and empathic care efficiently, meaning more patients can be seen quickly,' said YFM.

Audiological Science, it added, is 'perfectly positioned to deliver the services needed to meet demand'.

YFM is backing incumbent managing director, Deep Patel, an experienced audiologist who was brought in to lead on the business's first NHS contract five years ago. He has been instrumental in

driving the business's growth, helping it secure 100% of the ICB tenders it has participated in to-date.

He will work alongside non-executive chairman Jon Lowe and CFO Phil Semke to boost the business's capacity to address growing market demand.

'For the team at YFM, [Audiological Science] presents an opportunity to back a company which is expanding quickly and has a clear growth plan in an evolving market,' said YFM. 'With a team of leading audiological experts available at a wide range of locations across the country, [it] has the agility required to respond to ever-increasing hearing care needs. With YFM's investment in place it can scale to meet this demand – establishing itself as the go-to provider of community-based hearing care in the UK.'

Candesic advised YFM on commercial due diligence. Eclipse Corporate Finance was M&A advisor.

Rising customer numbers help boost Bupa

Bupa has reported a 22% rise in revenue at its newly expanded Bupa Global, India, and UK division, reaching £5.2bn in FY 2024.

The growth was largely driven by the incorporation of Indian health insurance provider Niva Bupa into the division. Excluding this, revenue increased by 11%, supported by a sharp rise in customer numbers across all business segments.

In the UK, Bupa Insurance saw net customer growth of more than 485,000 across medical insurance, health trusts, dental insurance, subscriptions, and cash plans.

However, underlying profit across the division declined by 15% to £228m, impacted by fair value adjustments following the increased shareholding in Niva Bupa and the timing of the return of premium provision release in the previous year, which offset the tail-end of deferred Covid-19 claims.

Bupa described its UK Insurance segment as having delivered strong growth, with Bupa Insurance Limited's Combined Operating Ratio (COR) reported at 96%, compared to 95% in the prior year.

Bupa's acquisition of a controlling stake in Niva Bupa has been a key strategic move in India. The transaction, completed in January 2024, resulted in Bupa becoming the majority shareholder and led to Niva Bupa's financial results being fully consolidated into Bupa Global and UK. Niva Bupa generated £461m in revenue but recorded an underlying loss of £51m. However, Bupa said its successful IPO on the National Stock Exchange of India and the Bombay Stock Exchange would support future expansion and provide continued investment to drive business growth.

Bupa's UK Dental Care business returned to profitability as the company progressed with its turnaround strategy. Growth in customer numbers within Bupa's expanded clinic network, along with increased activity at Cromwell Hospital, also contributed to revenue growth and a return to profitability for the Health Services segment.

At a group level, Bupa reported a 16% increase in revenue at constant exchange rates to £16.9bn, while higher investment returns contributed to a 59% surge in underlying pre-tax profit to £914m.

Group CEO Iñaki Ereño said: 'We have made strong progress over the past year, growing our business to support more customers across health insurance, health provision and aged care. We have continued to focus on improving our customers' experience and have expanded our digital health solution, Blua, which is now available in all our major markets.'

Practice Plus Group reports further earnings growth

Practice Plus Group has booked another year of revenue growth with good performance in its secondary care and prison health services business feeding into improved earnings.

Group revenue was up 12% to £599.3m in the year ended 30 September 2024, representing similar growth to the prior year. EBITDA increased by 8.4% to £50.4m.

Practice Plus was established in October 2019 following Care UK's sale of its healthcare division to Bridgepoint-backed Practice Plus Bidco. The company operates across three service lines: secondary care, prison healthcare, and integrated urgent care, which includes NHS 111 services. Historically, it has focused on partnering with the NHS, but it has expanded its low-cost private offering since the pandemic, which is now promoted under the Wellsoon brand.

Despite this, Health in Justice, overtook secondary care as the company's largest division during the year, with revenue up 20% to £247.5m and EBITDA increasing from £20.4m to £24.8m. The group is the largest provider of healthcare services to prisons and secure facilities in England and during the year, it mobilised new services at eight sites including HMP Leicester, HMP Gartree, and HMP Preston.

