



# South East Health Technologies Alliance

## How to access the UK healthcare markets

### Wednesday 30<sup>th</sup> March 2022





# SEHTA

## (South East Health Technologies Alliance)

### Who we are



- Established in 2005 to foster relationships between Universities, Clinicians, and SME's
- Not for profit membership support network – over 1400 members
- Provide 1 to Many and 1 to 1 support -
  - ✓ Grant Appraisal + project participation
  - ✓ Commercialisation
  - ✓ Mentoring
  - ✓ Solve challenges in NHS Trusts
  - ✓ Events - Information and Networking





SEHTA driving collaboration:  
Academics, Businesses, Care + Clinicians





# Not a member of SEHTA?

It's free to join - register at

[www.sehta.co.uk/Post/sehta-membership](http://www.sehta.co.uk/Post/sehta-membership)





# South East Health Technologies Alliance

## Overview of the UK Health & Care Markets



**Dr David Parry, Director, SEHTA**







# SEHTA – Accessing the NHS Guides

## ACCESSING THE NHS:

- 01 Structure of the NHS
- 02 Funding your innovation
- 03 Protecting your innovation
- 04 Regulations
- 05 Health economics
- 06 Gathering the evidence
- 07 Value proposition & market access strategy
- 08 The future



## A GUIDE FOR SMEs



## ACCESSING THE NHS: - MOVING FORWARD

- 01 The NHS Long Term (10 Year) Plan
- 02 Funding your innovation for the NHS
- 03 Migration from MDD to MDR
- 04 Digital Health (Apps) – Review & Accreditation
- 05 Developing a Legal Strategy
- 06 Design & Manufacturing
- 07 Budget Impact Analysis
- 08 Adoption of Innovation & Case Studies



## A GUIDE FOR SMEs





## NHS Facts

The NHS employs  
around 1.5  
million staff –  
over 100, doctors

Almost  
300,000  
nurses

Over 20,000  
midwives

Around  
20,000  
ambulance  
staff

Over 130,000  
science/technical  
staff

Over  
30,000  
managers





# Overview of UK health and care markets

- The Perfect Storm
- Structure of NHS
- Current performance
- Drivers
- Finding a clinical champion
- UK private health market
- UK private care market
- Conclusions







# The Perfect Storm





# The Perfect Storm

- Demographics – number of people aged over 60 increases 15 million (2014) to 22 million (2039)
- Over 85s -1.5 million to 3.6 million
- 70% health and care budget spent on elderly
- Social care budgets constrained ('bed-blocking')
- Demand health and care infinite – people expect state to provide
- COVID!!!





