PHIN

THE PRIVATE HEALTHCARE INFORMATION NETWORK

# Annual Report 21-22

**Having been Chair for nine years, Dr Andrew Vallance-Owen helped build strong foundations at PHIN. These have set us up well for the coming years as we work together as a sector to complete delivery of the Competition and Markets Authority (CMA) Order and ultimately improve patient care. He was a hard act to follow when I took up the role in February this year and I remain very grateful to him for his support, both in my six years as Deputy Chair and during the handover.**

*"Between us we have the talent, expertise and drive to achieve the desired outcomes for the sector and its patients."*

There was also a change of Chief Executive this year with Matt James leaving the organisation after dedicating 10 years to establishing and leading PHIN. Without Matt's vision in setting up PHIN, his commitment to improving healthcare and ensuring patients have better information, along with his drive to make the organisation a success, we would not be as far advanced as we now are. My thanks also go to Jack Griffin for stepping in as acting Chief Executive at an important and challenging time. He was instrumental in ensuring we were able to produce the credible sector-wide Plan requested by the CMA.

It was a pleasure to welcome Dr Ian Gargan as PHIN's new Chief Executive in September after a detailed search and recruitment process. Ian brings a wealth of experience as a medical doctor and qualified psychologist in both the public and private healthcare sectors. He has extensive experience in leading healthcare organisations driven by data to improve patient outcomes, while adhering to the highest quality, ethical and governance standards. He is also extremely enthusiastic and driven to ensure PHIN plays its part in delivering the CMA Order and that patients see the benefits of greater transparency.

My thanks go to all our members and stakeholders, including those attending the Partnership Forum, for their engagement and commitment during the year. It is a significant achievement to have worked so collaboratively on developing the new sector-wide Plan. That Plan is now guiding the work of PHIN and delivery of the CMA Order, with progress against it being closely monitored by all stakeholders, including the CMA.

Finally, I also thank the CMA for its patience, support and understanding in the past 12 months. There are many complex issues involved in delivering the CMA Order in a way that is meaningful to patients and provides a fair representation of hospital and consultant performance, but I know that between us we have the talent, expertise and drive to achieve the desired outcomes for the sector and its patients.

**Jayne Scott**
Chair

**Having been appointed in July, I officially began my role as PHIN's Chief Executive in September. It did not take me long to recognise the great culture in the organisation. There is strong encouragement for cross-departmental working, a desire for transparent communications (internally and externally) reflecting the market need, wide expertise, and a real disposition to help patients by supporting our members to deliver the CMA Order.**

*"I believe it is important that the market understands that we practice what we preach."*

I am keen to support and grow this culture even further, along with the well-being and professional development of our team. This healthy working approach is backed up by our skilled and experienced Board and I'm grateful for their support. I believe it is important that the market understands that we practice what we preach, supporting our employees' physical and mental health. As well as just being the 'right thing to do', we believe that this approach allows the most efficient and effective use of member resources to deliver the Order.

I was delighted to be able to attend the Members Meeting in July where the Strategic Plan – co-produced and consulted on with members – received overwhelming support and the delivery milestones were set. My thanks go to everyone involved in getting to that stage, and I am excited about the years ahead where we, as a sector, work together to really push implementation forward.

The intended outcome is the creation of data architecture which has societal value by educating patients (and we are all patients) about what quality healthcare looks like and encouraging competition to improve outcomes.

The CMA expects consultants and healthcare providers to be much more involved going forward, and we are here to increase participation and collaboration across the sector.

The rest of this report outlines PHIN's work, and the successes achieved in 2022. We also begin to outline what we believe success will look like in 2023. There are undoubtedly challenges to overcome, including quality data issues, further increasing consultant and hospital participation, and demonstrating value by making the best product for patients. I believe we can meet the challenge and look forward to working with stakeholders from across the sector to do just that.

**Dr Ian Gargan**
Chief Executive

# TWENTY TWO

***MARCH***

***Frequency of Adverse Events***

*Publication of Serious Injury at site level.*

***MAY***

***ADAPt Pilot 1 completed***

*Demonstration of the value in creating a single repository of combined private and NHS funded Admitted Patient Care datasets by NHS Digital.*

***JULY***

***Links to Registries***

*National Joint Registry (NJR) link published at site level.*

***SEPTEMBER***

***Improvement in Health Outcomes***

*Patient-Reported Outcome Measures (PROMs) Cataract published at site level.*

***NOVEMBER***

*Internal launch of Data Quality Dashboard.*

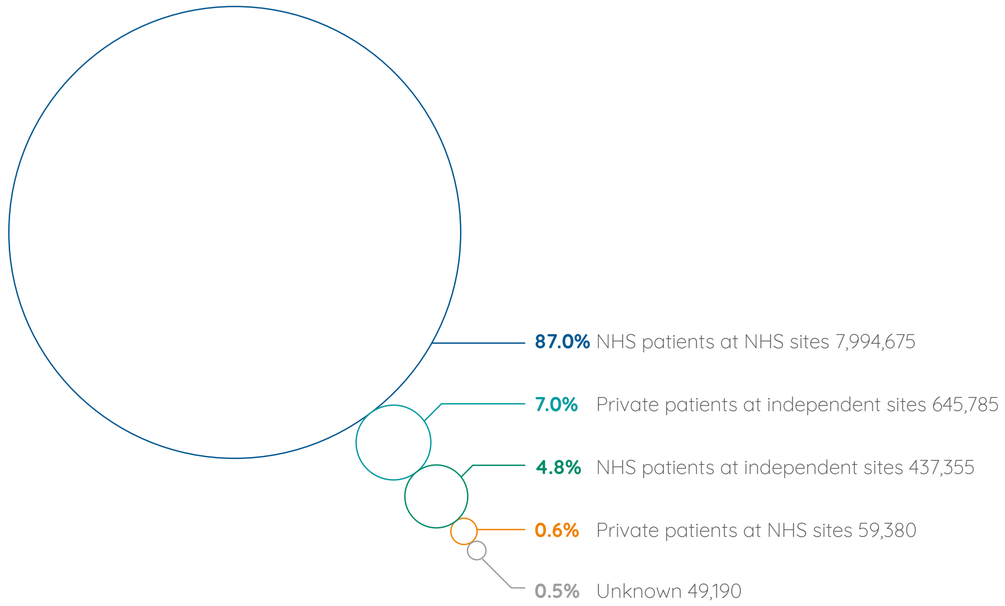
***DECEMBER***

*The Acute Data Alignment Programme (ADAPt) Pilot report to be released with recommendations.*

