PHIN

THE PRIVATE HEALTHCARE INFORMATION NETWORK
ANNUAL REPORT 2017-18

This report refers extensively to 'the CMA Order' by which we mean the Competition & Markets Authority's (CMA) Private Healthcare Market Investigation Order 2014. The Order was the result of an investigation by the UK's competition authority into private healthcare. During the investigation, the CMA found that there is a lack of information available to patients considering private treatment that is sufficiently serious as to create an adverse effect on competition.

The Order created remedies for this problem, appointing an information organisation, the Private Healthcare Information Network (PHIN), and requiring that: "Every operator of a private healthcare facility shall… supply the information organisation, quarterly from a date no later than 1 September 2016, with information as regards every patient episode of all private patients treated at that facility, and data which is sufficiently detailed and complete to enable the information organisation to publish [specified] performance measures by procedure at both hospital and consultant level. The information organisation shall publish performance information on its website, as specified by this Order… no later than 30 April 2017."

Further information can be found in PHIN's Strategic Plan 2015-2020 (available at www.phin.org.uk) and on the CMA website (www.gov.uk/cma-cases/private-healthcare-market-investigation).

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PHIN is an independent, not-for-profit organisation that exists to support patient choice and to provide information that helps drive improvement across private healthcare.

As the official Information Organisation mandated by the Competition & Markets Authority (CMA) Private Healthcare Market Investigation Order 2014, PHIN is responsible for collecting and publishing performance data on privately funded healthcare delivered by independent providers and NHS Private Patient Units in the UK.

PHIN's work to increase transparency and enable patients to make more informed decisions in the future, has been and still is a major team effort between providers, consultants and PHIN.

DR ANDREW VALLANCE-OWEN, CHAIR

Andrew Vallance-Owen
MBE, MBA, FRCSEd
Chair

This has been a challenging year for the independent sector, which has come under increasing public scrutiny. Despite the significant amount of work being done by most private providers to respond to the CMA mandate there was, amongst other things, criticism from the then Secretary of State, Jeremy Hunt, about the lack of transparency in the sector regarding patient outcomes and a national inquiry considering the issues arising out of the Ian Paterson case is on-going.

In general, however, the sector believes that it provides high quality healthcare and is now, as it clearly needs to, moving slowly towards being able to evidence that belief for the first time through standardised submission of activity, performance and outcome data to PHIN for publication on its website.

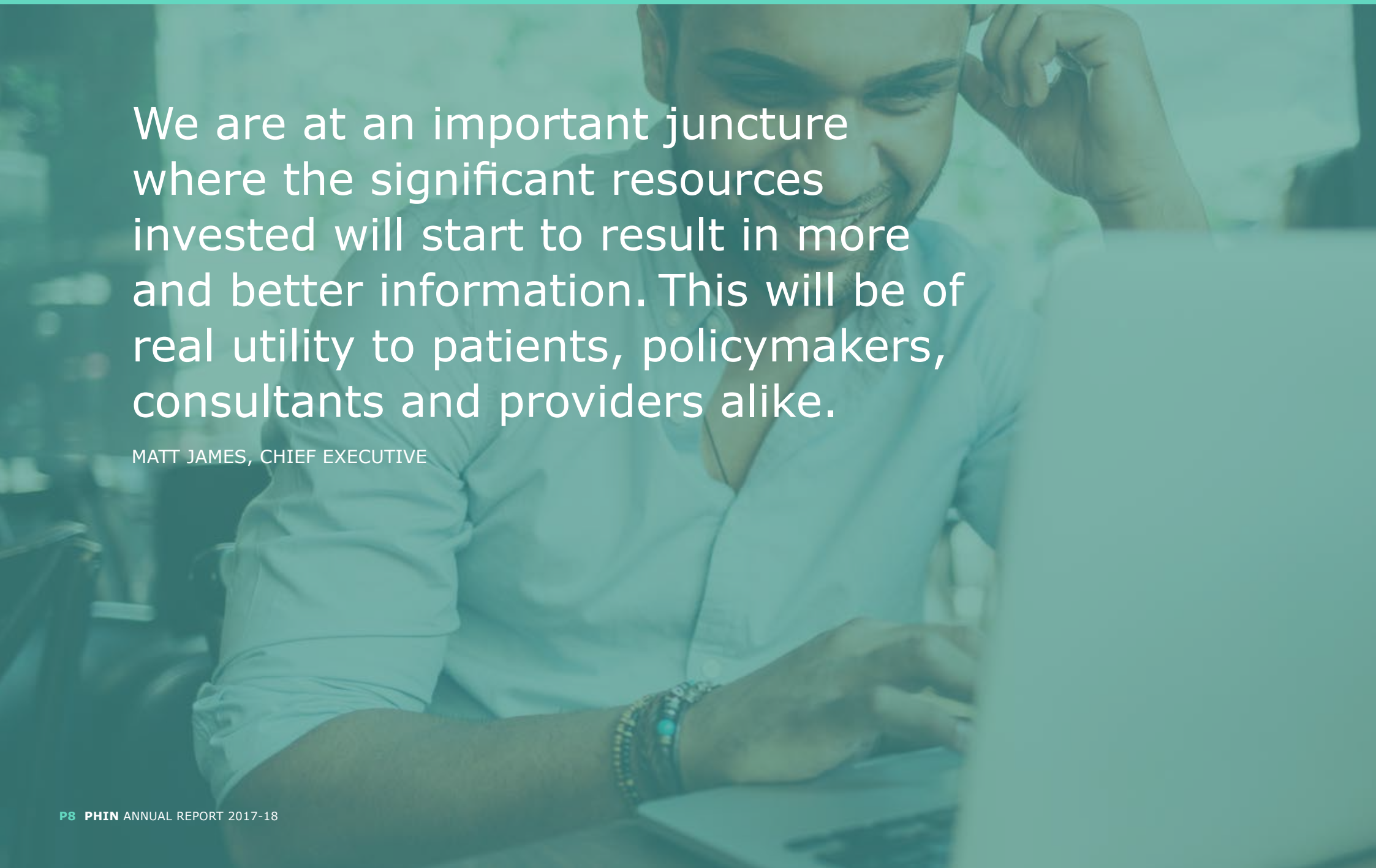
On behalf of the Board, I want to fully acknowledge the amount of work that has been required of providers to implement a standardised system of data collection to enable risk-adjusted, comparative information to be published, both to drive improvement and to enable consumers to make more informed choices. I also want to recognise the huge effort undertaken by the small and dedicated PHIN team. Much of their work flies under the radar yet is crucial for enabling delivery of the CMA mandate and better information for patients.

We have engaged with all providers of private care regulated by the Care Quality Commission (CQC) across the UK and, more recently, thousands of consultants, many of whom were initially unaware of their obligations under the CMA Order. We have had to consult, agree and implement standard definitions and coding across the sector. We have had to comply with the shifting sands of data regulation, not least because of the need to link to NHS datasets. We have had to convert a fast-growing dataset into useful information, suitably interpreted for patients and, finally, we now have to consult, agree and implement publication of consultant fees from April 2019.

This has been a massive task requiring high levels of sophistication and huge effort from the team led by our chief executive, Matt James, who has built a strong reputation for PHIN in relation to integrity, communication with stakeholders and the quality of the work done. On behalf of the Board, I thank them all for their commitment to this important work for the independent sector.

