

Report Price: £1495.00 | \$2018.70 | €1682.47

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



"With the UK population becoming more aware of available healthcare options, patients increasingly want to be involved in decisions about their healthcare and the services they are likely to use or not. This is why insurers and hospital providers must offer flexibility to each individual so they feel they are receiving the best value for money."

This report looks at the following areas:

- Is private involvement in the NHS going to rise?
- Is the industry tackling barriers to private healthcare usage?
- What are the main issues that could arise from Brexit?

An efficient and cost-effective private healthcare sector would lead to greater benefits for patients, providers, health professionals and insurers, while also easing the burden on the NHS and the wider health sector. The industry needs to demonstrate higher quality and better value for money to potential customers or face the threat of becoming a luxury item for a very limited demographic

BUY THIS REPORT NOW

Lewis Cone, B2B Analyst

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533

> Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

_{АРАС} +61 (0) 2 8284 8100

EMAIL: reports@mintel.com

DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market



Report Price: £1495.00 | \$2018.70 | €1682.47

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Table of Contents

Executive Summary

Market size

Figure 1: UK expenditure on private acute healthcare, 2012-16, (£ Million)

Figure 2: The UK PMI market, 2012-16, by number of policyholders and people covered, (000)

Figure 3: Estimated weekly spend on PMI premiums, by region, 2014-16, (average weekly spend in £)

Market trends

Medical inflation rates putting pressure on uptake level

Healthcare trusts emerging as an alternative to PMI

Market factors

Strain on the NHS will impact industry development

The uncertainty surrounding the outcome of 'Brexit' will influence spending and recruitment

Third IPT rise in two years adds further barrier to PMI market growth

Industry structure

Private Acute Medical Care

PMI

Consumer

Forecast

5% growth per year expected to 2021

Figure 4: Forecast UK expenditure on private acute healthcare, 2017-21, (£ Million at 2016 prices)

Corporate PMI will drive overall market growth

Figure 5: UK market forecast for private medical insurance subscription income, 2017-21, (£ million at constant prices)

What we think

Key Insights

Is private involvement in the NHS going to rise?

Is the industry tackling barriers to private healthcare usage?

What are the main issues that could arise from Brexit?

Introduction

Definitions

Methodology

Abbreviations

Market positioning

Healthcare environment

UK Economy

Key points

Overview

Figure 6: UK GDP, 2006-16, (% quarterly growth and GDP in £ billion)

BUY THIS REPORT NOW



Report Price: £1495.00 | \$2018.70 | €1682.47

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 7: UK output, by industry, 2008-16, (Index 2013 = 100)

Figure 8: Quarters after gdp peak, 1979, 1990 and 2008, (number of quarters and GDP as % of predownturn peak)

Inflation

Interest rates

House prices

Figure 9: UK house price changes, 2006-17, (12-month % change)

Consumer spending

Manufacturing

Figure 10: UK manufacturing, 2014-17, (index, 2013 = 100)

Business investment

Figure 11: UK gfcf 2005-16, (£ million)

Imports

Exports

Market Factors

Key points

Strain on the NHS will impact industry development

Figure 12: Total departmental expenditure limits, in real terms, 2011/12-16/17, (£ million, % of total DEL and % change in NHS DEL)

Figure 13: Total departmental expenditure limits, in real terms, 2011/12-16/17, (£ million and % of total DEL)

The uncertainty surrounding the outcome of Brexit will influence spending and recruitment

Business rate increase has added to provider cost pressures

Outsourcing to private sector boosted by new regulations

Slight improvement in disposable income in 2016 partially offsets impact of PMI premium growth

Figure 14: GDP per head at current market prices and real household disposable income per head, Q1 2012 Q4 2016, (£)

Figure 15: GDP per head at current market prices and real household disposable income per head, q1 2012 - q4 2016, (£)