*Policy recommendations on article 21 measures completed and communicated to the CMA.*

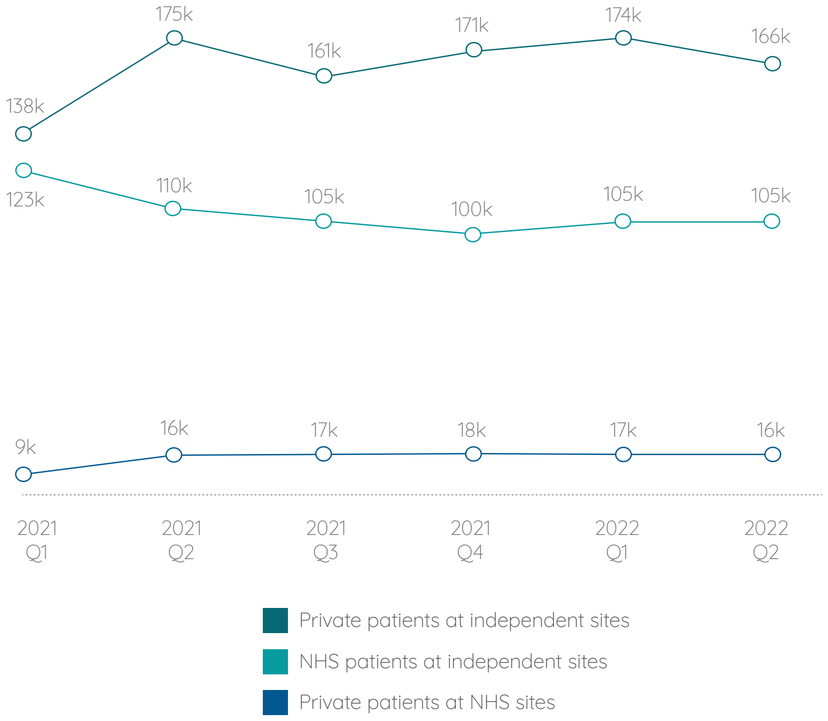
There were over 9 million episodes of acute elective care in 2021. Of these, over 700,000 were privately funded at either independent or NHS sites. That is just over 7% of the episodes across the year. In the first half of 2022 (January to June) there were 373,090 privately funded episodes, an increase of 35,115 over the same period in 2021.

## Acute elective care episodes by market quadrant (funding and provision)



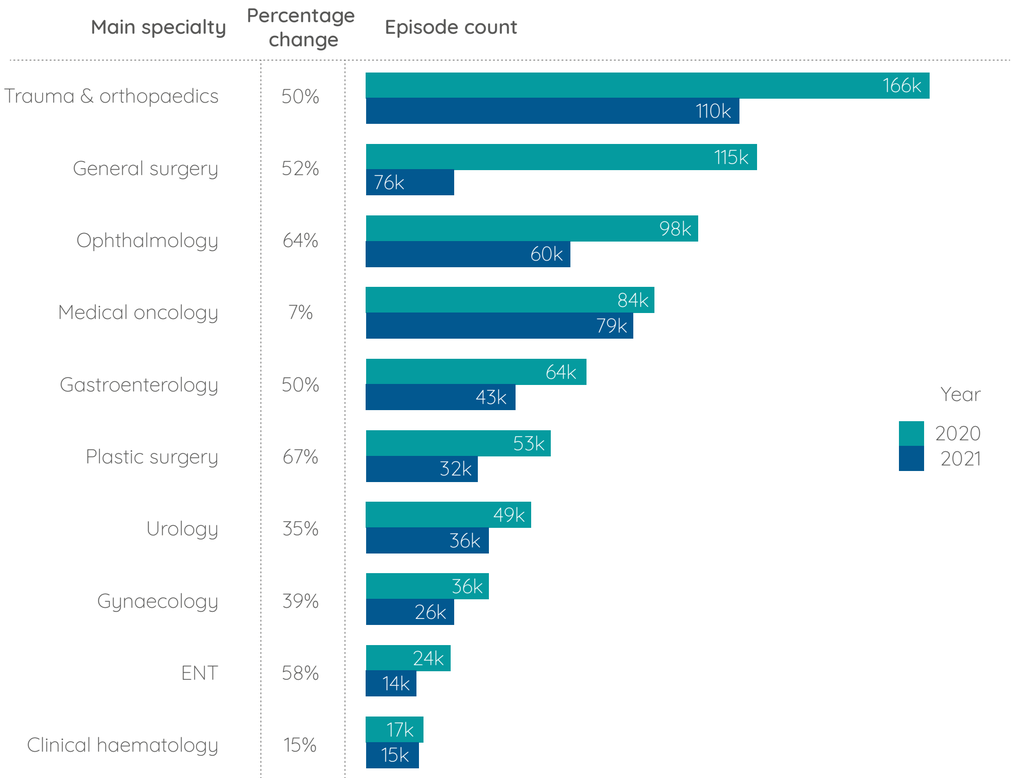

[1]*Acute elective care activity in England in 2021 by count of episodes showing relative sizes of market quadrants by funding (NHS/Private) and provision (NHS/Independent). Data on privately funded care is supplied by hospital operators directly to PHIN; data on NHS funded care is from the Admitted Patient Care dataset within Hospital Episodes Statistics supplied by NHS Digital. Approximately 0.5% of data is not shown as it lacks either funding source or provider information. NHS data is not available for Scotland, Wales or Northern Ireland.*