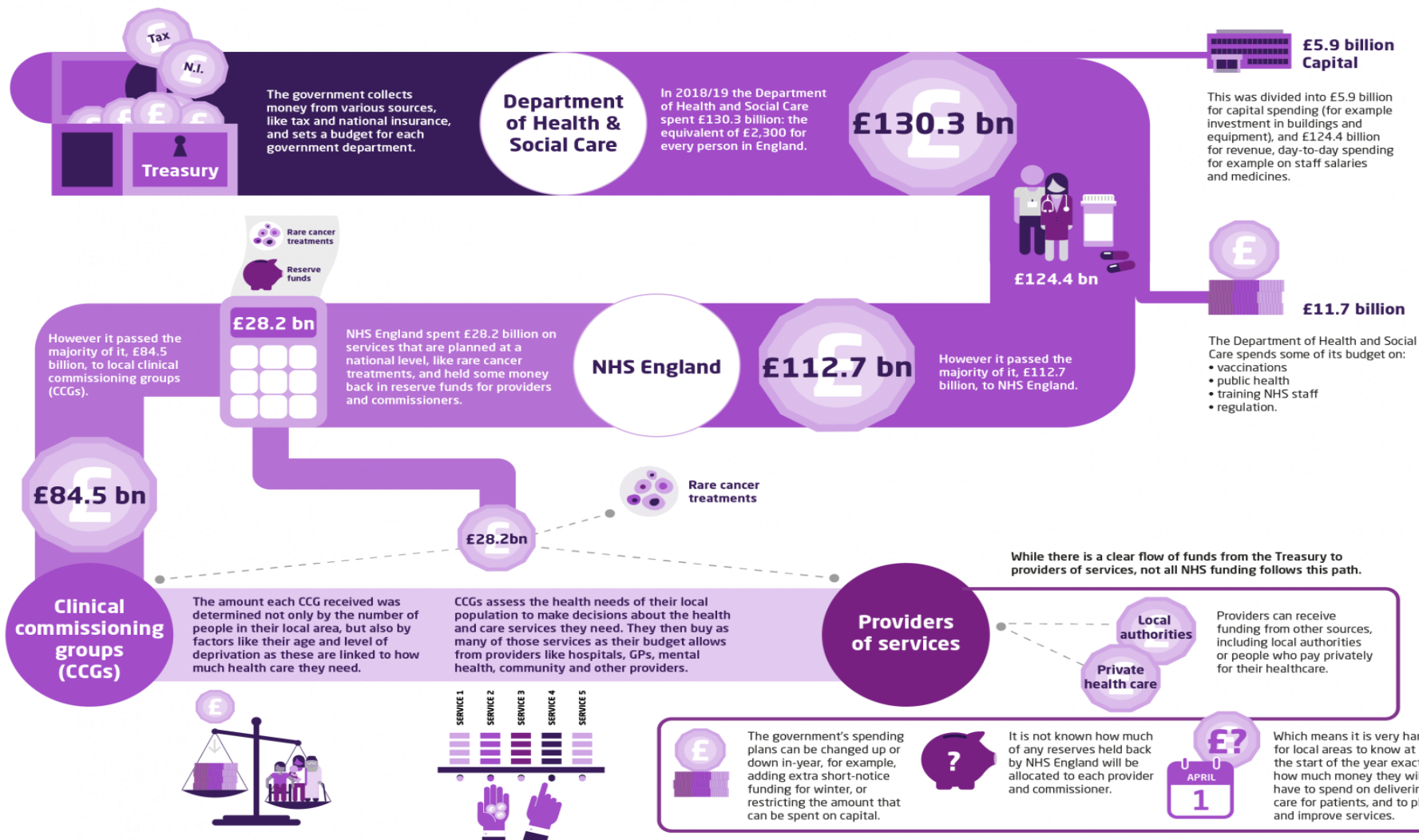
# The Structure of the NHS





## The Kings Fund >

## How funding flows in the NHS







## The Kings Fund

## The NHS: how providers are regulated and commissioned

National

**NHS England  
and NHS  
Improvement**

**Care Quality  
Commission  
(CQC)**

Regional

**NHS England and NHS  
Improvement regional teams**

Local

### Sustainability and transformation partnerships/integrated care systems (STPs/ICSs)

**Sustainability and transformation partnerships (STPs)** bring organisations together to plan services around the long-term needs of local communities.

#### Commissioners

**Clinical  
commissioning  
groups (CCGs)**

**Local  
authorities  
(non NHS)**

In some areas, **integrated care systems (ICSs)** have evolved from STPs, taking on greater responsibility for managing local resources and improving health and care for their populations.

### Integrated care partnerships (ICPs)

#### Providers

**NHS trusts**

Acute

Community

Mental health

**Other providers of  
NHS-funded care**

GPs

Voluntary sector

Social enterprises

Private

**Integrated care partnerships (ICPs)** are alliances of providers that work together to deliver care by agreeing to collaborate rather than compete.

### Primary care networks (PCNs)

**Primary care networks (PCNs)** bring general practices together who may also collaborate with a range of other local providers to provide primary care at scale by using a wide range of professional skills and community services.





## NHS Facts

67% men, 60%  
women  
overweight/obese  
(2019)

Obesity significant  
factor in almost 1  
million hospital  
admissions





# Healthcare Commissioning Services

- **Clinical Commissioning Groups (CCGs)** – 208, commission services, mostly GP-led, merging.....possibly disappearing
- **Sustainability and Transformation Partnerships (STPs)** - 44, not statutory, integration health and social care, improve regional efficiency, comprise CCG, NHS Trusts, Local Authorities....evolving into.....
- **Integrated Care Systems/Partnerships (ICS, ICP)** – hospitals, community services, mental health, GPs, social care, third sector, covering 250- 500k people
- **NHS Trusts** - 135 non-specialist hospital, 17 Specialist hospital, 54 mental health, 35 community providers, 10 ambulance
- **Primary Care Networks (PCNs)** – around 1500 comprising 8000 GP practices (LLPs)
- **Specialist Services** - support rare/complex conditions e.g. cystic fibrosis in 'Tertiary care centres'





## NHS Fact

The NHS deals with  
over 1 million  
patients every 36  
hours









# Current Performance

- NHS costs 10% GDP; US spends 17% GDP
- Currently most acute Trusts failing on waiting times and are in deficit
- COVID!