Alongside the new services, the division is diversifying into adjacent markets such as police custody, liaison and diversion, and RECONNECT services in a bid to become a key strategic partner for the entire criminal justice pathway. It said development of these services would be a key strategic objective in this financial year alongside the emerging opportunities presented by newbuild prisons due to significant population pressures at existing facilities.

Secondary care generated roughly 38% of the company's revenue at £229.4m – up 8.7% on 2023. Growth was lower than in previous years and was driven by tariff increases and changes in the procedure mix, with activity dipping slightly from 85,420 to 85,028 procedures. Nevertheless, EBITDA grew by 17% to £27.2m.

The Integrated Urgent Care business, which operates NHS 111, clinical assessment services and out of hours GP services, reported revenue of £123.9m (2023: £118.5m) after retaining all existing contracts and adding a small community beds contract in Devon.

However, the opening of a new contact centre in the north east impacted profitability and EBITDA dipped from £10.2m to £9.8m this time around.

Looking ahead, Practice Plus Group said: 'The Group continues to grow its presence in the elective surgery sector, along with its CATs & diagnostic services. The main focus of this growth remains contracts with the NHS and ICBs, but other opportunities are also assessed if they align with our current strengths, such as a new hospital or can be delivered using existing staff and infrastructure. Private pay arrangements continue to be an area of focus with continuing investment in marketing and a new private pay brand.

'There is also a strong focus on retaining existing contracts when they come up for renewal as long as pricing envelopes remain appropriate.'

Challenging environment pushes down surplus at IC24

Urgent care provider Integrated Care 24 (IC24) has said the year ended 30 June 2024 was marked by both ongoing challenges and significant progress as it reported a 3% increase in revenue.

Revenue rose by £2m to £75m, driven by new care home support and the Covid Medicines Delivery Unit in Norfolk, primary care expansion, and the full year effect of national resilience and Paediatric CAS contracts. However, growth was offset by the loss of home nursing and emergency GP contracts in Sussex, the sale of its Pharma Alert pharmacy, and reduced 111 service funding from Essex commissioners.

The social enterprise said it had remained agile in adapting to changing needs in the wake of the Covid-19 pandemic, with ongoing evolution of its service offering, alongside its core urgent integrated care (NHS111 and urgent primary care) business.

IC24 also provides in-hours primary care to patients in three practices in Brighton and said its subsidiary, CLEO Systems, continues to show steady growth in the digital healthcare space, particularly with its electronic prescribing solution.

However, the company, which also owns locum doctor provider Brightdoc 24, reported a challenging financial environment as inflationary pressure and rising operational costs driven by increases in the national living wage helped push cost of sales up by 6.5% to £62.6m.

In addition, it invested more than £600,000 in primary care in the three Brighton practices to improve service provision.

'We have had to work extra hard on improving productivity to ensure we remained financially stable,' said the directors.

After administration costs of £12.4m (2023: £10m), IC24 reported an operating surplus of just £158,000 – down from £4.5m in 2023 and £7.5m in 2022. After income from associated undertakings, interest and expenses, pre-tax surplus came in at £1.3m compared to £5m in 2023.

Looking ahead, CEO Andrew Catto said: 'IC24 remains committed to its purpose of improving patient care and experience through the provision of high-quality, integrated urgent care services. Despite the ongoing challenges in the healthcare sector, we are confident that our strategic focus on primary care integration, digital health innovation, and workforce development will position us well for the future.

'Our focus on our core values of Patients, People, and Partners will ensure that we continue to meet the evolving needs of the NHS and the communities we serve. We will also continue to ensure efficiency and effectiveness are key to our future in order that we continue to run both a financially stable and environmentally responsible organisation.'