## Acute elective care episodes by market quadrant (funding and provision) excluding NHS patients at NHS sites



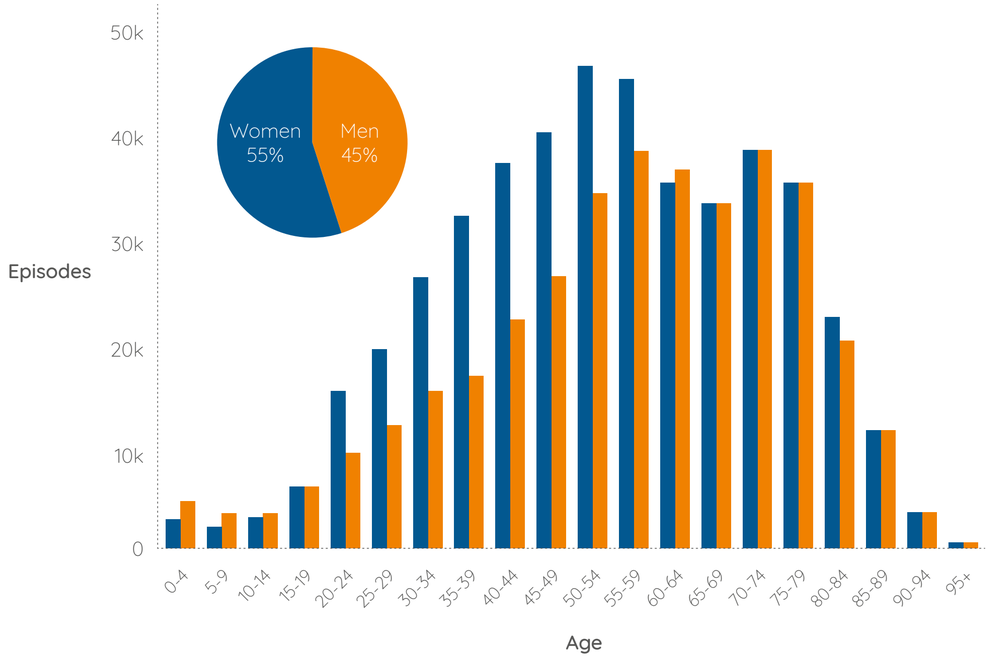
## Change in acute elective care episodes by specialty (2020-2021)

Following a fall in activity by specialty in 2020 reflecting the impact of the Covid-19 pandemic, there was an increase in activity in every specialty in 2021. There were over 55,000 more Trauma & orthopaedics episodes, 39,000 more of General surgery and a similar increase in ophthalmology episodes (38,395). Clinical haematology has now entered the top 10 procedures replacing Cardiology.




## Patient demographics - age and gender

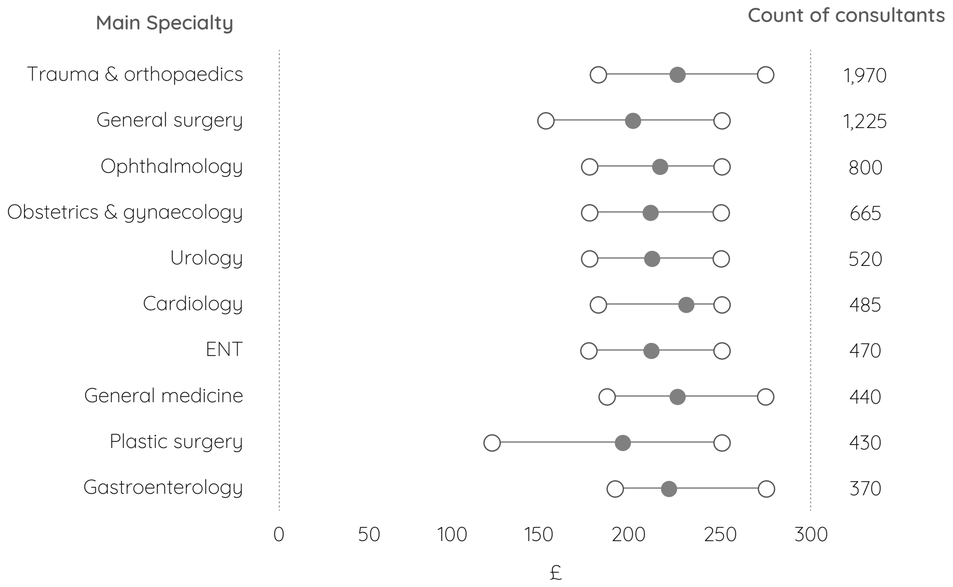
As in previous years, women made up the higher percentage of private healthcare patients (55%). Women between the ages of 45 and 59 also remained the most frequent users of private healthcare services in 2021.



There have been some rises in self-pay consultant fees, but figures from November 2022, show pricing in 2022 remains broadly consistent with the previous year. Patients in London continue to pay a premium for an initial consultation with a private consultant, whereas patients in Wales, Scotland, Northern Ireland and the North East will still typically pay the least. In terms of consultant specialties, trauma & orthopaedics, gastroenterology or general medicine patients seeking an initial consultation will typically pay higher prices, than those with other conditions.