???







## NHS Fact

In 2021, over 5 million people  
were waiting longer than 18  
weeks for treatment and  
50,000 had been waiting longer  
than 52 weeks





## Drivers - Macro

- **Population:** Ageing, long term conditions, more demanding
- **Price:** 80% NHS spend on people, new therapeutics/technology expensive
- **Policy/Politics:** austerity?, social care, NHS= 'Religion', Royal Colleges, biggest spend alongside Pensions, resistant to top-down intervention .....
- **COVID.....**





## Drivers - Macro

- **CEO job...**safety, bad publicity, legal
- **Senior managers...**performance, budget
- **Finance Directors...**budget
- **Clinicians...**patients, reputation/career, salary (private)





# Finding a clinical champion

- **You need one!** –credibility, business, grant applications
- **If you have associations already** –use them
- **If not, search** – find best teams, most published (KOL)
- **Think about your offer** –prestige, money, research
- **Don't give up!**





# NHS Facts

UK has 2.6 beds  
per 1,000  
people

USA has 2.8

France has 6.1

The  
Netherlands  
has 4.2

Germany has  
6.1







# Summary selling to NHS

- **DOES IT WORK?** Clinical evidence/regulatory approval (clinical champion)
- **UNDERSTAND CUSTOMER**
- **WHATS IT WORTH?** Build financial case – cost/benefit, budget impact, health economics





# The UK private health market

- Worth around £10 billion p.a.
- Insurance funded (BUPA, AxaPPP, Aviva, Prudential)
- Direct payment
- Private hospitals (HCA, Circle, Ramsay, BUPA, Spire, Nuffield Health)
- NHS Hospitals
- Most clinicians are NHS employees
- Increasing private contracts placed by NHS (backlogs)





# The UK private care market

- Health (NHS, Public health etc c. £140 billion) – NHS England
- Social **Care** (home care, care/nursing homes, day centres etc) c. £22 billion – local authorities, rationed





# The care challenge

- Approx. 500,000 people in residential care (4% over 65, 16% over 85)....numbers growing
- Costs of care increasing (average in South East over £1000 per week nursing care).....cost increasing
- Less public sector funding available....(6% real term reduction in funding).....personal costs increasing





# The opportunity

- Care market worth c. £17 Billion p.a.
- Over 95% owned by private sector
- Around 15,000 nursing and care homes in UK
- HC-One, Four Seasons Care, Barchester Healthcare, BUPA, CareUK are about 15% market
- Remainder small/medium companies
- Highly fragmented market







# Regulated by Care Quality Commission (CQC)

- Key Lines of Enquiry (Safe, Effective, Caring, Responsive, Well-Led)
- Provider Information Returns (mechanisms and systems)
- CQC Ratings



- Technology cannot replace people-care





Technology Category	Specific need/technology	Technology Category	Specific need/technology
<b>Facilities Operation</b>		<b>Wellness and Leisure</b>	
1	Fall Alerting		
2	Automated admin tasks, e.g. invoicing, billing	1	Hydration
3	Staff location tracking	2	Nutrition
<b>Staffing</b>		3	Fall altering
1	Immediate access to staff experience, qualifications and competencies	4	Social networking, e-tools for community engagement
2	Rota management	<b>External Relations</b>	
3	Automatic alerts to key staff dates		
<b>Clinical and Care</b>		1	Risk assessments
1	Handover documents	2	Health and safety records
2	Fall altering	3	Marketing of wellbeing and leisure opportunities
3	Symptoms management		
4	Medication reminders		



# Costs and benefits in the care sector

1. Improve resource efficiency
2. Improve rates of referrals
3. Reduce insurance bill





# The UK as a marketplace for your product

## Conclusions

- Change in system inevitable.... Especially post-COVID
- Necessity is mother of invention
- Change = opportunity
- Innovative SMEs well placed
- Technology will provide solutions..
- Don't forget care sector
- You need a clinical champion in the NHS
- You need clinical evidence and cost/benefit analysis