LaingBuisson INTELLIGENCE • INSIGHT

Health Search, Hospitals - England
April 2025

CQC ratings of acute hospital providers

Rank	Provider	No. of hospitals	% good or outstanding	% not yet inspected
1	Nuffield Health	34	100	3
2	HCA Healthcare UK	9	100	11
3	Optegra	4	100	0
=	Phoenix Hospital Group	4	100	0
5	The Transform Hospital Group	2	100	0
=	Fortius Clinic	2	100	0
7	Spire Healthcare	34	97	0
8	Ramsay Health Care UK	32	97	3
9	Practice Plus Group	10	90	0
10	Circle Health Group	45	89	2

CQC ratings of mental health hospital providers

Rank	Provider	No. of hospitals	% good or outstanding	% not yet inspected
1	Alternative Futures Group Ltd	6	100	0
2	Barchester	6	83	0
3	Cygnet	60	72	5
4	Elysium Healthcare	33	68	6
5	Ellern Mede	3	67	0
=	St. Matthews Limited	3	67	0
7	Priory Group	46	65	0
8	Inmind Healthcare Group	5	40	0
9	Active Care Group	6	0	33
10	Livewell Southwest	3	0	0

SOURCE LAINGBUISSON'S HEALTH SEARCH **DATA CORRECT AS OF 27 MARCH 2025**

Major transactions in UK healthcare
April 2025

Date	Target (owner)	Sub sector	Acquirer (owner/country)	Deal value (£m)	EV (£m)	Transaction type
Significant transactions						
Mar-25	OCL Vision	Eye health	BGF (Growth capital investor)	UD	UD	PE
Nov-24	15 primary healthcare assets	Primary care property	Newcore Capital	50.0	UD	M&A
Sep-24	UK Addiction Treatment Centres (UKAT)	Mental health	Sullivan Street Partners	UD	UD	M&A
Sep-24	SYNLAB (Cinven minority stake)	Diagnostics	Lapcorp (USA)	117	UD	M&A
Aug-24	Northwest Healthcare Properties' UK private hospital portfolio	Hospitals	Assura	500	UD	M&A
Jul-24	Kingsbridge Healthcare Group (KHG)	Hospitals	Exponent	c.300	UD	M&A
Nov-23	Laya Healthcare Ltd	Insurance	AXA	566.5	UD	M&A
Oct-23	Alliance Medical Group (AMG)	Diagnostics	iCON Infrastructure	910	UD	M&A
Aug-23	Circle Health Group	Hospitals	PureHealth	960	UD	M&A
Smaller/other transactions						
Mar-25	21-bed mental health service in Blackpool from Mental Health Care UK	Mental health services	Cygnet	UD	UD	M&A
Mar-25	Seven properties	Real estate	Assura plc	64.0	UD	Property
Feb-25	Audiological Science	Audiology services	YFM Equity Partners	12.4	UD	M&A
Feb-25	Myles Fitness	Employee wellbeing ppps	Santé Group	UD	UD	M&A
Feb-25	Discover Momenta	Digital and in-person healthy lifestyle programmes	Liva Healthcare	UD	UD	M&A
Jan-25	Surgery Hero	Digital prehabilitation for surgery	Sword Health	UD	UD	M&A
Jan-25	Newmarket Strategy (growth capital investment)	Consultancy, Market access	Baird Capital	UD	UD	PE
Jan-25	Broadstone (growth capital investment)	Employee benefits	Lovell Minnick Partners (LMP)	UD	UD	PE
Dec-24	La Belle Forme	Cosmetic surgery	Electiva Healthcare	UD	UD	PE
Dec-24	EMAS Pharma	Clinical research organisation (CRO)	Kester Capital	UD	UD	PE
Dec-24	Cancer Centre London (CCL)	Oncology	Icon Group	UD	UD	M&A
Dec-24	Clinica Medica	Elective surgery	Electiva Healthcare	UD	UD	M&A
Dec-24	The Well Led Practice (Dr Clare Sieber)	Leadership development	Redmoor Health	UD	UD	M&A
Dec-24	Trio Healthcare Ltd	Medical devices	Duke Street	UD	UD	PE
Dec-24	ForLife Group (GHD)	Medical devices	Duke Street	UD	UD	PE
Dec-24	The Dermatology Partnership (TDP) from August Equity	Dermatology services	Bupa Health Services	UD	UD	M&A
Nov-24	The Oxford Physiotherapy Service Ltd	Physiotherapy	Sano Physiotherapy Ltd	UD	UD	M&A
Nov-24	Hanley Consulting	Digital healthtech	X-on Health	UD	UD	M&A
Nov-24	L2P Enterprise Ltd	Recruitment	Pathchwork Health	UD	UD	M&A