## Initial consultation fees by specialty

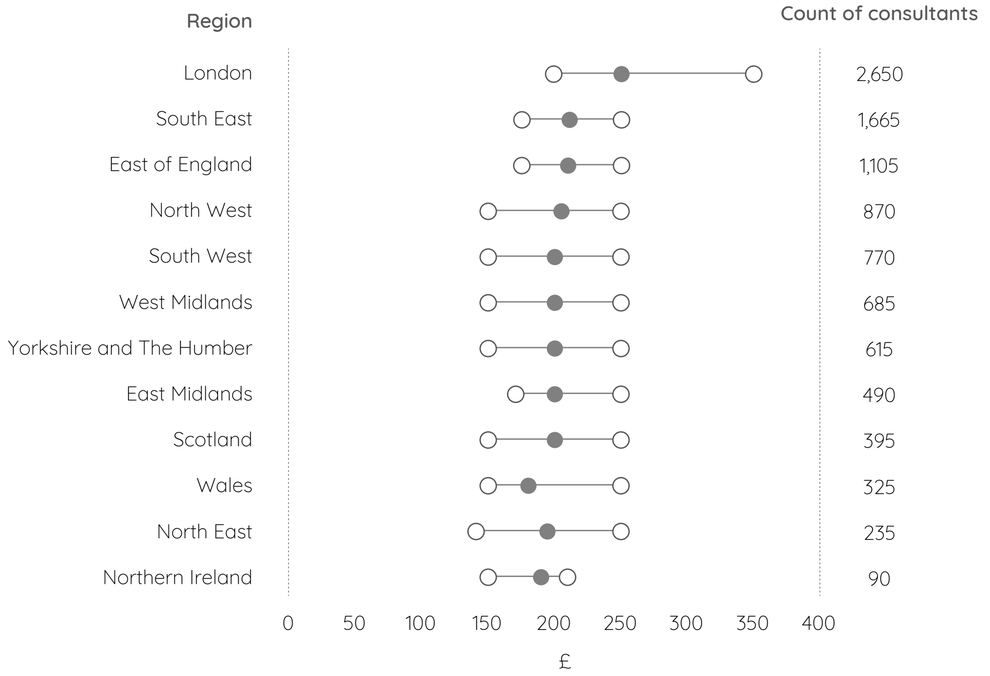
Range of initial consultation fees supplied to PHIN by consultants for the top 10 specialties as of November 2022.




*Range of initial consultation fees supplied to PHIN by consultants for the top 10 specialties as of November 2022.*

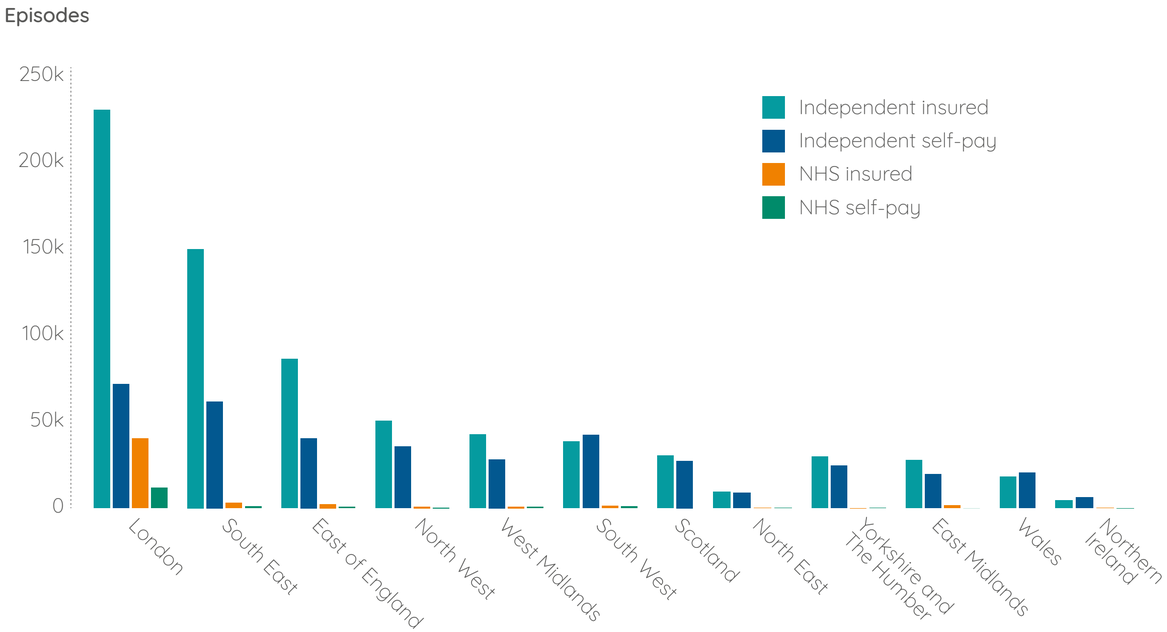
## Initial consultation fees by region

Range for initial consultation fees by region, across all specialities as of November 2022.




*Range for initial consultation fees by region, across all specialties as of November 2022.*

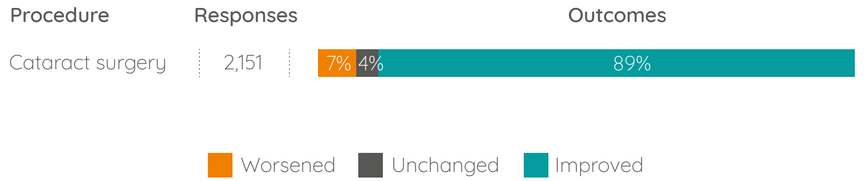
## Regional breakdown of insured and self pay - (Q1 2021 – Q2 2022 inclusive)




## Cataract Patient Reported Outcome Measures (PROMs)

PHIN has begun publishing Patient Reported Outcome Measures (PROMs) for cataracts. Our latest figures show health outcomes for cataract surgery from July 2020 to June 2021.

88% of patients reported improvements following cataract surgery, 4% reported no change and just over 7% said their health had worsened following the surgery.



# Year in review

### Measures publication

In March we published new statistics on the number of serious injuries sustained by private patients for the first time, as part of our role to support people considering private healthcare with information about safety and quality.

In July we announced that hospitals no longer needed to submit the rhytidectomy PROM for privately funded patients having facelifts. This was in response to the advice of the professional body, the British Association of Aesthetic and Plastic Surgeons (BAAPS) and is part of a programme of PROMs work to ensure that the selection of PROMs is relevant and up to date. Work is ongoing to implement a new PROM related to breast reduction as recommended.

In the same month, we began providing patients with confirmation of which hospitals are submitting information on hip, knee and shoulder operations to the National Joint Registry (NJR) to help improve understanding and overall quality of care, along with a link to the relevant page on the registry website.

In September we presented new information about patient-reported health improvement following cataract surgery. Patients can now get a better understanding of how likely it is that their operation will lead to an improvement in their health. We also enhanced the patient feedback information with a breakdown of patient experiences.

### The four-year Strategic Plan and roadmap

At the end of 2021, PHIN began working with members to develop a jointly agreed strategy which would deliver the requirements of the CMA Order by June 2026. A 'Partnership Forum' group was established to make rapid progress and address key issues, while seeking to consider wider stakeholder perspectives.

