# UK private healthcare market set to surpass USD 18 billion by 2032 amid NHS delays



The UK private healthcare market is experiencing robust growth, projected to reach a valuation of approximately USD 18.1 billion by 2032, up from an estimated USD 14.3 billion in 2025. This expansion, with a compound annual growth rate (CAGR) of 3.4%, reflects a significant shift in patient behaviour, largely spurred by prolonged NHS waiting times and increasing consumer demand for faster, more personalised care options. Core to this growth is the rising trend of self-pay and privately insured patients seeking elective surgeries, diagnostics, and mental health treatments, which are becoming integral facets of private healthcare demand.

Private acute care hospitals form the backbone of this burgeoning market, offering specialised and timely treatments that cater to patient preferences for efficiency and satisfaction. Geographically, London and the South East dominate the landscape, buoyed by affluent populations and an extensive network of private hospitals, specialist consultants, and advanced diagnostic centres. These regions enjoy a concentration of providers that attract patients keen to avoid NHS delays. For instance, recent figures outline that central London’s private acute healthcare market alone was valued at over £2 billion in 2022, with independent hospitals generating £1.5 billion from private pay patients—a 20% increase from the previous year. However, NHS funding for these hospitals decreased by 36% year-on-year, signalling a structural shift towards predominantly private pay models in key urban areas.

Driving this sector's growth is the increasing dissatisfaction among patients with NHS service delays, compounded by staffing shortages. Notably, NHS expenditure on private care has doubled between 2019 and 2023, with more NHS referrals channelling patients towards private providers. The total number of private healthcare admissions reached record levels in 2023 and 2024, with nearly 939,000 private in-patient admissions reported in 2024—a third consecutive year of growth. Private medical insurance-funded admissions contributed significantly to this increase, rising by approximately 6%, although self-pay admissions saw a modest dip, despite a peak in early 2024. The expansion of private medical insurance coverage and the growing preference among younger, digitally savvy demographics for convenient, upfront-priced care underscore a market in transition.

Meanwhile, private healthcare providers are increasingly incorporating digital technologies such as telemedicine and AI-driven diagnostics, enhancing both patient experience and operational efficiency. Integrations across insurers, care providers, and digital platforms are reshaping the competitive landscape and care pathways. The trend towards vertical integration, combined with accelerated mergers and acquisitions activity particularly focused on high-demand areas like diagnostics, mental health, and elective surgeries, reveals strong investor confidence in the sector. Private equity firms and strategic buyers are capitalising on the NHS backlog and rising demand for specialist services, further consolidating the market.

Yet, the market’s growth is not without challenges. Affordability remains a barrier, with fewer than a quarter of the UK population holding private insurance or opting for out-of-pocket payments. This limits access primarily to urban and wealthier areas, while rural and economically disadvantaged regions face persistent gaps in private healthcare availability. Government initiatives to expand public-private partnerships, such as the establishment of community diagnostic centres in underserved regions, are partly aimed at alleviating access disparities but may intensify competition for purely private providers.

Looking ahead, the future of UK healthcare appears likely to rest on a hybrid model where public and private systems increasingly collaborate to meet patient needs. The rise in NHS outsourcing to private entities, combined with the booming demand for outpatient diagnostics and elective procedures, positions private healthcare as a vital partner in easing NHS pressures. With continued investment in technology, service diversification, and strategic partnerships, private providers are poised to play an ever-more central role in delivering timely, high-quality care across the country.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.openpr.com/news/4080648/uk-private-healthcare-market-set-to-reach-usd-18-1-billion), [[4]](https://www.theguardian.com/society/2024/oct/25/private-healthcare-boom-fuelled-by-nhs-waiting-lists)
* Paragraph 2 – [[1]](https://www.openpr.com/news/4080648/uk-private-healthcare-market-set-to-reach-usd-18-1-billion), [[2]](https://www.laingbuisson.com/press-releases/new-report-shows-rising-demand-for-private-healthcare-in-central-london-market-over-2-billion/), [[3]](https://www.laingbuisson.com/press-releases/new-report-highlights-the-growing-trend-of-self-pay-healthcare-demand/)
* Paragraph 3 – [[1]](https://www.openpr.com/news/4080648/uk-private-healthcare-market-set-to-reach-usd-18-1-billion), [[4]](https://www.theguardian.com/society/2024/oct/25/private-healthcare-boom-fuelled-by-nhs-waiting-lists), [[5]](https://www.cityam.com/nhs-delays-drives-demand-for-private-healthcare-to-record/), [[7]](https://www.phin.org.uk/news/phin-private-market-update-june-2025-united-kingdom)
* Paragraph 4 – [[1]](https://www.openpr.com/news/4080648/uk-private-healthcare-market-set-to-reach-usd-18-1-billion), [[6]](https://www.imap.com/en/insights/2025/investor-demand-for-healthcare-services-in-the-uk~cv), [[3]](https://www.laingbuisson.com/press-releases/new-report-highlights-the-growing-trend-of-self-pay-healthcare-demand/)
* Paragraph 5 – [[1]](https://www.openpr.com/news/4080648/uk-private-healthcare-market-set-to-reach-usd-18-1-billion), [[4]](https://www.theguardian.com/society/2024/oct/25/private-healthcare-boom-fuelled-by-nhs-waiting-lists), [[6]](https://www.imap.com/en/insights/2025/investor-demand-for-healthcare-services-in-the-uk~cv)
* Paragraph 6 – [[1]](https://www.openpr.com/news/4080648/uk-private-healthcare-market-set-to-reach-usd-18-1-billion), [[4]](https://www.theguardian.com/society/2024/oct/25/private-healthcare-boom-fuelled-by-nhs-waiting-lists), [[5]](https://www.cityam.com/nhs-delays-drives-demand-for-private-healthcare-to-record/), [[7]](https://www.phin.org.uk/news/phin-private-market-update-june-2025-united-kingdom)