NOTES INCLUDES TRANSACTIONS OVER £10M. **UD** UNDISCLOSED

HealthcareMarkets **Index**

April 2025

Company	Sub sector	HQ	Local Currency: Share price	Local Currency: Market cap (m)	Technical: % of 52-week high	Technical: YTD (%)	TTM Fundamentals (GBP £m): Market cap	Net debt	EV	Sales	EBITDA	EBITDA margin	Net debt/ EBITDA	Valuation: EV/Sales	EV/EBITDA	PE ratio
Fresenius Medical Care	Ambulatory Clinics	Germany	€ 44.3	€ 12,980	97%	-23%	10,913	5,466	16,379	28,569	2,800	10%	2.0x	0.6x	5.9x	18x
Integrated Diagnostics	Diagnostics	UK	$0.32	$192	70%	-31%	148	18	166	63	26	41%	0.7x	2.6x	6x	11x
CompuGroup	HCIT	Germany	€ 22.6	€ 1,171	55%	-52%	985	543	1,528	999	179	18%	3.0x	1.5x	9x	37x
Craneware	HCIT	UK	£18.5	£658	75%	67%	658	605	1,263	146	42	29%	14.4x	9x	30x	71x
Terveystalo	Hospitals	Finland	€ 11.46	€ 1,450.38	96%	58%	1,219	503	1,722	1,082	106	10%	4.8x	1.6x	16x	-
IHH Healthcare	Hospitals	Malaysian	RM7.1	RM62,399	97%	21%	10,835	1,047	11,882	3,635	1,085	30%	1.0x	3x	11x	24x
Fresenius	Hospitals	Germany	€ 40.0	€ 22,511	99%	7%	18,927	9,705	28,632	18,749	2,293	12%	4.2x	1.5x	12.5x	49x
Life Healthcare	Hospitals	South Africa	R 13.9	R 20,418	75%	-29%	868	356	1,224	962	154	16%	2.3x	1.3x	8x	14.3x
Medical Park Hospitals	Hospitals	Turkey	341.3	70,994	88%	425%	1,496	31	1,526	473	191	40%	0.2x	3.2x	8.0x	15x
Medicover[1]	Hospitals	Sweden	SEK 194.20	SEK 14,276	92%	11%	1,089	432	1,521	1,468	216	15%	2.0x	1.0x	7x	127x
Pihlajalinna	Hospitals	Finland	€ 13.2	€ 296	100%	73%	249	103	351	605	60	9.9%	1.7x	0.6x	5.9x	26x
Ramsay Health Care	Hospitals	Australia	$34.6	$7,969	61%	-50%	3,904	2,166	6,070	8,112	885	11%	2.4x	0.7x	7x	30x
Rhön-Klinikum	Hospitals	Germany	€ 13.5	€ 904	87%	4.7%	760	Cash	634	1,231	98	8.0%	Cash	0.5x	6.4x	19x
Spire Healthcare	Hospitals	UK	£1.8	£716	67%	-18%	716	316	1,032	1,359	230	17%	1x	0.8x	4x	25.3x
Health Italia	Integrated Healthcare Services	Italy	€ 126.0	€ 2,380	75%	-23%	2,001	8	2,009	30	4	14.4%	1.8x	66.4x	460x	15x
Acadia Healthcare	Mental Health	USA	$28.5	$2,651	33%	-64%	2,048	982	3,030	2,262	491	22%	2.0x	1.3x	6x	9x
Universal Health Services	Mental Health	USA	$167.7	$10,230	70%	7.3%	7,902	3,703	11,605	11,032	1,541	14%	2.4x	1.1x	7.5x	11x
Dedicare[2]	Staffing	Sweden	SEK 48.55	SEK 364.61	43%	-67%	28	7	35	150	13	8.8%	0.5x	0.2x	2.6x	7x
CVS Group	Vet	UK	£10.8	£776	63%	-42%	776	165	941	647	108	17%	1.5x	1.5x	9x	29x
MEDIAN					**75%**	**-18.3%**	**1,089**	**432**	**1,526**	**1,082**	**179**	**15%**	**2.0x**	**1.3x**	**8x**	**21x**
MEAN					**76%**	**14.4%**	**3,448**	**1,370**	**4,818**	**4,293**	**554**	**18%**	**2.5x**	**5.2x**	**33x**	**30x**
TOTAL							**65,521**		**91,549**							