For my part, I also wish to thank all the members of the Board for their support. Members have played their parts, using their expertise and experience in a positive way to enable smooth and appropriate decision making on some big strategic issues. This year has seen our first change on the Board with Fiona Booth stepping down and David Hare taking her place as the provider nominee. Looking ahead we will lose another valuable member of the Board in Nancy Devlin, who is taking up an exciting opportunity as the Director of the Centre for Health Policy at the University of Melbourne. Fiona and Nancy will be sorely missed. These mark the first changes at Board level for PHIN in over three years, showing the continued enthusiasm of the Board to support patient choice and greater transparency in private healthcare reporting.

In summary, this work to increase transparency and enable patients to make more informed decisions in the future has been and still is a major team effort between providers, consultants and PHIN. It brings a huge opportunity to demonstrate the quality of the care provided by the independent healthcare sector in this country, and we are convinced it will bring significant benefit to patients and the sector over the coming years.



We are at an important juncture where the significant resources invested will start to result in more and better information. This will be of real utility to patients, policymakers, consultants and providers alike.

MATT JAMES, CHIEF EXECUTIVE

Matt James
Chief Executive

PHIN has made much progress over the past year, most notably passing the important milestone of publishing the first information about consultants' activity and performance.

To get to that point, it has been essential to build and maintain the active engagement of consultants. A wide range of professional organisations have given great input in helping to facilitate this work. Cross-specialty bodies including the Independent Doctors Federation (IDF), the British Medical Association BMA, and especially the Federation of Independent Practitioner Organisations (FIPO) have been consistently supportive. I must particularly thank Geoffrey Glazer, who stepped down as Chair of FIPO this year having invested a great deal of time and energy into building the relationship between PHIN and consultants over several years.

For hospitals, this has been a year of steady progress. Data has continued to flow, engagement has been good, and I increasingly hear the sector's leaders making public commitments to transparency of clinical outcomes. New entrants to the market have been keen to be involved. 355 hospitals now feature on our website, up from 285 last year.

We will shortly publish a data maturity report for hospitals – fulfilling one of our priorities for the year just ending. It has proven a challenge to distil a very complex implementation project into a simple picture, and to do that fairly. We aim both to recognise the progress to date, but also highlight the work remaining.

In the four years since the CMA's Order came into force, we have had to focus on foundations – establishing connections with hundreds of hospitals and thousands of consultants to get data in. Now that data are flowing, the work becomes more interesting, but arguably more challenging. Publishing the number of patients treated and lengths of stay for a range of procedures at hospital level requires a flow of consistent, valid data, but minor inaccuracies can be corrected or tolerated. However, publishing rates of adverse events at procedure level – where a typical rate might be 1 error in 10,000 admissions – requires far greater accuracy. That is why we have set high standards, and why it is taking hospitals time to understand and meet those standards.

A highlight of the year has been the Acute Data Alignment Programme (ADAPt) – announced by then Secretary of State for Health Jeremy Hunt in June. ADAPt offers the real prospect of far greater integration with NHS information standards and processes in the years to come. It has been a real pleasure working with Tom Denwood at NHS Digital and everyone else involved.

The Chairman and Board have remained hugely supportive of our work, as have key stakeholders including the CMA and the CQC.

We have significantly strengthened PHIN's capabilities over the past year, for example with the arrivals of David Minton as Chief Technology Officer, Dr Jon Fistein as Chief Medical Officer, and Dr Natalie Silvey as Clinical Advisor. They join a team that is dedicated to seeing the CMA's Order through to completion. I believe that we are now approaching the right scale and maturity of organisation to realise our important objectives.

I would particularly like to thank members for their support in strengthening our capabilities. We understand that market conditions are tough, any fee rises are not easy to welcome, and we don't come to such decisions lightly. We are at an important juncture where the significant resources invested will start to result in more and better information. This will be of real utility to patients, policymakers, consultants and providers alike.

Transparency is essential if the independent medical sector is to grow and flourish into the future. The work of PHIN will help patients, potential patients, their relatives and advisors make better choices. We applaud those who have enabled the progress so far but hope the process will now quickly gather momentum.

SPOKESPERSON, PRIVATE PATIENTS FORUM

Progress and overview: key deliverables

This year has seen significant CMA Order milestones met, as we look to empower patients with greater information about the quality, safety and cost of private healthcare. Below are the key external milestones PHIN has achieved over the last 12 months:

November 2017:

Consultant portal launched.
Providing the episode record data to consultants for the first time, with the ability to review and feedback on data inaccuracies.

February 2018:

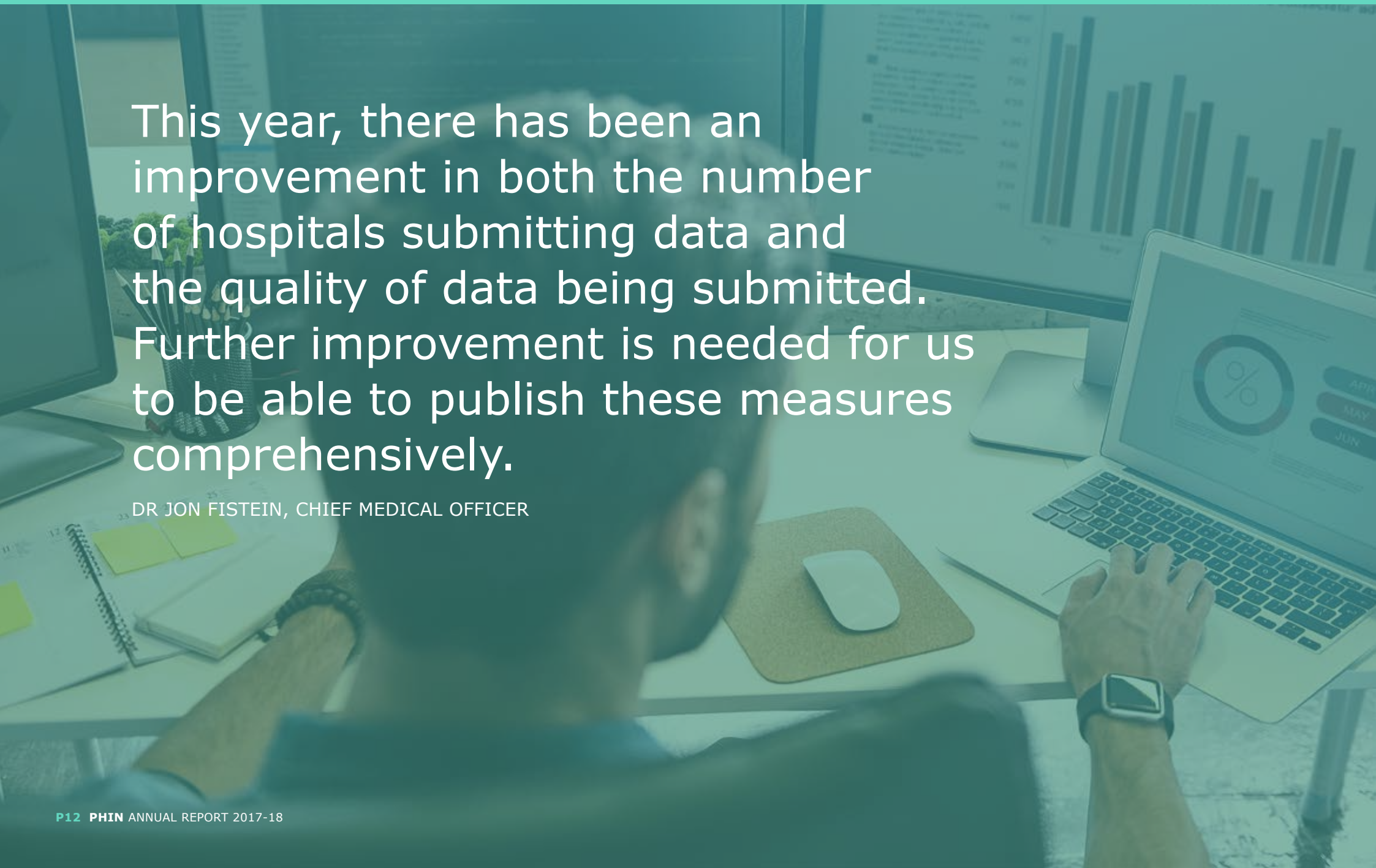
Two additional hospital measures published.
Patient Experience and Health Outcomes Participation.

