

From “Basket-Case” To Top Hospital



When Circle Holdings took over the 40 million-pound debt of Hinchingsbrooke Hospital in the town of Huntingdon, Cambridgeshire in 2012, it was the first time a private firm had stepped in to manage a struggling NHS hospital. Two years into the 10-year deal, the facility’s deficit has been reduced and it is expected to break even in 2014.

'Dysfunctional' and a 'Basket-Case'

Prior to Circle's debt take-over, Hinchingsbrooke's financial and clinical problems attracted unwanted attention by important organisations. The Royal College of Surgeons labeled it “dysfunctional”, and in November 2011 the health minister at the time, Earl Howe, referred to it as a “basket-case”.

Now, for the first time in years, the hospital is expected to climb out of the red, thanks to a 90 percent reduction of its annual debt of £10 million. The hospital credits its dedicated team for implementing a series of changes that improved the quality of patient care. As a result, locum bills have been cut in half, maternity insurance premiums have been reduced and patients were released after shorter lengths of stay.

£40 Million Debt Remains Unpaid

Despite the positive reports of clinical and financial improvements, the hospital's original debt has not yet been repaid. According to Phil Green, a regional organiser for Unison, there is still a debt of £40 million, which must be paid back to the NHS before the end of Circle's 10-year deal.

Circle's chief executive, Steve Melton, cites the initial accomplishments of shrinking Hinchingsbrooke's £10 million annual deficit to £1 million within two years and finally breaking even after years of running up debt. The improvements are not only financial, but extend to clinical operations. In May 2014 it was named England's top hospital for patient care quality.

[Source: BBC News](#)

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