# South East Health Technologies Alliance

## Accessing the UK Market



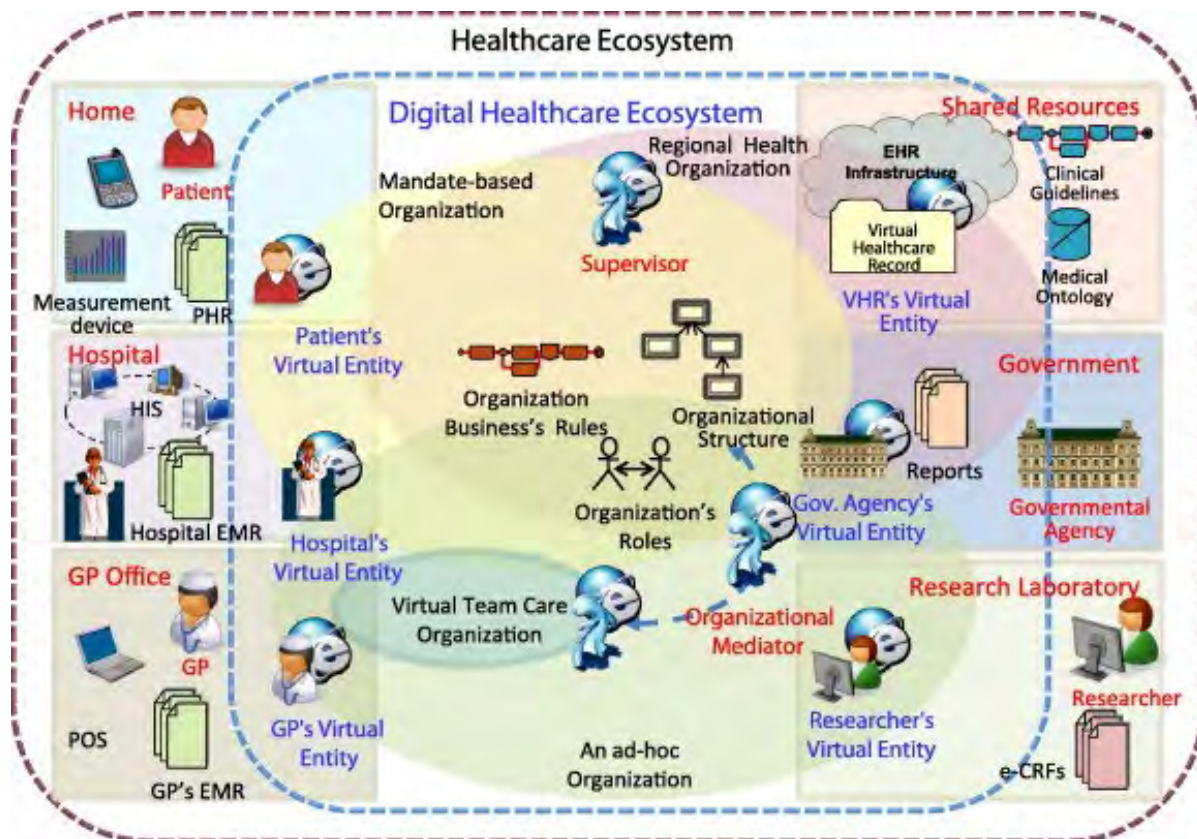
**Neil Roberts, CEO, SEHTA**







# How the 'ecosystem' can influence procurement





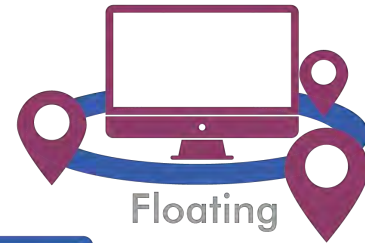
# A CIO's Procurement - 'Likes and Dislikes'



Try & Buy



Subscription



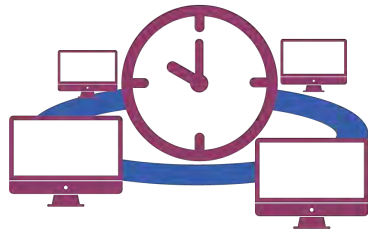
Floating



Multi-Feature



Named User



Rental



SaaS



Standard





# NHS - Procurement

- £5.7bn (Around 4% of the NHS Budget) currently spent on General Supplies and Medical equipment
- In the climate of austerity NHS Trust Capital applications way outstrip the capital available
- Concentration on making purchases that are 'cost-effective'