June 2018:

Consultant measures review and sign-off.
Activity Numbers and Length of Stay.

September 2018:

Consultant measures publication.
First two measures published for 1,000 consultants with private practice and volume transparency introduced for hospitals.



This year, there has been an improvement in both the number of hospitals submitting data and the quality of data being submitted. Further improvement is needed for us to be able to publish these measures comprehensively.

DR JON FISTEIN, CHIEF MEDICAL OFFICER

By Dr Jon Fistein, Chief Medical Officer

Data maturity

In past years, many hospitals faced challenges in providing data to PHIN. In most cases, these are being overcome. However, for us to publish the more complex measures required by the CMA, the quality of submissions must now improve. This year, there has been an improvement in both the number of hospitals submitting data and the quality of data submitted. Further improvement is needed for us to be able to publish these measures comprehensively.

To facilitate data quality improvements, we have produced a data maturity model to enable hospitals to assess the completeness and accuracy of the data submit, with accompanying guidance that outlines the practical steps needed for improvement. Reports for providers on data quality have been available in the portal since May.

While the report has not yet been published on our public website, the adjacent graph is derived from the report and gives an aggregated view of the number of hospital sites that have met key milestones to allow PHIN to publish the required measures.

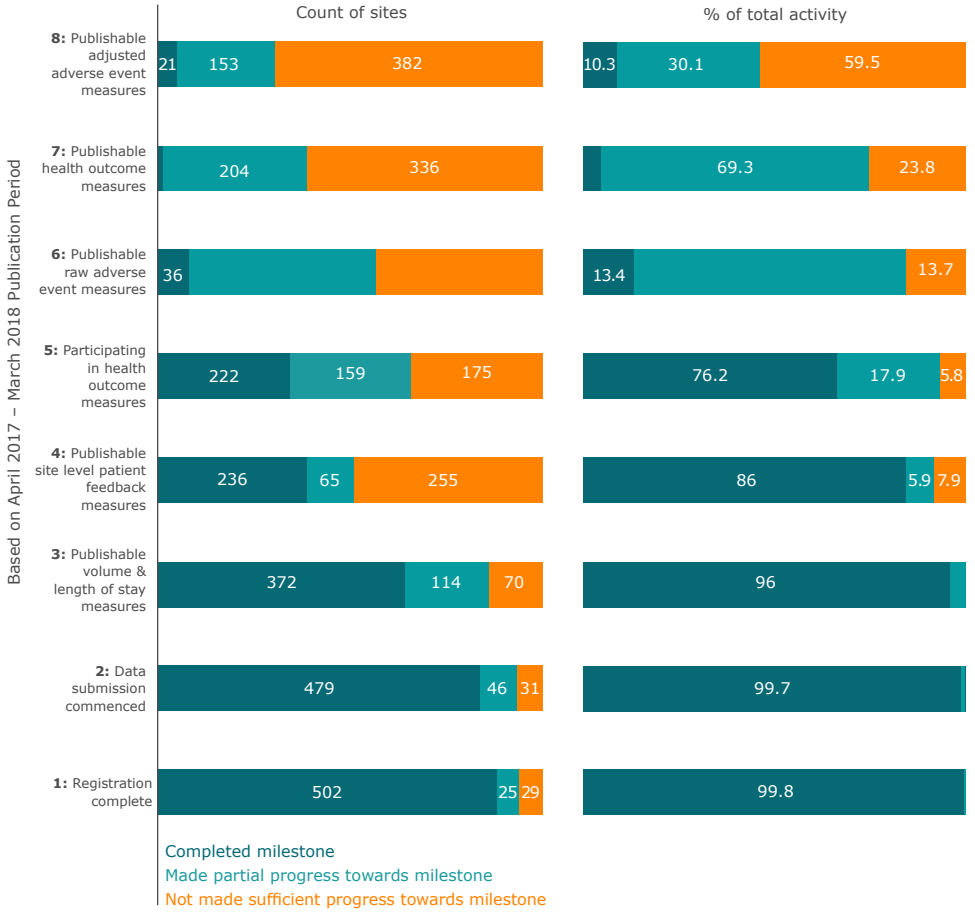
This demonstrates that PHIN has sufficient quality data to publish volumes and length of stay for 372 hospitals. The majority of these sites are currently live on PHIN's website, and will be joined by the remainder at the next website refresh. This covers 96% of elective procedures in the UK. For patient satisfaction, over 66% of providers have provided sufficient PROMs or QPROMs data to publish a meaningful participation score.

However, looking at future measures such as raw adverse events measures, like never events, and health outcomes scores, PHIN's ability to publish falls away sharply – both for the number of sites and total share of activity.

Where over 70% of providers have made some progress in reporting raw adverse events, only a relatively small proportion have reached sufficient maturity to support robust publication of these measures.

Overview of progress

These charts show the number of hospital sites that have met key milestones to allow PHIN to publish measures as required by the CMA Order, along with the relative size and coverage of total activity. The number of sites having met a milestone does not necessarily correlate to the number of sites live on the PHIN website.



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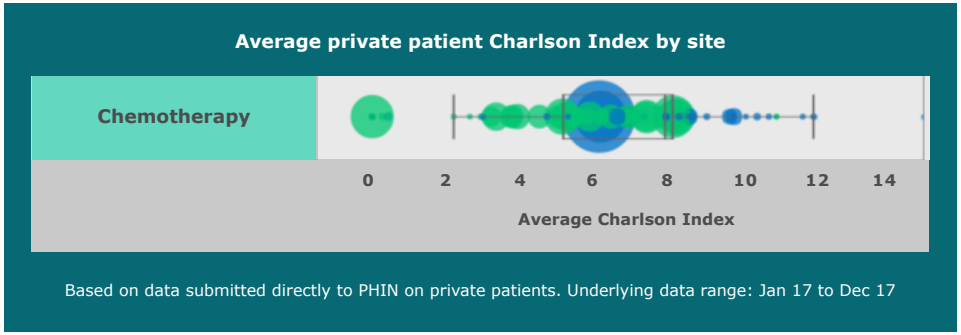
In order for PHIN to be able to present more complex measures we need to understand the comorbidities of the patients receiving treatment. There is still a lot of variation in this coding between providers.

DR JON FISTEIN, CHIEF MEDICAL OFFICER

Diagnosis coding depth remains an issue.