In April and May, we hosted several forums to share key principles for publication, an outline plan and to get stakeholder feedback. We remain grateful to all those who took part and contributed to that process. Early in June, a draft plan was made available for comment and review. By the end of the month, the finalised Plan and roadmap were submitted to the CMA. The Plan was then put to members for a vote and passed overwhelmingly by members in July. The CMA also wrote to PHIN, and its members, approving the Plan. The Plan and roadmap can be found PHIN's website.

### Task and finish groups

The Plan and roadmap included working with member organisations and wider stakeholders to identify how best to publish each of the CMA specified performance measures at hospital and consultant level. Several 'task and finish' groups were established to work through various issues, particularly in respect of publishing measures at consultant level. Those groups committed to producing a series of 'policy papers' by the end of 2022 recommending the way forward for each measure aligned with the key principles outlined in the Plan. Those included:

1. **Patient focus and benefit**
   - Patients should be consulted when developing the measures to ensure they are 'meaningful' and understandable.
   - Contextual information and guides should support the measures.
   - Enable comparison where it is possible and 'reassurance' where comparison is not possible.
2. **Principles of the process and sequencing**
   - Publish the simpler measures before addressing the more complex ones.
   - Consider publishing an interim version of a more complex measure where this is possible and helpful to patients.
   - Aim to publish measures that show meaningful information across all settings e.g. the initial site and any follow-up site.
   - Apply case-mix adjustment where relevant and possible.
   - Publish measures at hospital level first, then consultant level.
3. **Principles for consultant-level publication**
   - We will publish consultant level measures where there is a clinically meaningful metric and there is a validated method available.
   - Publish high-level patient information, supported by more detail for clinicians.
   - Focus on private patient data first then explore ways to gather and show NHS-funded practice.
4. **Approach to national / hospital publication**
   - Focus on private patient data first.
   - Publish information to show nationally aggregated information about individual procedures.
   - Work with devolved nations to collect NHS-funded care data.

*"We now expect to see PHIN and its members apply a relentless focus on achieving the plan and improving the quality of data that is provided."*

**Working with the CMA**

We continue to be grateful to the CMA for its support and engagement throughout 2022, particularly in approving the four-year roadmap and delivery Plan in the summer.

We appreciate that the CMA takes compliance with the Order extremely seriously. Indeed, when writing to PHIN to approve the Plan Sarah Cardell (CMA interim CEO) was very clear that it will monitor progress closely:

"We now expect to see PHIN and its members apply a relentless focus on achieving the Plan and improving the quality of data that is provided. For our part, the CMA will monitor progress closely and stand ready to take enforcement action if hospitals or consultants fail to meet the standards and timescales set out."

**Reporting progress to the CMA:**

The CMA set out four themes for us to report progress against:

1. Hospital compliance – information provided by hospitals to PHIN on active measures (i.e., compliance with measures already in place).
2. Consultant compliance – information provided by consultants to PHIN on fees and active measures (i.e., compliance with measures already in place).
3. Measure development and publication – the development of new measures in line with the Strategic Plan's roadmap to a full introduction of Part 4 of the Order.
4. Patients – ensuring the information published is helpful for consumers, either directly or indirectly (i.e., the quality and usability of information provided to patients).

PHIN began reporting monthly against these four themes from September 2022, including on risks and any issues impacting delivery. In parallel, the CMA established an internal Steering Committee to review progress, and consider the escalation of providers and consultants for enforcement action, where indicated.

**CMA compliance enforcement**

In March, the CMA issued an open letter asking PHIN, its members, and the broader private healthcare sector for a joint, credible plan for complete delivery of the Order, and requested that this be ready by the end of June.

After thorough and widespread consultation with our members in the following months, a sector-wide roadmap and strategy for providing patients with better information about private healthcare services in the UK was agreed upon. It was officially signed off by the CMA and members at a meeting in July.

In October, the CMA published a second 'open letter' specifically thanking the thousands of private consultants and hundreds of hospitals who are providing the information required under the Order to make full delivery of the Plan possible.

The CMA also made it clear that for those who are yet to meet their obligations, they are escalating the public enforcement action against individual consultants and hospitals to ensure all those bound by the Order comply with it.

PHIN continues to engage with consultants and their representative organisations, as well as healthcare providers to support them in fee submission and data submission to minimise those requiring escalation.

**Stakeholder engagement**

While the CMA is the regulator for compliance with the Order, its remit is to ensure competition. PHIN and the CMA are seeking an ongoing dialogue with the Care Quality Commission (CQC) for hospitals and the General Medical Council (GMC) for consultants to support for the implementation of the Order.

The CMA has also offered support to PHIN and its members to help understand patients' information needs including access to its Behavioural Science team. PHIN and the CMA agreed to identify some options for support, both immediately and longer-term.

*"We are thankful for the continued support of our stakeholders and partners."*

We are thankful for the continued support of our stakeholders and partners including NHS Digital and the partnership on the ADAPt, the Patients Association, the Royal College of Surgeons and other consultant representative groups, and bodies such as the Independent Sector Complaints Adjudication Service (ISCAS) and the Independent Healthcare Providers Network (IHPN). We also want to build our relationship with the National Consultant Information Programme (NCIP).

Supporting hospitals

Towards the end of 2021, we introduced a direct dial number for hospitals which included out-of-hours support and answering services provided by a 3rd party. This has increased access for our hospitals at times convenient to them. To improve our support services and response times, this year we also introduced a ticket-tracking system to allow us to monitor support key performance indicators (KPIs) and identify key themes in the issues raised.

Our revised Portal Data Submission process through the PHIN portal, which was first launched in 2021 was a great success, but some providers with large bulk or automated submissions were keen for us to develop a method for direct submission. To ensure our new Application Programming Interface (API) solution adds real benefit, we have been collaborating with providers and listening to their requirements for the service. This has given them an opportunity to input into the process and help us shape the future of submitting data to PHIN. We are beginning the pilot and deployment of this project at the end of 2022.