# NHS – Core Principles of Procurement

- Does it Work? Evidence of efficacy
- Is it Safe? Does it comply with the required Standards
- How does it compare? Competition
- Is it Cost Effective? Economic modelling







# NHS Historic Systems for Procurement

- All Public spending requires a Tendering process to ensure a fair process
- Administered by the hospitals themselves working with Purchasing and Supplies Authority (PASA)
- Membership of the EU meant applying the EU Tendering requirements for public procurement





# NHS – New approaches to Procurement

- Establishment of NHS Supply Chain – paid as a % of Cost Savings
- Nationally Contracted Products programme (NCP) led by NHS Improvement
- High Cost Tariff Excluded Devices by NHS England
- 2019/20 National Tariff Payment System





## NHS Supply Chain

Supply Chain Coordination Limited (SCCL)  
Management Function of NHS Supply Chain

	Products and Services	Providers
Medical	NHS Supply Chain: Ward Based Consumables	DHL Life Sciences and Healthcare UK
	NHS Supply Chain: Sterile Intervention Equipment and Associated Consumables	Collaborative Procurement Partnership LLP
	NHS Supply Chain: Infection Control and Wound Care	DHL Life Sciences and Healthcare UK
	NHS Supply Chain: Orthopaedics, Trauma and Spine, and Ophthalmology	Collaborative Procurement Partnership LLP
	NHS Supply Chain: Rehabilitation, Disabled Services, Women's Health and Associated Consumables	Collaborative Procurement Partnership LLP
Capital	NHS Supply Chain: Cardio-vascular, Radiology, Endoscopy, Audiology and Pain Management	HST
	NHS Supply Chain: Large Diagnostic Capital Equipment including Mobile and Services	DHL Life Sciences and Healthcare UK
	NHS Supply Chain: Diagnostic, Pathology and Therapy Technologies, and Services	Akeso & Company
Non Medical	NHS Supply Chain: Office Solutions	Crown Commercial Services
	NHS Supply Chain: Food	Foodbuy
	NHS Supply Chain: Hotel Services	NHS North of England Commercial Procurement Collaborative
Support Services	NHS Supply Chain: Logistics	Unipart Group Ltd
	NHS Supply Chain: Supporting Technology	DXC Technology





# NHS Procurement Climate for Change

## Department of Health & Social Care Response



Lord Carter's report reviewed operational efficiencies in NHS providers and recommended improvements in the way the NHS chooses, uses and purchases clinical supplies.



### Report identified:

- Improvements in procurement efficiency
- Over 600,000 products lines
- Up to 35% variation in product prices
- Adoption of a Procurement Transformation Programme

### Cash releasing saving:

- £2.4bn in five years
- Investment back into frontline services

### NHS buying power:

- The NHS has the potential, through greater collaboration, to leverage it's purchasing power on a national scale and deliver value for money for NHS Trusts and the taxpayer
- Clinical assurance built into the new operating model will help increase patient outcomes





## NHS Procurement Landscape - Starting Position

The NHS currently spends **£5.7bn** on everyday hospital consumables, common goods, high value healthcare consumables and capital medical equipment with only **c.40%** going through NHS Supply Chain.



**20%**  
Locally procured  
contracts



**40%**  
Hubs



**40%**  
NHS Supply Chain

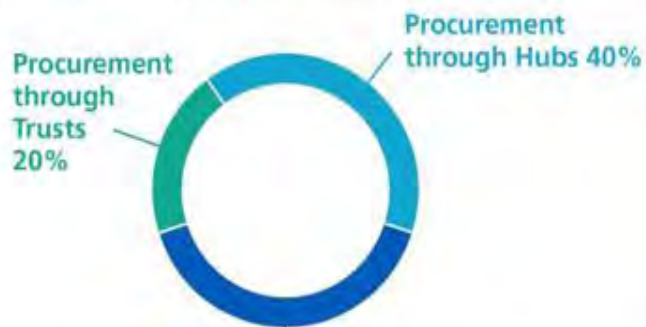
### Main issues

- NHS unable to leverage its buying power
- Fragmented supply chain
- Variable pricing of products
- Variable clinical evaluation and assurance
- Complex procurement and supplier landscape
- Competition for resources



## New NHS Supply Chain Operating Model

### Current procurement routes



**NHS Supply Chain 40%**

**NHSBSA**

**DHL**

Current contract expires in Spring 2019  
with the ability to remove some, or all,  
of the procurement services  
prior to that date.