In order for PHIN to be able to present more complex measures, for example including casemix adjusted values, we need to understand the comorbidities of the patients receiving treatment. Building this understanding into our statistical modelling will enable us to present a fair comparison between providers. This is represented in the data by primary and secondary diagnoses codes associated with each patient. There is still significant variation in the completeness of this coding between providers. The consequence of poor coding can be seen in the figure below.



Independent Hospital

NHS Hospital

N.B. Each dot represents one site's average patient complexity based upon the Charlson Index. This is a reflection of patient complexity, and there are several other factors that may not be captured in the Charlson Index.

This shows the average complexity of private patients receiving chemotherapy treatment by hospital. As we might expect, while there is a range of patients seen across independent and NHS facilities, with around half of the hospitals treating patients with a Charlson score between five and eight, NHS facilities will see the more critical chemotherapy cases with a Charlson score of over ten. However according to data submitted, some hospitals are treating patients with a Charlson score of zero which would indicate there was no cancer diagnosis recorded. This is very unlikely to mean that these hospitals are providing unnecessary treatment and far more likely to point to poor data quality and a lack of diagnosis coding. Clearly this lack of coding potentially limits our ability to represent the true nature of the work hospitals undertake so that patients have the information they need to make informed choices given their particular circumstances.

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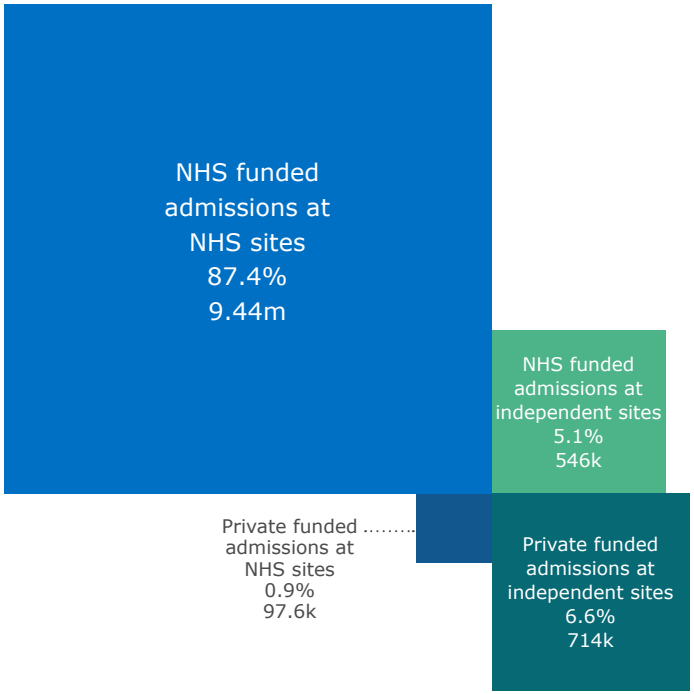
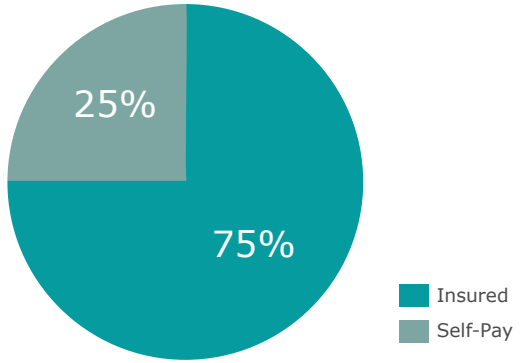
Although we only have two full years of data, we have noticed some differences between these two years. We believe that as data quality continues to improve we will be able to present trends that reflect real activity. This will provide deep insight into the state of the sector.

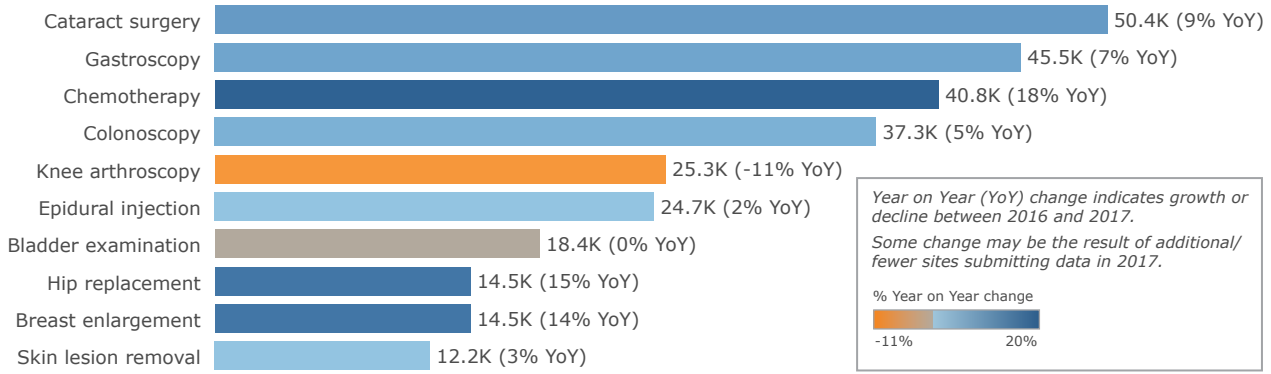
Breakdown of elective care in the UK 2017



2017 private care by funder



Top 10 private procedures in 2017



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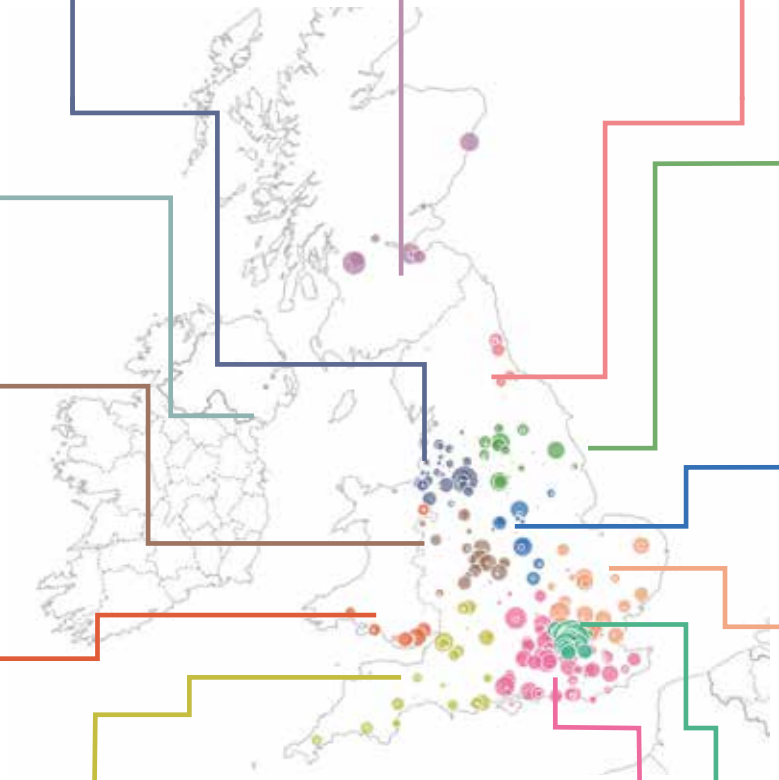
Private healthcare in 2017