Third IPT rise in two years adds further barrier to PMI market growth

The record low unemployment rate should boost corporate PMI demand

Figure 16: Total UK unemployment rate among people aged 16+, Q1 2012 Q4 2016, (%)

Independent Hospital and Clinics

Key points

Market Size

Kev points

Figure 17: UK expenditure on private acute healthcare, 2012-16, (£ million)

Figure 18: UK Expenditure on private acute healthcare, 2012-16, (£ Million)

Figure 19: Source: Analysis of the development of private acute hospitals in the UK, 2012-16, (number of hospitals)

Figure 20: Analysis of the development of the number of beds in private acute hospitals in the UK, 2012-16, (number of beds)

Figure 21: Development of the number of beds in private acute hospitals in the UK, 2012-16, (number of beds)

Market Segmentation

Key points

BUY THIS REPORT NOW



Report Price: £1495.00 | \$2018.70 | €1682.47

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Expenditure Figure 22: Segmentation of private healthcare expenditure, by type, 2012-16, (£ million) Figure 23: Segmentation of private healthcare expenditure, by type of service, 2012-16, (£ million) Figure 24: Source segmentation for acute hospitals and clinics, by source, 2015 and 2016, (£ million and % share) Figure 25: Funding source segmentation for acute hospitals and clinics, by source, 2016, (% of total value) 'Self-pay' represents close to a fifth of total funding for private acute healthcare **Analysis by Type of Operator** Figure 26: Analysis of private acute hospitals in the uk, by type of operator, 2016/17, (number of hospitals and beds, % of total) Figure 27: Analysis of private acute hospitals in the UK, by type of operator, 2016/17, (% of all acute hospitals and % of all acute UK hospitals subject to new business rates that could impact healthcare provision **Regional Analysis** Figure 28: Regional analysis of uk independent acute hospitals, 2016/17, (number of hospitals and beds) Figure 29: Regional analysis of UK independent acute hospitals, 2016/17, (% of hospitals and % of beds) **Market Share** Key points **Hospital and Bed Share** Figure 30: Major private acute hospital operators, 2016/2017, (number of hospitals, beds and average number of beds) Figure 31: Major private acute hospital operators, 2016/17, (number of hospitals and beds) Private companies looking to capitalise on excess demand for NHS services NHS Foundation Trusts report annual increase in private patient income **Company Profiles – Private Healthcare Industry BMI Healthcare** Figure 32: Financial analysis of bmi healthcare, 2012-16, (£ 000) Company strategy **Care UK** Figure 33: Financial analysis of care UK, 2012-16, (£ million) Figure 34: Revenue breakdown of care uk, by division, 2015-16, (£ million) Company strategy **HCA International** Figure 35: Financial analysis of HCA international, 2011-15, (£ 000) Company strategy **Roodlane Medical** Figure 36: Analysis of Roodlane Medical, 2011-15, (£ 000) Company strategy **Nuffield Health** Figure 37: Financial analysis of nuffield health, 2011-15, (£ 000)

BUY THIS REPORT NOW



Report Price: £1495.00 | \$2018.70 | €1682.47

The above prices are correct at the	time of publication, but are subject to
-	change due to currency fluctuations.

Company strategy

Ramsay Health Care UK Operations

Figure 38: Financial analysis of Ramsay Health Care UK Operations, 2012-16, (£ 000)

Company strategy

Spire Healthcare

Figure 39: Financial analysis of Spire Healthcare Group, 2012-16, (£ Million)

Company strategy

St Martins Healthcare

Figure 40: Financial analysis of St Martins Healthcare, 2011-015, (£ 000)

Company strategy

Independent Hospitals and Clinics Forecast

Key points

Lead up to Brexit could pose several challenges

Extra capacity provided by the sector can help reduce rising NHS waiting times

Private provider income faces further cost pressures due to new national tariff

5% growth per year expected to 2021

Figure 41: Forecast UK expenditure on private acute healthcare, 2017-21, (£ million at 2016 prices)

Figure 42: Forecast UK expenditure on Private Acute Healthcare, 2017-21, (£ million at 2016 prices)

Private Medical Insurance

Key points

PMI ownership and availability

Figure 43: Ownership of PMI and related health products, August 2016, (% of respondents)

Market Trends

Key points

Medical inflation rates putting pressure on uptake level...