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## Bibliography

1. <https://www.openpr.com/news/4080648/uk-private-healthcare-market-set-to-reach-usd-18-1-billion> - Please view link - unable to able to access data
2. <https://www.laingbuisson.com/press-releases/new-report-shows-rising-demand-for-private-healthcare-in-central-london-market-over-2-billion/> - LaingBuisson's latest report reveals that the central London private acute healthcare market is valued at £2.02 billion, with independent hospitals' revenue from private pay patients reaching £1.5 billion in 2022, marking a 20% growth from 2021. The report also highlights a 36% year-on-year decline in NHS funding, with total revenues from NHS funding in central London independent hospitals in 2022 (£75 million) remaining well above pre-pandemic levels (£32 million).
3. <https://www.laingbuisson.com/press-releases/new-report-highlights-the-growing-trend-of-self-pay-healthcare-demand/> - LaingBuisson's report indicates a continued growth in the self-pay healthcare market, driven by demand for private GPs, diagnostics, and outpatient consulting. While the pace of growth has slowed compared to post-pandemic double-digit increases, the market is expected to grow by a minimum of 5% over the next three years. London and the South East remain the highest regional areas of self-pay activity, with the highest density of providers offering self-pay services.
4. <https://www.theguardian.com/society/2024/oct/25/private-healthcare-boom-fuelled-by-nhs-waiting-lists> - The Guardian reports that the UK's private healthcare market reached a record £12.4 billion in 2023, driven by long NHS waiting lists. The NHS spent £2.1 billion in private hospitals to help clear the backlog, accounting for nearly a third of their revenues. The number of private medical insurance policies also increased, reflecting a shift towards private healthcare due to NHS delays.
5. <https://www.cityam.com/nhs-delays-drives-demand-for-private-healthcare-to-record/> - City A.M. reports that private hospital admissions in the UK reached a record high in the third quarter of 2024, with 223,000 admissions, up 1% from the same quarter last year. Private medical insurance increased by 9% compared to the previous year, while self-pay admissions experienced a slight decline. London had the most insured admissions, followed by the South East.
6. <https://www.imap.com/en/insights/2025/investor-demand-for-healthcare-services-in-the-uk~cv> - IMAP UK highlights a surge in mergers and acquisitions in the UK healthcare services sector, driven by NHS backlogs and investor demand. The NHS's £12.4 billion annual spend on non-NHS providers underscores the private sector's growing role in alleviating long waitlists. Private equity and strategic acquirers are actively targeting sub-sectors with high unmet demand, such as diagnostics, eye care, and mental health.
7. <https://www.phin.org.uk/news/phin-private-market-update-june-2025-united-kingdom> - The Private Healthcare Information Network (PHIN) reports that in 2024, the total number of independent healthcare in-patient admissions was 939,000, marking the third consecutive year of record admissions. Private medical insurance-funded admissions drove growth, with a 6% increase compared to 2023. Self-pay admissions decreased by 3%, despite Q1 2024 being the highest quarter for self-pay admissions at over 73,000.