Top 3 procedures by region & % of national activity



North West
43.3K discharges (7.5%)

Gastroscopy	3.7K
Breast enlargement	3.3K
Cataract surgery	3.2K

Scotland
27.0K discharges (4.7%)

Cataract surgery	3.2K
Gastroscopy	2.4K
Colonoscopy	1.8K

North East
10.2K discharges (1.8%)

Cataract surgery	1.0K
Epidural injection	0.7K
Gastroscopy	0.5K

Northern Ireland
0.8K discharges (0.1%)

Cataract surgery	0.6K
Coronary angiography	0.1K
Diagnostic hysteroscopy	0.1K

Yorkshire and The Humber
27.8K discharges (4.8%)

Cataract surgery	2.6K
Gastroscopy	1.6K
Knee arthroscopy	1.5K

West Midlands
38.5K discharges (6.7%)

Cataract surgery	3.3K
Chemotherapy	2.4K
Gastroscopy	1.9K

East Midlands
22.4K discharges (3.9%)

Cataract surgery	2.6K
Gastroscopy	1.4K
Chemotherapy	1.3K

Wales
17.4K discharges (3.0%)

Cataract surgery	3.4K
Gastroscopy	1.1K
Knee arthroscopy	1.1K

East of England
67.1K discharges (11.7%)

Chemotherapy	6.0K
Cataract surgery	5.1K
Gastroscopy	4.8K

South West
42.5K discharges (7.4%)

Cataract surgery	4.7K
Gastroscopy	2.5K
Colonoscopy	2.3K

South East
115K discharges (20.0%)

Cataract surgery	12.1K
Gastroscopy	8.8K
Chemotherapy	7.8K

London
162K discharges (28.3%)

Chemotherapy	19.9K
Gastroscopy	16.8K
Colonoscopy	13.0K

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Next year will see PHIN progress with more complex measures of quality and safety, as well as ushering in far greater transparency in pricing and costs.

Priority one: publish consultants' fees

In line with our mandate, a key priority over the coming year will be to bring greater transparency in costs for patients using private healthcare. Article 22 of the CMA Order requires PHIN to publish the fees consultants typically charge for common procedures. PHIN will enable consultants and hospitals to go further and publish total costs, including package pricing.

Priority two: publish further performance measures

With the arrival of Dr Jon Fistein and Dr Natalie Silvey, and a reliable inflow of data established, we will be able to make progress on providing patients with information about adverse events rates and measures of health outcomes (PROMs), thereby enhancing their ability to make informed choices about their care. Initially we will publish measures such as never events and rates of reportable infections, which are generally reported as raw numbers or rates, and outcome measures for hip and knee replacements, for which statistical processes are well-established. For other measures we will need to develop new methods, which will take more time and will require extensive input from stakeholders and statisticians.

Priority three: realise the value of the information that PHIN holds

As data quality improves and it expands to include additional hospitals and many more consultants, we would like to make this information available for wider use to inform public discourse on healthcare. Providers already have access to a downloadable file of the aggregate information published on our website. This is currently a beta document being tested with the providers that submit the underlying data. Our ambition is to make this available to a broader range of audiences, alongside new 'data insights' outlining key trends and statistics.

Priority four: ensure full alignment with the NHS

The Acute Data Alignment Programme (ADAPt), which PHIN leads with NHS Digital, aims to bring greater alignment in data standards and processes across NHS and independent hospitals. This is not a simple process and full alignment may take a number of years. However, in the next year we will enter the first implementation phase as we begin to align data standards. PHIN will then work with partners, including NHS Digital, NHS England and the CQC to explore further integration of data on privately funded healthcare into national NHS reporting systems.

It is vital that patients are able to make informed choices about the care they receive, and PHIN's work is an important part of generating greater transparency over the services provided by private and NHS organisations.

We look forward to working with PHIN and all our system partners to further develop alignment between the NHS and independent sectors.

DAVID HARE, CHIEF EXECUTIVE, INDEPENDENT HEALTHCARE PROVIDERS NETWORK

By Laura White, Hospital Relationships Manager

Increase hospitals visible on our website

This year we have focused our support on working with hospitals submitting data to help them be published on the website and improve the quality and timeliness of the data received. This has seen the information on our website grow over the course of the year. At the last refresh we had 355 of the 556 sites with a combined total of 1,056 published measures over 311 searchable procedures. Thanks to help from the NHS Wales Information Service (NWIS) we are pleased that the website now includes most of the NHS hospitals in Wales. We aim to make similar progress with Scotland and Northern Ireland.

Publish new hospital measures

In recognition of our members who had begun in earnest to collect health outcome data (PROMs and cosmetic QPROMs), we introduced a new measure of participation on to the website. This allows patients to see providers who are actively monitoring the outcome of the patients, and conversely those who are not. We have seen a steady increase in PROMs data submissions, with many members now working hard to ensure the validity of their data will enable the linkage with other data sets required to apply case mix adjustment methodologies so that valid comparisons can be made between providers.

Increase use of our portal

A key way that we have supported hospitals to improve data quality is through our secure online portal. Here we have continued to provide detailed reports on the completeness of data submissions, the validity of the records submitted, and highlight any possible anomalies with either the depth or accuracy of the data fields. The portal has become increasingly used by hospitals, with an additional 150 active users accessing the information throughout the year. By demonstrating to our members how they can drill down into the data, we have seen (slow but encouraging) improvements in the process and the validity of the data submission – meaning the data meet basic acceptance criteria.