REITS	Sub sector	HQ	Local Currency: Share price	Local Currency: Market cap (m)	Technical: % of 52-week high	Technical: YTD (%)	TTM Fundamentals (GBP £m): Market cap	Net debt	EV	Sales	Yield	EBITDA margin	Net debt/ EBITDA	Valuation: EPRA NTA per share	Premium or Discount to NTA
Assura	Primary Care Real Estate	UK	£0.5	£1,377	98%	-10%	1,377	1,214	2,591	158	6.2%	-1%	Cash	£0.57	-18%
Primary Health Properties	Primary Care Real Estate	UK	£1.0	£1,287	93%	-9.5%	1,287	314	1,602	136	6.4%	25%	9.2x	£1.15	-17%
MEDIAN							**1,332**	**764**	**2,096**	**147**	**6.3%**	**12%**	**9.2x**		
MEAN							**1,332**	**764**	**2,096**	**147**	**6.3%**	**12%**	**9.2x**		
MARKET INDEX															
FTSE 250		**^FTmc**	**19,934**		**92%**	**5.2%**									
FTSE 100		**^FTSE**	**8,639**		**99%**	**11%**									

NOTES **1** MEDICOVER'S MARKET CAP INCLUDES ALL OUTSTANDING SHARES AND NOT ONLY THE ONES LISTED ON THE NASDAQ NORDIC **2** DEDICARE'S MARKET CAP INCLUDES ALL OUTSTANDING SHARES AND NOT ONLY THE ONES LISTED ON THE NASDAQ STOCKHOLM **1** PRIMARY HEALTH PROPERTIES' EBITDA DOES NOT INCLUDE EXCEPTIONAL REVALUATION LOSS ARISING FROM MERGER WITH MEDICX

TTM TRAILING TWELVE MONTHS **EBITDA** EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTISATION **YTD** YIELD-TO-DATE **PE** CURRENT SHARE PRICE DIVIDED BY NON-FULLY DILUTED EARNINGS PER-SHARE

EPRA EARNINGS IS THE IFRS PROFIT AFTER TAXATION ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY EXCLUDING INVESTMENT AND DEVELOPMENT PROPERTY REVALUATIONS, GAINS/LOSSES ON INVESTING AND TRADING PROPERTY DISPOSALS, CHANGES IN THE FAIR VALUE OF FINANCIAL INSTRUMENTS AND ASSOCIATED CLOSE-OUT COSTS AND THEIR RELATED TAXATION. **EPRA** IS THE EUROPEAN PUBLIC REAL ESTATE ASSOCIATION, THE INDUSTRY BODY FOR EUROPEAN REITS.

EPRA NTA (EPRA NET TANGIBLE ASSETS) IS A PROPORTIONALLY CONSOLIDATED MEASURE, REPRESENTING THE IFRS NET ASSETS EXCLUDING THE MARK-TO-MARKET ON DERIVATIVES AND RELATED DEBT ADJUSTMENTS, THE MARK-TO-MARKET ON THE CONVERTIBLE BONDS AS WELL AS DEFERRED TAXATION ON PROPERTY AND DERIVATIVE VALUATIONS. IT INCLUDES THE VALUATION SURPLUS ON TRADING PROPERTIES AND IS ADJUSTED FOR THE DILUTIVE IMPACT OF SHARE OPTIONS. A RECONCILIATION BETWEEN IFRS NET ASSETS AND EPRA NAV IS INCLUDED IN TABLE B WITHIN THE SUPPLEMENTARY DISCLOSURES.