...with insurers offering discounts to attract new business

Healthcare trusts emerging as an alternative to PMI

Market Size

Key points

Figure 44: Annual average PMI premium, by purchaser type, 2006-16, (£)

Figure 45: Average annual PMI premium, by purchaser type, 2006-16, (£)

Premium and subscription growth

Figure 46: The UK Market for Private Medical Insurance, 2012-16, (£ million)

Figure 47: Claim amounts incurred as a proportion of gross earned premiums, 2012-16, (£ million and % gross margin)

Figure 48: PMI gross earned premiums, claims paid and gross margin, 2012-16, (£ million and % gross margin)

Figure 49: The UK PMI market, 2012-16, by number of policyholders and people covered, (000)

Figure 50: The UK PMI Market, 2012-2016, by Number of Policyholders and People Covered, (000)

BUY THIS REPORT NOW



Report Price: £1495.00 | \$2018.70 | €1682.47

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Market Development

CMA investigation findings has led to greater industry transparency

Market Segmentation

Key points

Corporate and group PMI

Individual PMI

Overall PMI market

Figure 51: Segmentation of Private Medical Insurance, by policyholder type, 2012-16, (000 subscribers and £ million)

Figure 52: Segmentation of Private Medical Insurance subscribers, 2012-16, by policyholder type, (000 subscribers)

Figure 53: Segmentation of Private Medical Insurance value, 2012-16, by policyholder type, (£ million)

Regional analysis

Figure 54: Estimated regional PMI penetration and weekly spend on Private Medical Insurance premiums, (% of households in 2014-16 and average weekly spend on PMI premiums in 2012-14 and 2014-16) Figure 55: Estimated regional PMI penetration, 2014-16, (% of Households)

Figure 56: Estimated weekly spend on PMI premiums, by region, 2014-16, (average weekly spend in £)

Household expenditure by age group

Figure 57: Average weekly household expenditure on medical insurance premiums, by age group, 2012-16, (£)

Industry Development

Key points

New register helps insurers locate and recognise new private providers

Market share

Figure 58: Estimated market share in the UK PMI market, by company, 2016, (% of total subscription revenue)

Figure 59: Private medical insurance market share, by company, 2016, (% of total subscription revenue)

Company Profiles – Private Medical Insurance Industry

Aviva Healthcare UK

Figure 60: Financial analysis of Aviva Plc, 2012-16, (£ Million)

Company strategy

AXA PPP Healthcare

Figure 61: Financial analysis of AXA PPP healthcare, 2011-15, (£ Million)

Company strategy

Bupa

Figure 62: Financial analysis of Bupa, 2012-16, (£ million)

Figure 63: Divisional analysis of Bupa, 2012-16, (£ million)

Company strategy

VitalityHealth (formerly PruHealth)

Figure 64: Financial analysis of VitalityHealth (formerly PruHealth), 2012-16, (£000)

Figure 65: Financial analysis of Vitality Health Insurance Limited (formerly Prudential Health Insurance Limited), 2012-16, (£ million)

Company strategy

BUY THIS REPORT NOW



Report Price: £1495.00 | \$2018.70 | €1682.47

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Western Provident Association

Figure 66: Financial analysis of Western Provident Association, 2011-15, (£ 000)

Company strategy

PMI Forecast

Key points

The doubling of IPT between the end of October 2015 and June 2017 has affected attempts to reduce premiums for customers Demographic trends could influence new PMI product design