Respond to members

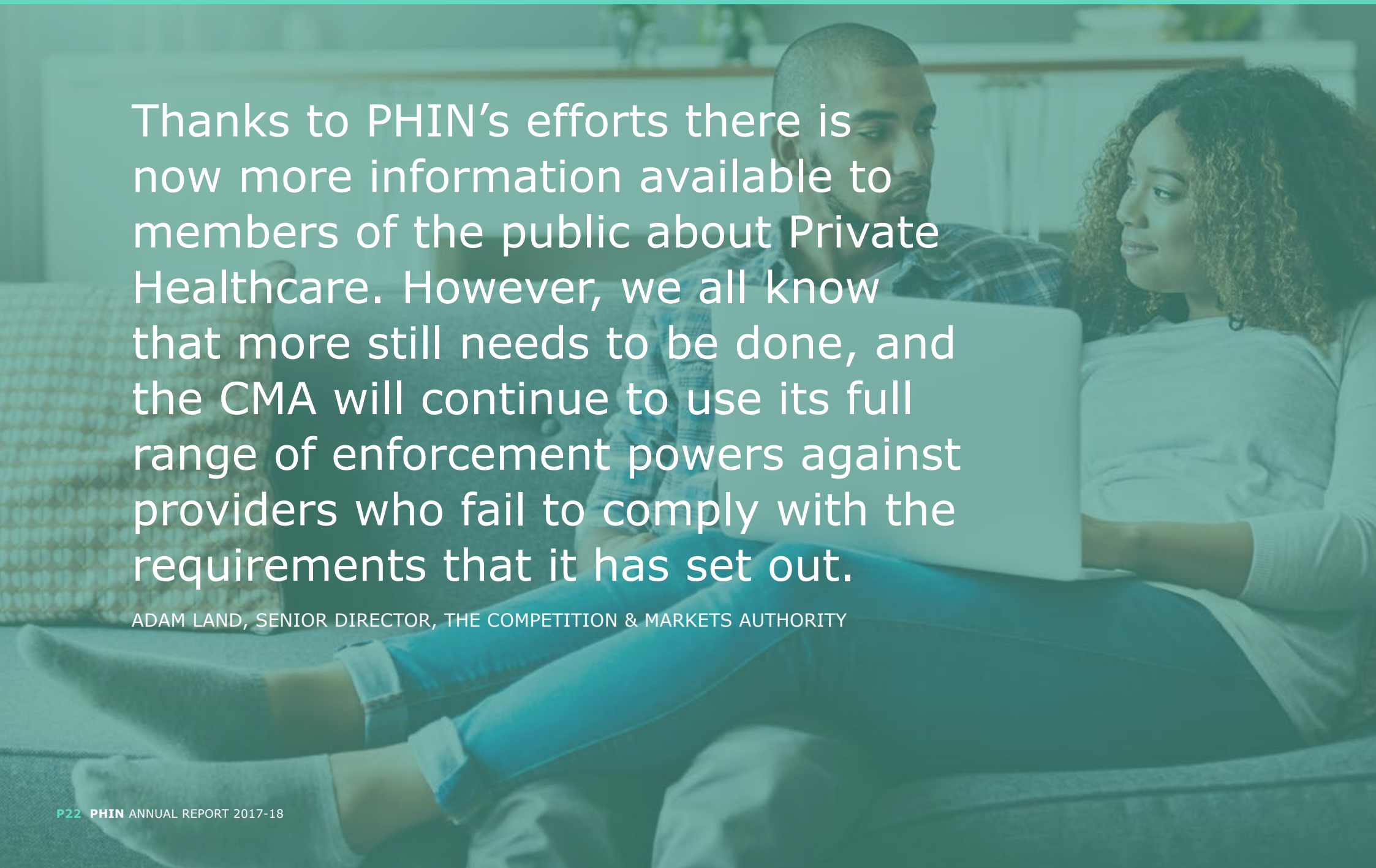
One of PHIN's core values is to be responsive, and this includes being responsive to the concerns of our members. For example, following feedback from members, particularly NHS trust members, we made the hospital feedback data specification more flexible. This allowed hospitals to submit their whole patient satisfaction scores where the anonymous nature of the survey makes it difficult to separate NHS and private patients. Where concerns have been raised on the resources required for PROMs and QPROMS, the CMA have agreed not to pursue enforcement action when a provider's annual volumes are insufficient to publish statistically robust indicators.

Patient letters

Whilst not within the scope of PHIN's role as the CMA's Information Organisation, we published guidance for meeting the requirements of the Order as well as CMA Approved template letters drafted by BMI Healthcare. A big thank you to BMI Healthcare for allowing PHIN to publish their template letters so they can be adopted by other providers.

Progress against 2017 priorities: set our pace with the fastest providers to publish further measures for hospitals

Our work with leading hospitals has allowed us to begin publishing new information on our website, for example, participation in health outcomes. We have not yet been able to publish the first adverse events rates. However, with the arrival of Dr Jon Fistein (Chief Medical Officer) the gradual improvements we are beginning to see in the submitted adverse events data, we anticipate making real progress towards the publication of the first adverse events next year.



Thanks to PHIN's efforts there is now more information available to members of the public about Private Healthcare. However, we all know that more still needs to be done, and the CMA will continue to use its full range of enforcement powers against providers who fail to comply with the requirements that it has set out.

ADAM LAND, SENIOR DIRECTOR, THE COMPETITION & MARKETS AUTHORITY

By Jonathan Finney, Director of Member Services

PHIN has continued to work with the remedies team at the CMA to help drive more than 550 hospitals towards full compliance with the Order.

A supportive relationship

We are grateful for the CMA's support and flexibility this year, for example, in allowing PHIN and hospitals more time to finalise a solution for collecting consultant satisfaction data earlier in the year. Also, they supported our raising fees to recruit additional resources in order to achieve our mandate following correspondence pressing PHIN to increase its rate of progress.

Reaching smaller providers

As well as regular meetings, we have provided monthly compliance reports of organisations' status on data submission and publication on the website. Those reports have informed the CMA's correspondence with organisations still to participate or submit data to PHIN. Between PHIN's engagement and the CMA only 29 are still to complete the participation process and 31 yet to submit data to PHIN.

Encouraging full data submission

In April, the CMA wrote to all the large provider organisations requiring them to commit to deadlines for submitting the data necessary for PHIN to produce a full range of performance measures. Most were already submitting data sufficient to publish basic measures, but many needed to make significant progress on collecting and submitting health outcomes data. I am pleased to confirm that organisations responded positively to the CMA's engagement, and we are now receiving PROMs data for more than 150 hospitals.

Prompting better data quality

The CMA will continue to chase non-compliance, including where submitted data is not 'of sufficient quality and completeness' to allow PHIN to publish the full range of performance measures. We have committed to publishing a 'Data Maturity Report' which highlights where hospitals can make improvements in data quality.

Progress against 2017 priorities: publish by hospital an indication of data maturity and compliance with the CMA's Order by hospital

We are committed to being transparent about our progress, as well as the progress hospitals have made with data quality and completeness.

We produced the first iteration of our data maturity report in May this year, and it has been available to hospitals through our portal. This has contributed to the steady improvement in data quality we are seeing from some providers. We intend to publish a public version of the report in 2019.

When clinicians provide patient care they generate data; we turn that data into information; we give that information back to those clinicians to help them improve future care.

GARETH JONES, GETTING IT RIGHT FIRST TIME (GIRFT) PROGRAMME

By Jonathan Finney, Director of Member Services

Consultants and the medical community are central to any programme aimed at increasing transparency in healthcare, and their increasing involvement has been a key contributing factor to PHIN's successes this year.

Build relationships with individual consultants

All consultants who have appeared in PHIN's data have been afforded the opportunity to log on to the PHIN Consultant Activity Report and review the information that we have collated about their practice. Over 5,000 consultants have done so, and this number continues to increase daily.

By providing consultants with the opportunity to review their practice, we commenced the largest data cleansing exercise amongst consultants in the private sector. It also provided us with the opportunity to identify areas to collaborate with the consultant community.

Review of procedure groupings

Based on feedback provided to us by consultants, we have undertaken a systematic review of the specialty groupings that we have created for use on our website. We have worked with a number of colleges and professional associations including the Association of Breast Surgeons (ABS), the British Association of Urological Surgeons (BAUS), The Royal College of Ophthalmologists (RCO), and British Neurosurgery Society (BNS), who all have validated our mapping. We will continue this activity so that the procedure groupings we create are meaningful for patients and reflective of prevailing clinical practice.

Champion the case for data transparency

We are grateful to several consultants who have championed our commitment to data transparency and publication of outcome data. Mr Kenneth Anson, Professor Antony Narula and Professor Carl Philpott provided interesting perspectives on these issues, and their views formed the basis of three articles that have appeared in *Independent Practitioner Today* and can be found on our website.

Many of the Royal Colleges and Specialty Associations (RCSA) have also been vocal in their support of PHIN and its aims. In particular the Royal College of Surgeons (RCS) has been a positive public voice calling on consultants to support this important initiative. I also want to thank the Federation of Independent Practitioner Organisations (FIPO) for their continued engagement and support.