LOCAL CURRENCY REFERS TO THE CURRENCY THAT THE STOCK IS LISTED IN

DATA CORRECT AS OF 17 MARCH 2025

Company results round up

A summary of the latest results available in the healthcare sector

Organisation	Year end	Revenue £m	%Δ	EBITDAR £m	%Δ	EBITDAR Margin
Athona Limited	2024	46.0	-23%	1.4	-43%	3%
Globe Locums Limited	2024	75.7	2%	7.4	-3%	10%
Integrated Care 24	2024	75.0	3%	3.9	-43%	5%
Living Care Group Limited	2024	15.6	7%	2.4	21%	16%
Practice Plus Group Topco Limited	2024	599.3	12%	50.4	11%	8%
Your Healthcare Community Interest Company	2024	35.8	11%	-0.5	58%	-1%

NOTES: Δ CHANGE FROM PREVIOUS YEAR **1** NET DEBT = INTEREST BEARING DEBT + FINANCIAL LEASES - CASH. % IN (-) DENOTES DECREASE, NET DEBT IN (-) DENOTES CASH **N/A** NOT AVAILABLE **2** 17-MONTH ACCOUNTS **nfp** NON-PROFIT ORGANISATIONS, WHERE REVENUE INCLUDES INCOME FROM TRADING ACTIVITIES ONLY **ins** INSURANCE COMPANIES DO NOT HAVE EBITDAR METRIC

Spire announces new board members

Spire Healthcare has announced changes to its board, with Professor Dame Janet Husband set to step down at the company's annual general meeting on 14 May 2025 after more than a decade of service. Two new non-executive directors, Sir David Sloman and Jill Anderson, have been appointed with immediate effect.

Sir David joins as a non-independent non-executive director and will become a member of the company's Clinical Governance and Safety Committee. He will take over as chair of the committee from Dame Janet and will also become vice chair of the company.

He has held multiple senior positions in the NHS, including chief executive roles at the Royal Free London NHS Foundation Trust, the Whittington Hospital NHS Trust and NHS Haringey Trust. From December 2021 to August 2023, he was chief operating officer of NHS England, overseeing operational delivery, including the response to the Covid-19 pandemic. He is currently a non-executive director at AXA UK and Ireland, a board member of Health Data Research UK, a fellow of the Royal Society of Medicine and a trustee of the Royal College of Radiologists. As a result of his appointment with AXA UK and Ireland, Spire does not consider him to be independent.

Anderson joins as an independent non-executive director and a member of Spire's Audit and Risk Committee, which she will chair from 14 May 2025. She will also join the Remuneration Committee. Anderson has 30 years of experience in the healthcare sector, including executive roles in finance, commercial, research and supply chain functions at GSK. She is a trustee of Amref UK, an NGO focused on healthcare in Africa, and was previously an associate non-executive director at London Ambulance Service.


Sir David Sloman

Livingston appointed head of UK healthcare at CBRE

Sarah Livingston has been appointed head of UK healthcare at property specialist CBRE.

Livingston joined CBRE from Elysium Healthcare in 2022, after leading the mental health provider's growth from 21 hospitals in 2016 to over 75 sites by the time of its sale to Ramsay Health Care in 2021. Prior to Elysium, she was general counsel at Partnerships in Care for five years.


Sarah Livingston

In her new role, she will be responsible for building a strategic growth plan, harnessing CBRE's capabilities to further capitalise on opportunities in the sector. She will also focus on identifying and driving opportunities across CBRE to deliver an integrated, end-to-end service to clients.

'Demand for healthcare continues to increase, and the health and care sectors are rapidly evolving, including an exciting number of new entrants into the market from both an investor and provider perspective,' said Livingston. 'As a result, there is a growing demand for our proven and trusted advice. We're having conversations with clients that we haven't had for years, for example around building new hospitals, presenting new challenges and opportunities to those operating in the sector.'

To further strengthen its healthcare offering, Paddy Brice has joined CBRE to lead its healthcare investment properties business. Brice has nearly 20 years' experience in the senior living sector. He led Richmond Villages, part of the Barchester Group, through the GFC, driving the senior living business and developing seven new retirement villages before overseeing the successful sale to Bupa. More recently, he has focussed on developing new retirement living businesses, first as the CEO of Cinnamon Retirement and then as the CEO of Opus.