Corporate PMI will drive overall market growth

Figure 67: UK market forecast for Private Medical Insurance subscription income, 2017-2021, (£ million at constant prices) Figure 68: UK market forecast for Private Medical Insurance subscription income, 2017-21, (£ million at constant prices) Figure 69: UK market forecast for Private Medical Insurance, by number of policy holders, 2017-21, (000s of subscribers) Figure 70: UK market forecast for Private Medical Insurance, 2017-2021, by number of policy holders, (000s of subscribers)

New renewal rules could affect uptake

The Consumer – Last Private Healthcare Visit

Key points

Seven in every 10 consumers have never used a private healthcare service

Figure 71: Private healthcare use, by time passed since last visit, April 2017, (% of respondents)

Figure 72: Private healthcare use, by time passed since last visit, April 2017, (% of respondents)

Age affects likelihood of recent private use

Figure 73: Private healthcare use, by time passed since last visit and by age and gender, April 2017, (% of respondents)

Figure 74: Private healthcare use by males, by time passed since last visit and by age, April 2017, (% of respondents)

Figure 75: Private healthcare use by females, by time passed since last visit and by age, April 2017, (% of respondents)

Young people most likely to consider use in the future

The Consumer – Factors Behind Using Private Healthcare

Key points

Avoiding NHS waiting lists tops factors behind service use

Figure 76: Factors that would encourage use of private healthcare, April 2017, (% of Respondents)

Figure 77: Factors that would encourage use of private healthcare, April 2017, (% of Respondents)

Affordability key in convincing non-users to use a private service

Figure 78: Factors that would encourage use of private healthcare, by time passed since last visit, April 2017, (% of Respondents)

Appointment and operation flexibility of importance to individual/family PMI policyholders Figure 79: Factors that would encourage use of private healthcare, by payment type, April 2017, (% of respondents)

The Consumer – Method of Payment

Key points

PMI cover via employer pays for most healthcare

Figure 80: Private healthcare payment method, April 2017, (% of respondents)

Figure 81: Private Healthcare Payment Method, April 2017, (% of Respondents)

Women use their own income to fund treatment

BUY THIS REPORT NOW



Report Price: £1495.00 | \$2018.70 | €1682.47

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 82: Private healthcare payment method, by gender, april 2017, (% of respondents)

Figure 83: Private healthcare payment method, by gender, April 2017, (% of respondents)

Recent surge in use of employer-provider PMI

Figure 84: Private healthcare use, by time of last visit and by payment method, April 2017, (% of respondents)

Figure 85: Private healthcare use, by time passed since last visit and by payment method, April 2017, (% of respondents)

The Consumer – Health Insurance Provider

Key points

Bupa dominates health insurance coverage

Figure 86: Private healthcare insurance provider, April 2017, (% of respondents)

Figure 87: private healthcare insurance provider, April 2016, (% of respondents)

The Consumer – General Private Healthcare Opinion

Key points

Most people agree that treatment is too expensive

Figure 88: Private healthcare opinion, April 2017, (% of respondents)

Further Sources and Contacts

Trade associations

Association of British Insurers (ABI) Association of Independent Healthcare Organisations (AIHO) Association of Medical Insurers and Intermediaries (AMII) British Healthcare Trades Association (BHTA) Federation of Independent Practitioner Organisations (FIPO) The Independent Doctors Federation (IDF) London Consultants' Association (LCA) The Private Healthcare Information Network (PHIN) Trade magazines COVER Health Business Health Insurance & Protection Health Service Journal Hospital Times The Outlook The View Trade exhibitions COVER Protection and Health Summit 2017 Health and Care Innovation Expo 2017 Healthcare Efficiency Through Technology (HETT) Expo Hospital Innovations Independent Healthcare Summit 2017

BUY THIS REPORT NOW



Report Price: £1495.00 | \$2018.70 | €1682.47

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Medtec Ireland Safety & Health Expo The Private Healthcare Summit 2017 The Procurement Event for Health

BUY THIS REPORT NOW