Publish further information in 2019

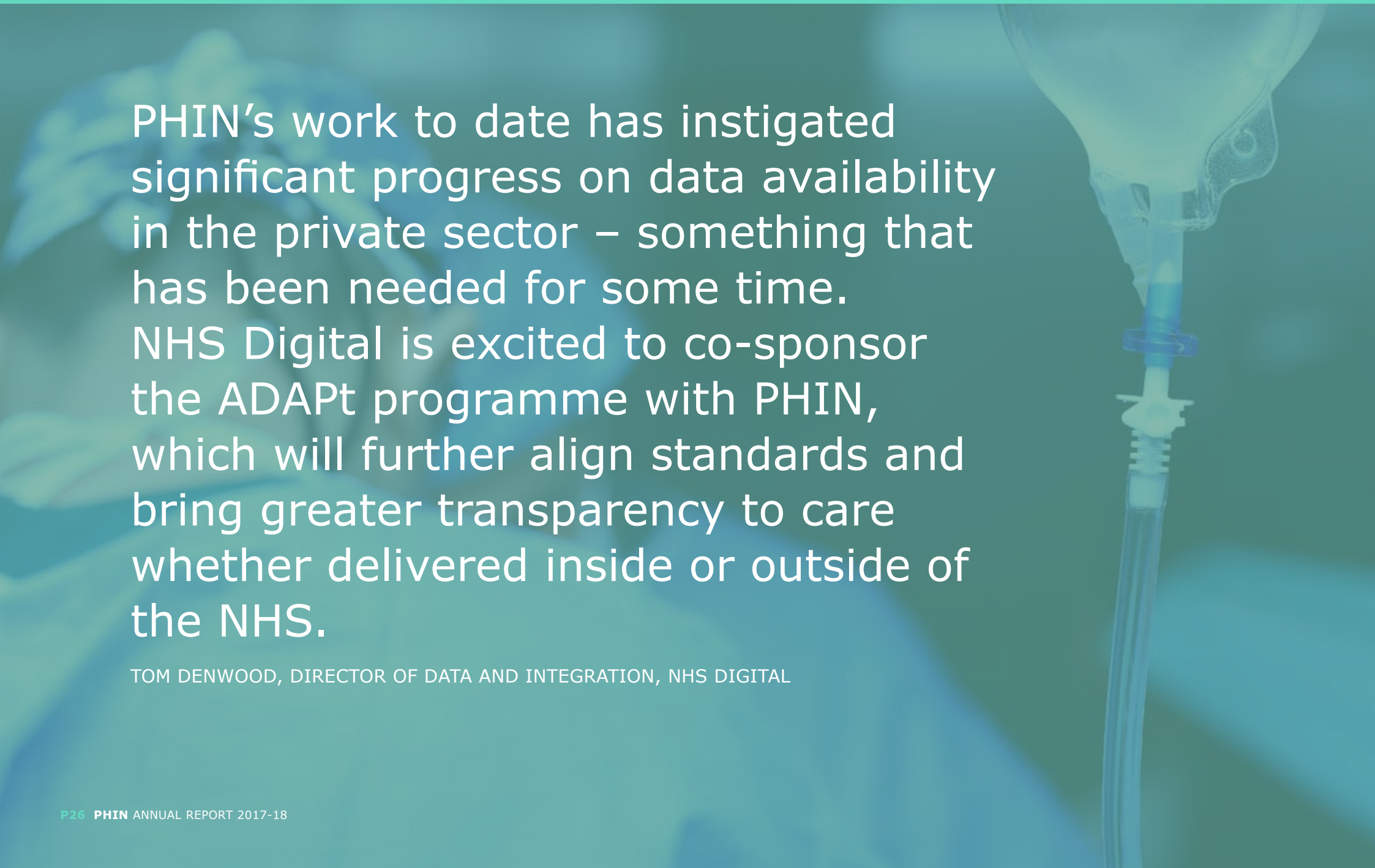
Next year brings a further milestone in the CMA Order with the publication of consultants' fees bringing greater transparency in costs for patients. We have developed our approach with consultants, hospitals and third-party providers to ensure that the process for collecting fees is simple for consultants whilst providing the detail that will be meaningful to patients. We remain aware of the complexity of the task, but we are committed to working with consultants and specialty associations to provide a structured approach towards the collection and publication of fees.

Initiate a new patient satisfaction measure

Under the CMA Order PHIN is required to publish patient satisfaction at the consultant level. During the year, we worked with hospitals and consultants to design and test a specific set of questions, which are meaningful and easy for patients. Hospitals are now starting to submit this data, with publication possible once sufficient data has been submitted.

Progress against 2017 priorities: publish the first performance measures for consultants in private healthcare

This year we have stepped up our engagement with individual consultants, asking them to provide feedback on the data submitted by hospitals about their private practice, and where data is an accurate reflection of their practice, to approve their measures for publication. Over 1,000 consultants signed off their measures ready for publication on the website at the beginning of September.



PHIN's work to date has instigated significant progress on data availability in the private sector – something that has been needed for some time. NHS Digital is excited to co-sponsor the ADAPt programme with PHIN, which will further align standards and bring greater transparency to care whether delivered inside or outside of the NHS.

TOM DENWOOD, DIRECTOR OF DATA AND INTEGRATION, NHS DIGITAL

By Jonathan Evans, Communications Manager

This year saw our visibility and influence grow as a trusted and independent source of information on private healthcare.

Support the Bishop of Norwich Inquiry

Following the conviction of surgeon Ian Paterson, PHIN welcomed the Inquiry announced by the Department of Health last December. The Paterson case has bought much needed attention to the disconnect in data standards and reporting, an agenda PHIN has been working on since 2014. We were pleased to be invited to provide evidence to the Inquiry team in November this year and will continue to support the Inquiry team to ensure that data can play an important role in informing and protecting patients.

Work with stakeholders

Earlier this year we launched the Acute Data Alignment Programme (ADAPt) in partnership with NHS Digital. With support from the CQC, the Department for Health and Social Care, NHS England, NHS Improvement and NHS Resolution, this programme intends to bring full alignment in standards, methodologies and reporting systems across NHS and private healthcare for the first time. This is a crucial step for supporting regulation and quality monitoring at a national level.

We have been encouraged by the support from the sector, including the Independent Healthcare Providers Network who have convened a stakeholder advisory group of private healthcare providers. Next year will see the programme move into full force as we begin to unlock data flows for safety and quality across private and NHS systems.

Elsewhere we continue to develop strong relationships with key influencers across healthcare such as the CQC commission, with whom we hope to establish more formal arrangements to ensure data submitted to PHIN can assist regulation and quality improvement.

PHIN in the media

Our profile with media has continued to grow with coverage in leading healthcare publications such as the *Health Services Journal*, to consumer publications including the *Mail on Sunday*. Our profile is set to increase further as we bring transparency in cost through the publication of consultants' fees.

We will continue to maintain a neutral and responsible approach to our media engagement, being open with the published information while providing context and explanation to support fair interpretation of healthcare data.

Progress against 2017 priorities: increase the visibility and use of our information

Having made a conscious decision not to devote resource into promoting the website until data supports the more complex measures, we have fallen short of our 100,000 targeted website visits last year. However, we have reached almost 60,000 visits – an increase of over 200% from the previous year. This has been driven primarily by referrals from consultant and insurer letters, and increased press coverage. We anticipate further increases in the next year as we introduce market analysis, invest in search engine optimisation (SEO), and continue organic growth.