Psychiatry UK appoints director of quality and safety

Psychiatry UK has appointed Natasha Sloman as director of quality and safety.

Sloman has extensive experience in shaping key regulation across both private and NHS mental health and will lead the team in upholding the core principles of clinical governance with a view to maintaining the quality and safety of services. Her experience includes head of social work and social care at Camden and Islington NHS Foundation Trust and head of inspection for the south east at the CQC.

Most recently, she was chief quality officer at Active Care Group, where she influenced the development of governance and quality assurance across the care provider.

Psychiatry UK CEO Nell Montgomery said: 'Natasha is joining Psychiatry UK at an exciting time. Since 2012, we have helped over 155,000 people get support and have seen significant growth, particularly in recent years. Natasha has an excellent track record and a thorough understanding of best-in-class governance in mental health. We are extremely pleased to have her join Psychiatry UK, where she will use her experience and leadership to ensure the provision of safe, high-quality services and care for our patients.'

Commenting on her new role, Sloman added: 'I am excited to be joining Psychiatry UK, a provider who is demonstrating real leadership in showcasing how technology can support workflows across mental health. Its use of AI, in particular, presents an exciting opportunity to develop highly efficient services, reduce bureaucracy, and allow us to spend more time with our patients.


Natasha Sloman

'Psychiatry UK is also providing a vital service by building a specialism in the way ASD and ADHD are treated – particularly at a time when there is high demand and long NHS waiting lists in the UK. I am looking forward to playing my part in this and building on Psychiatry UK's good work in upholding safe and effective standards of care for patients.'

Chief people officer appointed at Benenden Health

Benenden Health has appointed Mike Hay as chief people officer.

Hay, who has served in the role on an interim basis for six months, has significant experience in the financial and mutual sector, including chief people officer at Saffron Building Society, HR director at Nationwide Building Society, associate partner at AON and director at Deloitte, where he focused on supporting the healthcare sector.

He will focus on people strategy, ensuring Benenden has the right workforce to support its members and foster a positive, inclusive culture with wellbeing at its heart. He will also be instrumental in supporting its digital transformation rollout from a people perspective, helping employees adopt AI and other new technologies into HR and wider business systems.


Mike Hay

Professor Sir Mike Richards named preferred candidate for CQC chair

Health and social care secretary Wes Streeting MP has named Professor Sir Mike Richards as his preferred candidate to be the next chair of the Care Quality Commission (CQC).

Subject to approval by the health and social care select committee, Prof Richards will take over from Ian Dilks, once his appointment ends.

Prof Richards conducted an internal review of the CQC's single assessment framework and its implementation in October. His report concluded a 'fundamental reset' of the organisation was needed.

Tracey takes over as Medneo UK CEO after founder steps down

Diagnostic imaging provider medneo UK has announced that Ella Tracey has taken over from Andy Spellman as CEO.

Currently the company's chief operating officer, Tracey has significant experience in private healthcare and a strong track record of scaling businesses.

She has worked in CEO and managing director positions in oncology and fertility businesses including TFP Fertility, GenesisCare and OneStopDoctors.

In her new role, Tracey will spearhead medneo UK's growth strategy, supported by CVC DIF, the infrastructure strategy division of global private markets manager CVC.

Spellman established medneo UK in 2018 and has overseen its growth into a leading provider of imaging services.

Spellman said that after careful thought, he had decided it was the right time 'to hand the baton over to Ella'.

'My vision was to build a world-class imaging provider and our success is testament to the commitment, professionalism, and hard work of the talented team at medneo. I'm immensely proud of all that we've achieved, and I wish Ella and the team every success on this next stage in the company's growth journey,' he added.

He will remain as a board advisor, offering support and guidance for the future.

Commenting on her new role, Tracey said: 'There is a huge opportunity for us to play an even bigger role in supporting the UK health system, working with our strategic partners including NHS trusts and private providers and directly with consumers to improve patient health outcomes.'


Ella Tracey


MPS
PARTNERSHIPS