

HealthInvestor

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ECONOMY DRIVE

Patient transport might not be a glamorous industry, but it is a growing one for private firms, says **Vernon Baxter**

Even in the NHS family, an unloved child can suffer. And if you are to believe Joe Sheehan, managing director of Medical Services, the patient transport service is a classic case of neglect. “I do think the ambulance trusts used to look on patient transport as the unloved one of their kids while the 999 service gets all the glory with its flashing blue lights and its TV shows,” he says. “In patient transport you need to send somebody to pick up an elderly patient who takes five minutes to get up the garden path and then tell you they forgot to feed the cat and they need to go back – it doesn’t make for good TV.”

What it does make for, though, is a good opportunity for the private sector. As a service, patient transport has traditionally been kept in-house by the NHS but over the past five years NHS trusts have been looking to the market to, ahem, drive efficiencies. And now that companies such as Joe Sheehan’s are being allowed to compete for services, years of health service underinvestment has meant independent sector bidders are making hay. Medical Services, for one, is certainly looking to expand.

The company started life as a courier business for London’s medical community, then known as The Harley Street Runners. “Before emails and before digital transmission you might need

to get X-rays developed and back to the consultant or you might need to get a prescription,” says Sheehan. “It was from that we developed into a business that helped deliver quite complicated medicines with nuclear half-lives of several hours... and that’s grown considerably over the past few years.”

Indeed, the courier firm evolved to become a trading division of Lewis Day Transport. Now Medical Services has contracted revenues in excess of £25 million, more than 400 qualified staff, a fleet of 350 specially equipped ambulances, wheelchair accessible vehicles, cars, vans, and motorcycles working from 20 locations in England and Wales. It is contracted long-term by more than 25 NHS trusts, while working on-demand with a further 60, and claims it will be the first independent provider to exceed 1 million NHS journeys throughout England and Wales in a calendar year.

On 30 September 2009 the firm announced it had been through a corporate restructuring and would now function as a private limited company managed by its own board of directors. For Joe Sheehan, who only joined the firm in January 2008, it has been a hectic couple of years, but, he says, setting up the independent board feels like the natural thing to do. “For an industry sector that was non-regulated we went from being a small business to a division of a bigger business to becoming on par with the parent company so I think we needed a board of



directors that focused on developing this business alone”.

So how did an essentially closed market suddenly open up to independent players? “You can call it serendipity if you like, but several things happened at once,” says Sheehan. “The DGHS [district general hospitals] that used to commission patient transport contracts had the goal posts moved and since this year, PCTs have taken over the commissioning. There is a whole range of new customers now that we have never had access to as a market. So the customer has changed but they have also changed the rules.”

Much has evolved in recent years in patient transport, but not everyone is so ready to embrace change in the sector. In 2007 Medical Services won a contract as part of a consortium bid for 10 trusts in Bedford and Hertfordshire. As part of the deal, 150 of the ambulance trusts’ staff transferred over to the firm’s payroll, which presented a number of challenges. “Logistically, it is not too difficult, but culturally, it is quite different,” admits Sheenan.

“There was a little bit of resistance at the beginning because the NHS is a public service provider and in some quarters it was thought that this would never work. But we had to make our case to our colleagues and over time I think we won the argument to the point where some of those who transferred over are now directors on the board.”

Nevertheless, as a private company working with the NHS, Sheehan and his team still encounter a fair number of cold shoulders. “We’d like to be welcomed more into the NHS family – we’re members of the NHS Confederation, large numbers of our staff transferred over, we’re going to be regulated by the Care Quality Commission and yet there is still a bit of debate about independent provision,” he says.

“There are key areas where we must work together – major incident planning, for instance – and we are part of that local health economy and we should have more dialogue and we should work together more closely. We are happy to, and we’re lobbying, and we’re writing, and we’re meeting some progressive people, but we haven’t been fully accepted yet.”

It is surely only a matter of time, though. After all, it is difficult for unions to inspire the same sort of opposition to such a genuine ‘support’ service. “Transport is not seen as a holy grail – it is not doctors and nurses, it is hands-on and we’re peripheral,” says Sheehan. “So I think it is easier for others to accept us providing a support service.”

In the coming years, though, there are other, greater, potential threats to Medical Services’ business than political opposition. Margins are tight, and with trusts being asked to find efficiencies wherever possible, is Sheehan concerned public sector coffers cannot continue to fund the sort of growth his company has enjoyed over the past five years?

“The private sector took the hit head on when the credit crunch happened, and the very steep downturn in the economy was noted and people had to cut their costs accordingly – but I think in the public sector there has been a delay,” he says. In the long term, though, Sheehan believes an increase in volumes should offset any drop in fees. “There is internal pressure within the NHS to keep budgets down,” he says, “[but] across England and Wales we’ve had approaches asking how can they save money, how can they be economical?”

So even if the NHS was guilty of neglecting patient transport services in the good times, it seems firms like Medical Services are willing to make sure that, in austerity, there is plenty of love to go around. ■