Progress against 2017 priorities: champion better data and transparency in the wider safety and quality debate

PHIN has seen real progress in this area through our partnership with NHS Digital on the ADAPt programme. This is a once-in-a-generation opportunity to bring reporting methodologies and standards in private healthcare in complete alignment with the NHS, something our chairman has advocated for over 10 years.

Our focus has been on demonstrating compliance with the General Data Protection Regulation (GDPR) and the Data Protection Act 2018, specifically the new accountability requirements. I am pleased to confirm that PHIN has not had any serious incidents involving personal data.

ROB ATHERTON, DATA PROTECTION OFFICER

By Rob Atherton, Data Protection Officer

Data Protection and Information Governance is a key priority for any organisation dealing with healthcare data. This importance is reflected in national standards set out in the NHS Toolkit Assessment, as well as the IS027001 Information Security Standard, and is further emphasised by recent changes to EU and UK Data Protection legislation.

GDPR and accreditations

Internationally, the changes that have been made surrounding Data Protection legislation are having a major impact. This year our focus has been on demonstrating compliance with the General Data Protection Regulation (GDPR) and the Data Protection Act 2018, specifically the new accountability requirements.

These changes have required a review of our approach to governance and how we manage data protection as a corporate issue. This has included the appointment of myself as PHIN's Data Protection Officer (DPO), a review of existing processes and our lawful bases for processing personal data and, as a direct result, a period of business process re-design to ensure on-going compliance.

Much has been achieved in the last year, which is supported by an 85% 'Satisfactory' rating in our V14.1 NHS IG toolkit submission in March 2018 and a successful ISO supervisory visit carried out by Certification Europe in September 2018, which has resulted in PHIN's continued compliance with the standard.

A key programme of work, linked to GDPR, has been undertaken since March 2018 to further develop processes in preparation for the submission of the new Data Security and Protection Toolkit in 2019 and to apply the principles throughout the entire organisation.

PHIN has robust processes for managing Information Governance and the associated responsibilities that come with our commitment to adopt best practice to protect information and maintain our ISO27001 accreditation.

Risk reporting and management

We employ several different mechanisms to provide assurance to the Executive Team, the Audit and Risk Committee and the Board that appropriate controls are in place and that risks are being effectively managed. This includes implementing appropriate organisational and technical risk-based and proportionate safeguards, a regular schedule of internal audit, and regular reports from key staff to all levels of management.

We are able to demonstrate that during 2017/18 all those involved with information governance were able to effectively meet or exceed the performance standards required for information governance. We have also implemented a new training programme for all staff to deliver regular continuous awareness sessions.

The Information Governance work stream is monitored regularly by the Information Security Management Team, which includes representation from all areas of the organisation and a wide array of skills and experience.

Incidents in 2017-18

I am pleased to confirm that PHIN has not had any serious incidents involving personal data that have been or that would be required to be reported to the Information Commissioner's Office under new laws.

PHIN's focus now is to continually develop and proactively manage governance and risk to a high standard and to monitor progress and changes as and when further updates surrounding the interpretation of new legislation come to light.

Our income for the year was almost 10% up on the previous financial year. This was due to a number of new members joining during the year and the full year impact of those on-boarded in the previous year.

GEOFF GREEN, DIRECTOR OF FINANCE

By Geoff Green, Director of Finance

The figures that are included on the following pages represent our signed, audited accounts.

Income & expenditure

Our income for the year was £2.731m which was almost 10% up on the previous financial year. This was due to a number of new members joining during the year and the full year impact of those on-boarded in the previous year. All of our income in the year came via member subscription payments.

Our overall expenditure of £2.608m was 20% higher than 2016/17, predominantly due to our headcount increasing during the year from 19 to 24, reflecting investment in our technical team working on the website and portal developments that occurred during the year. We also invested in our engagement team, particularly relating to establishing a consultant relationship process. Costs also rose due to the full year impact of staff recruited during the spring and summer of 2017. Allied to this there was a knock-on effect of staff-related costs such as National Insurance and pensions.

Establishment costs rose due to the need to invest in additional space within the Kings Fund. General administrative expenses was £50k under the previous financial year primarily due to lower legal costs and a reduction in our data processing costs.

Our overall surplus at the end of the financial year was £123k which was significantly lower than the previous year outturn of £327k. Our retained earnings increased slightly to just over £1.2m which is slightly below the governance target we have set ourselves of 6 months of working capital.

Debt recovery

Our overall debt position at the end of July was £172k which was slightly above the prior year figure. However this increase reflects the fact that we were several weeks late in sending out our Quarter 4 invoices which meant that we received a number of significant payments after our year end. Our older debt figure has halved from £123k at the end of July 2017 to £62k at our current year end and has continued to fall since to less than £50k. The large majority of the older debt relates to NHS hospitals and smaller private providers, and we continue to work alongside our debt management company to collect the outstanding subscriptions. We will continue to chase this older debt during the current financial year.

We do hold a provision for bad debt, and we identified a relatively small number of debts that were written off against that as part of the audit review. These reflect NHS organisations that have recently declared that they do not undertake private practice, companies in liquidation and NHS hospitals that have merged over the year.

Subscriptions fees

We have held our subscription fee at £3.30 for the last two years but at our member meeting in June we announced that our fees would need to rise to £3.96 for the next financial year. We understand that this was not a popular change but reflects our significant uplift in the workload in 2018/19 with the Article 22 fees requirement due next year, plus ongoing development work on both our website and portal. We have budgeted for our headcount to move towards 30 staff, and on top of this have budgeted for significant increases in our rent and rates bills, the ADAPt project, increased communications and search engine optimisation.

DETAILED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 2018

	2018 £	2017 £
Turnover		
Turnover	**2,731,328**	**2,489,131**
Employment costs		
Wages & salaries	(1,091,072)	(755,142)
Staff NIC & pensions	(329,201)	(172,791)
Directors remuneration	(295,168)	(285,332)
Contract staff	(77,309)	(91,121)
Recruitment and staff related costs	(142,316)	(121,147)
	(1,935,075)	**(1,425,515)**
Establishment costs		
Rent and rates	(114,551)	(103,906)
Room hire and catering	(22,173)	(13,543)
Insurance	(21,532)	(12,237)
	(158,256)	**(129,686)**
General administrative expenses		
Data management & IT expenses	(196,872)	(257,203)
Marketing & communications	(53,473)	(27,925)
Legal & professional fees	(237,387)	(255,936)
Other administrative costs	(23,515)	(20,618)
	(511,247)	**(561,682)**
Finance charges	**8,318**	**(38,392)**
Depreciation costs	**(11,592)**	**(6,791)**
Total costs	**(2,607,852)**	**(2,162,066)**
Surplus before tax	**123,476**	**327,065**

STATEMENT OF FINANCIAL POSITIONS AS AT 31 JULY 2018

	2018 £	2017 £
Fixed assets		
Tangible assets	**20,955**	**21,816**
Current assets		
Debtors	171,537	141,317
Cash at bank and in hand	1,327,656	1,432,382
	1,499,193	**1,573,699**
Creditors:		
Amounts falling due within one year	(316,283)	(515,126)
Net current assets	**1,182,910**	**1,058,573**
Net assets	**1,203,865**	**1,080,389**
Capital and reserves		
Profit and loss account	1,203,865	1,080,389
Total equity	**1,203,865**	**1,080,389**

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