As part of the sector-wide roadmap and strategy development process, we held a series of direct meetings, forums, and open discussion sessions with our hospital stakeholders giving them an opportunity to contribute to the proposed delivery roadmap and input into the process. We encouraged as many hospitals as possible to engage actively in this process so that we were reflecting their views and operational challenges in the Plan put forward to the CMA in the summer. We also ran a formal consultation process with the hospitals and other stakeholders on the draft Plan before having it successfully submitted and approved. Throughout this process, we continued to support hospitals in submitting data and having measures published for their sites on the website.

Throughout 2022, we have had review meetings with key providers and recently expanded those to all healthcare providers who request it. We have also hosted 15 onboarding sessions and held over 60 data clinics for hospitals to address any issues or get a bit of extra support on their data submissions and we provide regular new starter and refresher training sessions for hospitals.

We continue to host monthly Implementation Forums which provide an opportunity to engage on a more operational level with hospitals about upcoming improvements to our systems, new measure development and for us to gather any feedback on challenges or ideas. We moved these to virtual sessions during Covid, and as this significantly increased the number of attendees, we have continued in this format this year. This has enabled us to open up these sessions to all hospitals and interested stakeholders.

We've held several focused workshops and employee resource groups (ERGs) with hospital representatives to get clarity around key points such as: the reporting of Serious Injuries; NHS number submissions to support linked measures; and the Task & Finish groups who have been focusing on policy position papers and the approach for some of the more complex measures in the Order.

Working closely with hospital providers, this year we have successfully published two new measures, Serious Injuries and Cataract Health Improvement scores, as well as expanding the patient satisfaction measures. We have also improved our PHIN portal reports allowing providers a preview of measures ahead of them being published on our website.

## Consultant engagement

We were pleased that several Royal Colleges, professional associations, and representative bodies were actively engaged as we developed our Plan for the next four years. We are grateful to those who participated in these processes. This allowed us to move forward with greater momentum and engagement, while also maintaining our focus on key activities.

We hosted 50 virtual sessions during 2022. These are intended to allow consultants who are new to engaging with us to become familiar with the PHIN portal, and other systems and processes that are designed to support them.

We maintained our focus on fee submissions and over 9,000 consultants now appear on PHIN's website with this information. We have worked collaboratively with specialty associations and representative bodies to encourage and support participation in these processes.

We continued to work with those consultants with a sizeable private practice to provide PHIN with fee information. The CMA has been clear that it expects continued focus on delivering the Order, so we are keen to encourage participation from these consultants.

We are encouraged that the number of consultants who appear on the PHIN website with patient feedback scores has increased steadily over the past year and has reached 2,400. We know from research that providing this information is particularly important to patients so we will collaborate with all stakeholders to see this number increase each quarter.

We have received positive feedback from consultants regarding the provision of this information, not least for inclusion in their annual appraisal/revalidation data. We are keen to share further information with consultants based on the submissions that we receive.

We continue to welcome the opportunity to collaborate with consultants and update our approach where it is clinically appropriate to do so. We have been pleased to receive recommendations from the British Association of Plastic Reconstructive and Aesthetic Surgeons (BAPRAS) and BAAPS to retire the PROMs instrument for Rhytidectomy and to explore introducing a new PROM for breast reduction surgery.

We have maintained our relationships with professional associations and attended a range of specialty and hospital consultant meetings to build relationships and respond to any issues or address concerns about the data to be published.

We have very much appreciated the active involvement of consultants who have participated in our working group on 'Presumed Publication', which aims to streamline the data publication process. We will collaborate to develop an approach that is fair to all stakeholders, but which meets our primary requirement to provide information that allows patients to make an informed decision about their healthcare.

## Serving patients

Our new patient website was launched in July 2021, with input from the Patients Association on design and how best to present the measures and contextual information.

Without any marketing, the number of monthly visitors has almost doubled over the past 12 months, from 19,000 in August 2021 to 37,000 in August 2022, and the number has continued to grow since then.

We now have feedback from over 4,000 of these visitors via our website survey which was launched in November 2021. Two-thirds of visitors say they find it 'easy' or 'very easy' to use the website.

Whilst we collect a lot of very positive feedback, any negative feedback is primarily linked to the absence of consultant or hospital profiles and data. Our records also show that consultants and hospitals with higher levels of published information get significantly more views on the website, which for some will lead to more patients contacting them for treatment.

We estimate that 97% of visitors to the website are patients, based on over 1,000 responses which point to how they use the website. All patient feedback is reviewed on a weekly basis and this new evidence increasingly drives the priorities and changes to the website, so that it better meets what patients want and expect.

We have also made good progress on PROMs, one of the CMA measures, and the most tangible evidence of treatment effectiveness for patients. Based on independent research we commissioned from the London School of Economics (LSE), which was published in September 2021, we have worked with hospitals, professional bodies, insurers and PROMs system suppliers to improve the uptake and value of this data so that it benefits clinicians and patients alike.

A regular forum has now started meeting and is progressively working through the nine LSE recommendations to support better understanding and implementation. This work will continue into 2023.

**Engagement with private medical insurers**

Private medical insurers (PMIs) are key industry stakeholders in supporting the drive for transparency in the sector and participation with PHIN among hospitals and consultants. They also have huge reach with patients and can help promote the use of PHIN's information to customers to help inform their treatment choices.

The five larger PMIs are voting members and have nominated representation on PHIN's Board.

We have spoken regularly with all the major PMIs over the past 12 months, and they continue to give detailed and valuable input to support the CMA Order. The key focus of discussions is how to ensure that the PMIs can access the published data about hospitals and consultants in a timely way and at scale and also to ensure that the data and its limitations are properly understood.

We invited insurers to participate in our monthly Implementation Forum and PROMs working group so that broader perspectives can be considered when implementing key changes which affect all stakeholders in private healthcare. We are grateful to the PMIs for their constructive insights and support.

We will continue to work with PMI providers to encourage their participation and reach more patients with PHIN's information.

**How we're using technology to help**

Over the past 12 months, our mission to support patients in making informed decisions regarding their own privately funded health care has been at the core of our efforts, and we have made steady progress on several fronts.

