

Private firm in first takeover of British state hospital

November 10 2011

A private firm in Britain was given the green light Thursday to take over the management of a debt-ridden state hospital, in the country's first such deal.

Healthcare provider Circle, listed on the [London Stock Exchange](#), has signed a 10-year contract worth £1 billion (\$1.59 billion, 1.17 billion euros) to run Hinchingsbrooke hospital in Huntingdon, eastern England.

The local state health authority, Hinchingsbrooke Health Care National Health Service (NHS) Trust, has racked up a £39 million debt.

Although some public health services in Britain -- such as hip replacement centres -- are already managed by private companies, this is the first time a non-state provider has taken on the full range of hospital services.

The takeover will be seen by critics as a further step towards privatisation of British health services.

Circle, which describes itself as Europe's biggest healthcare partnership, takes over in February and will be responsible for ensuring the hospital's financial viability.

Hinchingsbrooke hospital opened in 1983 and caters for more than 161,000 people in the local area.

Doctor Stephen Dunn, policy and strategy director at the NHS Midlands and East health authority cluster, said: "This is not privatisation... this is a change in management -- not a change in services."

Circle chief executive Ali Parsa said they hoped to show "how clinician and staff control can provide a more sustainable alternative" to simply closing struggling small hospitals.

Unison, Britain's largest trade union, said the takeover was "an accident waiting to happen".

"Privatisation, which brings in the profit motive, will damage our NHS," said head of [health](#) Christina McAnea.

"The [hospital](#) could have been kept running for the benefit of patients, rather than profiteers. This must not become a precedent for the NHS, or millions more staff and patients will be put at risk."

(c) 2011 AFP

Citation: Private firm in first takeover of British state hospital (2011, November 10) retrieved 20 March 2024 from

<https://medicalxpress.com/news/2011-11-private-firm-takeover-british-state.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