**Move to**



**Management Function (SCCL)**

DHL Cpp DHL Cpp CPP HST DHL Akeso CSS Foodbuy NoE CPC



**Category Towers**



**Logistics**



**Transactional Services**



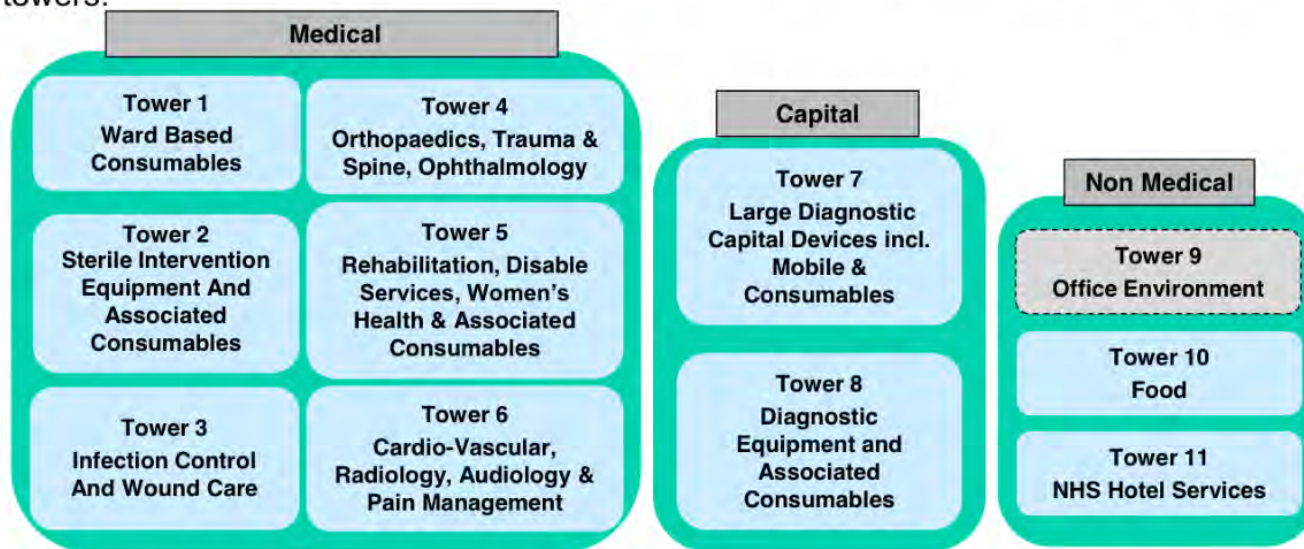
**Supporting Technology**





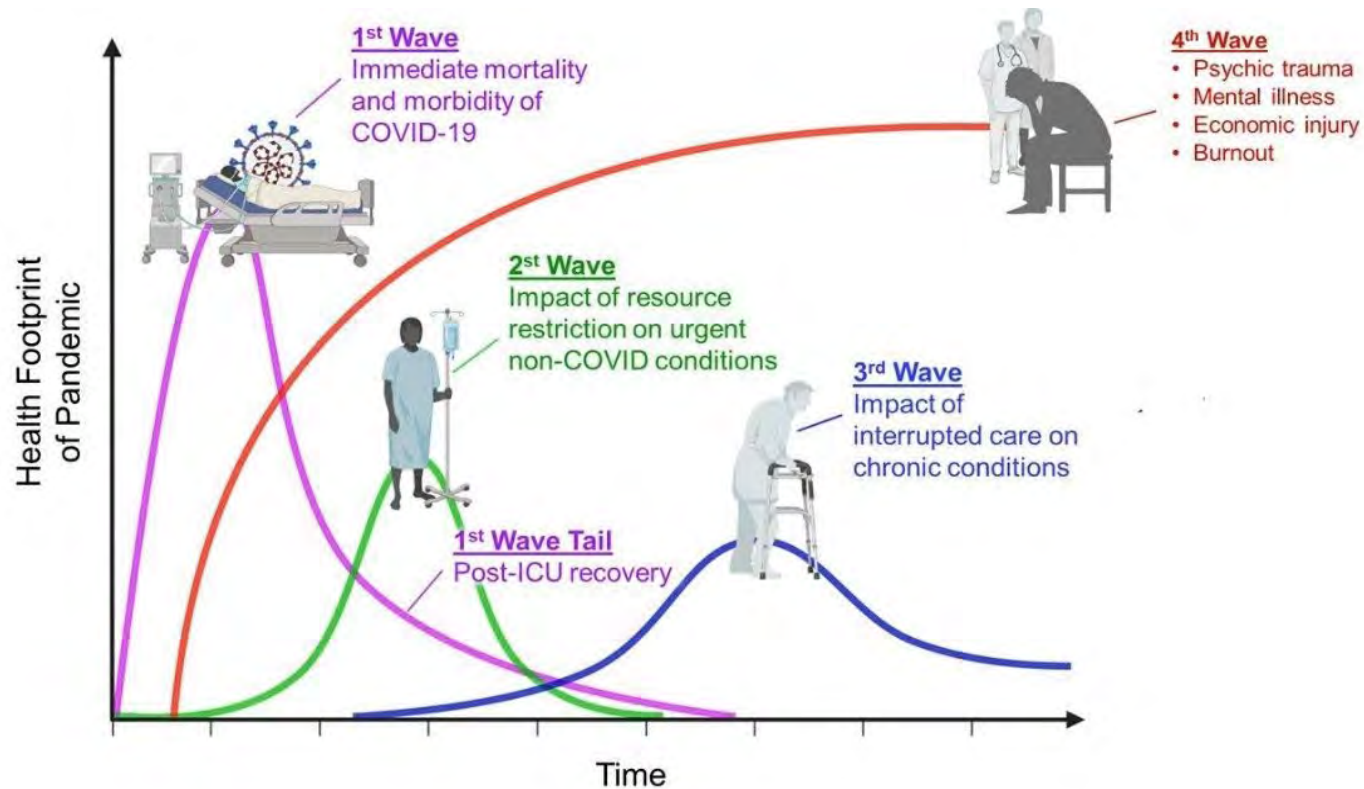
# Category Towers - Composition

The programme received substantial feedback from suppliers on the composition of the Category Towers. Based on this feedback we have made the following changes to the towers.





# How Covid-19 was predicted to affect Healthcare demand - 03/20







# NHS – Long Term Plan



[www.longtermplan.nhs.uk](http://www.longtermplan.nhs.uk)





# NHS – Long Term Plan

- Making Sure Everyone gets the Best Start in Life
- Delivering World Class Care for Major Health problems
- Supporting people to Age Well





# NHS – So what about Innovation and Digital

## Innovation and Technology Tariff

- **133.** In 2017/19 we introduced an innovation and technology tariff (ITT) with the aim of setting incentives to encourage the uptake and spread of innovative medical technologies that benefit patients.
- **134.** Since the introduction of the ITT, further developments have taken place to the national approach to supporting the adoption of innovation, most notably the Innovation and Technology Payment (ITP).
- **135.** For 2019/20, we are removing reference to reimbursement arrangements for the ITT in the NTPS, although prostatic urethral lift systems will continue to be recognised in national prices.
- **136.** NHS England will announce further details and arrangements for the ITT and ITP in 2019/20 in due course.