We have built and delivered several new measures, including Hospital Reported Adverse Events (HRAE), hospital level patient feedback, cataract PROMs and access to third party information repositories, such as the NJR, via links on our website. Additionally, we have delivered refined versions of the volume and length of stay metrics on the PHIN website.

We have also enhanced our digital product suite to allow visitors to give feedback on their experience, ensuring that we are aware of, and responsive to, their needs. We continued to optimise our internal processes by introducing a system which allows hospitals and consultants to raise queries, issues and incidents directly with the PHIN Engagement Team, thereby ensuring that those items are addressed promptly and efficiently by the appropriate teams.

The digital world that we live in is fraught with risk, so security and privacy are baked into everything that we do. We are especially pleased to have passed our recent ISO 27001 audit with flying colours and secured accreditation for the next three years. Operationally, we have conducted two in-depth penetration tests, neither of which revealed any critical or major findings. Moving forward, we will continue with our rolling disaster recovery testing schedule – which is conducted on a quarterly basis – as well as promptly and aggressively remediating vulnerabilities such as PrintNightmare (a security vulnerability which affected the Microsoft Windows operating system), as and when they are identified. All these efforts have been key in ensuring that we have had 0% unplanned downtime in our core infrastructure over the past year.

On the wider technology front, we have been working diligently with partners from NHS Digital to deliver the initial three pilots of the ADAPt. The pilot phase is now complete; the report detailing the findings from this phase of the project is expected to be published by the end of 2022. We have also been working together with independent providers and insurers to design and build an API to allow data to flow into and out of PHIN's systems. The aim of this initiative is primarily to promote syndication of PHIN's data, but it will also facilitate decommissioning of the ageing system currently used by PHIN for receiving data. Thank you to everyone who has assisted us in this endeavour so far.

# Governance and Finance

*"The audit report ranked PHIN's current framework as "Good" with a score of 84%."*

**Accreditation and assessments**

**Data Protection Compliance Audit:** PHIN undertook an external data protection audit throughout January and February 2022. The intention was to assess the maturity of PHIN's existing privacy framework and to assess any key areas that would require remediation.

The audit report ranked PHIN's current framework as "Good" with a score of 84%. Of the 34 recommendations provided by the auditor, 31 were "best practice opportunities for improvement". There were only three areas to remediate, and these were addressed by the Information Security Management Team (ISMT) and closed prior to the mid-year report being issued in Q3.

**ISO 27001:2013 Recertification:** We completed recertification once again in August 2022, with a continuing absence of non-conformities. This represents an impressive effort across the organisation to implement and maintain the ISO 27001 framework with no non-conformities for over two and a half years.

**Data Security and Protection Toolkit (DSPT):** The 2021-22 NHS DSPT submission was successfully completed in May 2022, with all standards met once again.

**Compliance outreach**

During 2022 PHIN has been attempting to work more closely with hospital providers to address any potential issues with the data required under the CMA Order that may have led to poor quality or low volume submissions. Part of this outreach has involved communicating with Information Governance departments across the private healthcare industry to inform them of the compliance work we have undertaken, and to provide them with assurances regarding the lawfulness of data submissions required under the CMA Order, as well as the importance of verifying data prior to submissions. This work to raise awareness and provide assurances will continue to take place throughout the remainder of 2022 and 2023.

**Incidents**

There were no incidents requiring notification to the Information Commissioner's Office throughout the period. However, we have continued to work within PHIN on any minor occurrences – which don't require notification – and a series of reviews and mitigations have been adopted because of these internal assessments, as per our policy. The responses to such incidents have been accompanied by departmental training sessions to embed ongoing improvements in our compliance culture.

## Income and expenditure

Income for the year was £4.6m which was a step increase on the previous financial year to support more rapid delivery of the CMA Order. All our income in the year continued to come from member subscription fees.

Overall expenditure of £4.1m represented an increase on the prior year but came in under budget. The main driver in the increased year-on-year costs were the continued investment in resource to deliver the CMA Order, most notably in our Informatics, Technology and project management office (PMO) functions. Savings to budget were realised through non-recurrent vacancy and cost control.

As a result of this additional investment, PHIN recorded a surplus of £0.5m in 2021/22, which represented an increase on both prior year and budget. This budgeted surplus increased retained earnings and reserves to £1.9m, providing five and a half months operating expense cover held as reserves on a full year basis. This is below the governance target of six months operating expenditure held as reserves, but it is in line with the temporarily reduced target of five months operating expense cover which saves our members c. £0.5m a year.

## Debt recovery

Subscription fee debt is at a similar level compared to the prior year when considering the relative increase in subscription fees. A small amount of subscription fee debt was written off attributable to organisations going into administration.

## 2022/23 forecast

Looking forward to 2022/23 and following the consultation and approval of the CMA Order Roadmap and Delivery Plan 2022-26, a phased increase in fees has been agreed to support the increased pace and delivery of the CMA Order.

A total income requirement of £4.9m was budgeted for the 2022/23 financial year, representing the 7.5% uplift in fees from 1 February 2023. As agreed during the CMA Order Roadmap and Delivery Plan 2022-26 approval process, a further 6.5% increase in subscription fees has been deferred until 1 August 2023. The additional expenditure will cover the investment into core delivery areas of the business – namely the Informatics, Technology, PMO and Engagement teams. Throughout this period PHIN will be maintaining a relaxed reserves target of five-month operating expenditure held as reserves.

*"A total income requirement of £4.9m was budgeted for the 2022/23 financial year."*

## Subscriptions fees

From 1 August 2022, PHIN's subscription rate was £5.98 per record, producing annualised income of £4.6m for the year ahead based on 777,000 admitted patient care records received in the 2020 calendar year. From 1 February 2023, these fees will be increased by 7.5%, resulting in a total budgeted income for the financial year 2022/23 of £4.9m.

## What does PHIN spend its resources on?

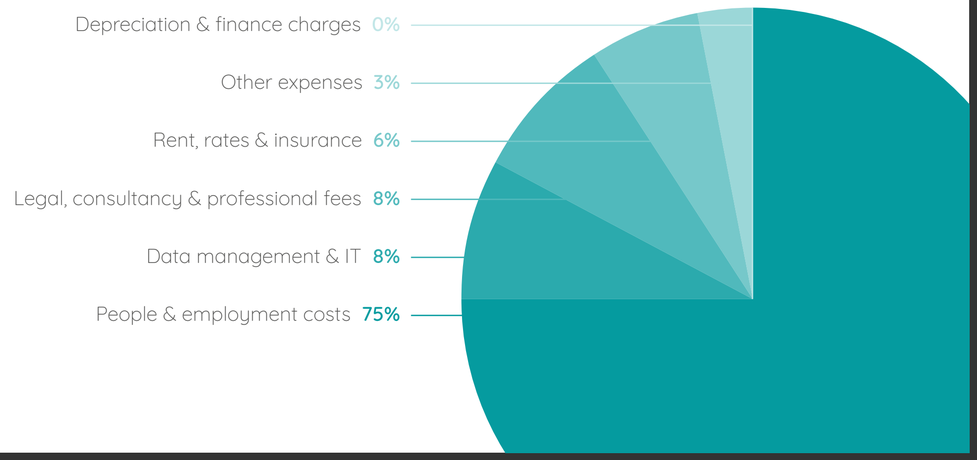
As a not-for-profit organisation, PHIN is always keen to provide transparency in how it spends its members' funds, as outlined in the additional income statement analysis included in the Financial Statements and Annual Report.

Based on the audited cost base in 2021/22, the bulk of PHIN's expenditure is on people and staffing costs which comprises c.75% of our cost base.

The second highest pool of costs relate to data management and IT, which includes our IT hosting, security, and licensing costs, as well as our web and portal design and development costs.

Our third highest resource pool is our spend on legal, consultancy and professional fees. The bulk of these costs relate to a long-term relationship with NEC (formerly Northgate Public Services), as well as an outsourced data protection officer (DPO) and finance and accounting functions.

**Profile of spend** (based on 2021/22 audited financial statements)



**How is PHIN organised and what do people do?**

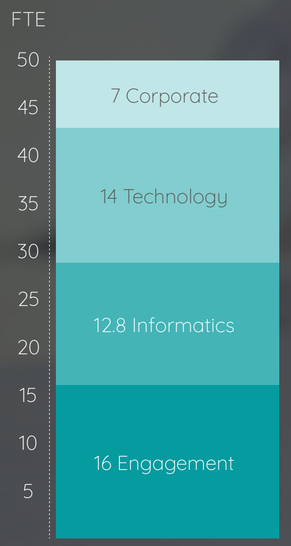
PHIN is led on a day-to-day basis by the Leadership Team comprising the Chief Executive, Chief Medical Officer, Chief Financial Officer, Member Services Director, Chief Technology Officer, and the Director of People and Process (Company Secretary).

The main functional teams within PHIN comprise:

- **Informatics** – the 'engine room' of PHIN, responsible for the analysis of data and data quality, and preparation and maintenance of performance measures information for publication.
- **Technology** – comprises the Development team responsible for development and maintenance of our databases, consumer website and member portal, and the Information Security and Services team, responsible for maintaining the day-to-day systems and security, including ISO 27001 compliance.
- **Engagement** – is led by the Member Services Director and comprises PHIN's Hospital and Consultant Engagement teams, engagement with other stakeholders and patients, our Communication team, and our Product team, which is responsible for the design and development of our website and portal products.
- **Corporate** – this function comprises the Chief Executive, Chief Financial Officer and the Director of People and Process (Corporate Secretary). This team is supported by an Office Manager and the PMO team, as well as outsourced DPO, HR, admin, legal and finance and accounting functions.

In total there will be just under 50 full-time equivalent (FTE) staff at PHIN in 2022/23. The breakdown by department from the 2022/23 budget is outlined on the right.

**Full time equivalent staff by team**
(based on 2022/23 budget)




## Statement of Income and Retained Earnings

| | 2022 | 2021 |
|---|---|---|
| Turnover | 4,562,728 | 3,392,995 |
| Administrative expenses | (4,072,723) | (3,507,120) |
| Operating profit/(loss) | 490,005 | (114,125) |
| Profit/(loss) before tax | 490,005 | (114,125) |
| Profit/(loss) for the financial year | 490,005 | (114,125) |
| Retained earnings brought forward | 1,379,602 | 1,493,727 |
| **Retained earnings carried forward** | 1,869,607 | 1,379,602 |

## Statement of Financial Position as at 31 July 2022

| | 2022 | 2021 |
|---|---|---|
| Fixed assets | | |
| Tangible assets | 9,547 | 14,499 |
| Current assets | | |
| Debtors | 242,736 | 183,125 |
| Cash at bank and in hand | 2,157,102 | 1,622,063 |
| | 2,399,838 | 1,805,188 |
| **Creditors: Amounts falling due within one year** | (539,778) | (440,085) |
| **Net current assets** | 1,860,060 | 1,365,103 |
| **Net assets** | 1,869,607 | 1,379,602 |
| **Capital and reserves** | | |
| **Profit and Loss account** | 1,869,607 | 1,379,602 |
| **Total equity** | 1,869,607 | 1,379,602 |

# Projects scheduled to be delivered in 2023

**Links to NOD Registry**
National Ophthalmology Database (NOD) link published at site level

**Infection Rates (SSI)**
Publication of further surgical site infections (SSIs) beyond hips and knees in the portal

**Data Explorer**
Publication of interactive front-end visualisations of PHIN's information for consumers and in the portal

**Links to Further Registries**
Published links to remaining registries for both hospitals and consultants

**PROMs Participation**
Enhanced display of participation rates for PROMs

**Linked Measures**
Readmission Rates and Mortality Rates published in the PHIN Portal only

**PHIN portal v6.0**
Enhancement of navigation, reporting and administration functions

**Data Overview for Consultants**
Enhancements to the portal to enable consultants to view all the information submitted to PHIN about their private practice

**Medical Secretary**
Administrator access and delegated PHIN portal permissions

**Consultant Insured Fee arrangements**
Functionality to enable consultants to submit arrangements they have in place with insurers

TWENTY THREE

# Thank You