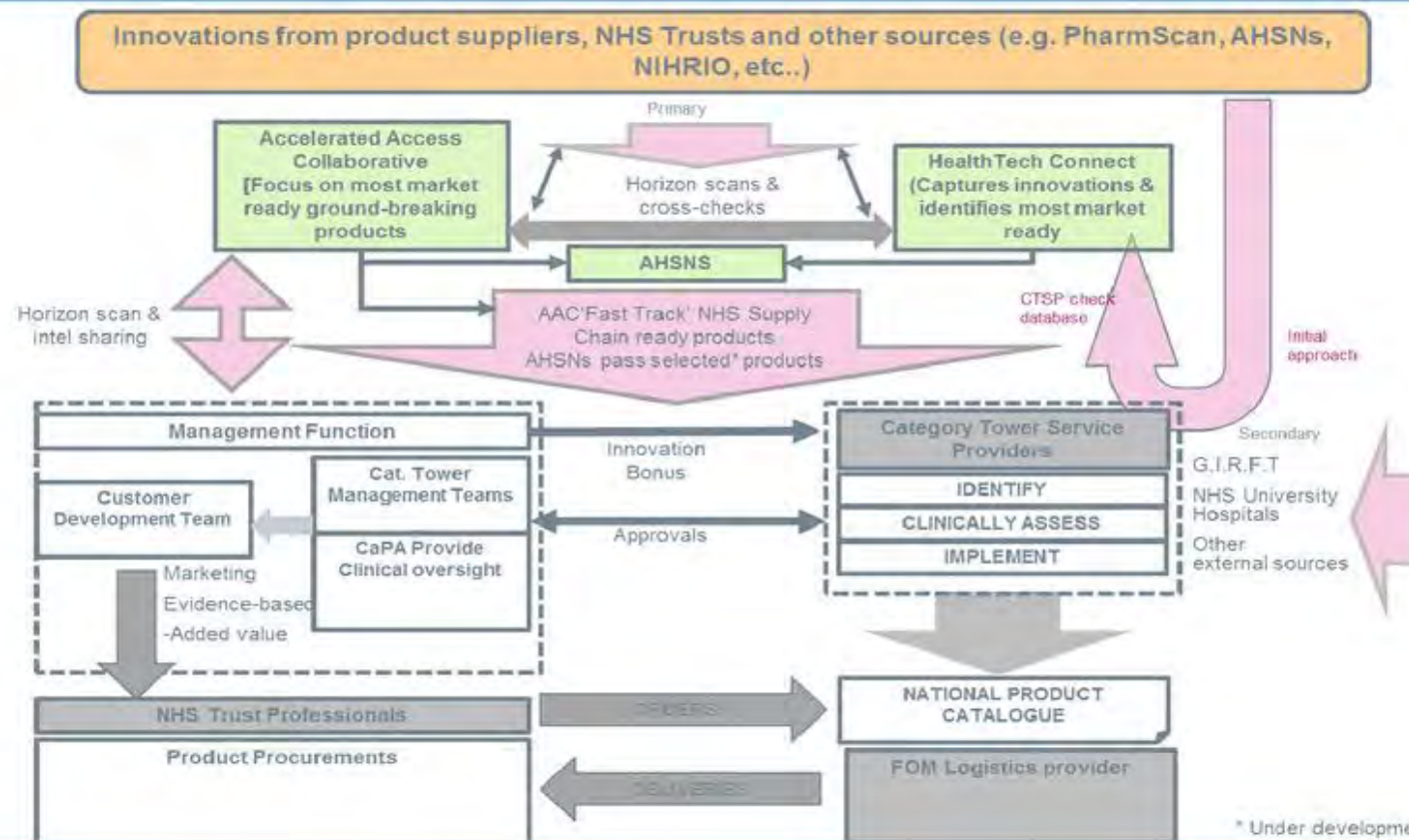


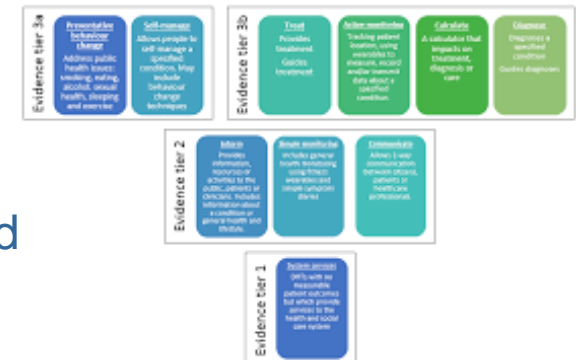
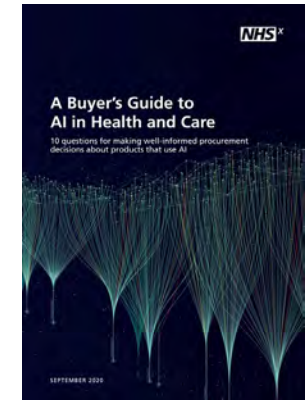




# Selection and Adoption of Innovation

## Route To Market For Innovation Via CTSPs









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