Nic Paton for WPA Health Insurance

Applying long-term thinking to short-term decision-making

10 minute read



Private workplace-based healthcare will never replace the NHS but, increasingly, employers are being expected to step up – and step in – to support the health of an ageing and progressively more unwell working-age population.

Moreover, this trend will create challenges for our health service, private healthcare providers and employers. These were discussed at a strategic insights event for corporate customers and intermediaries led by health insurer WPA, which concluded that:

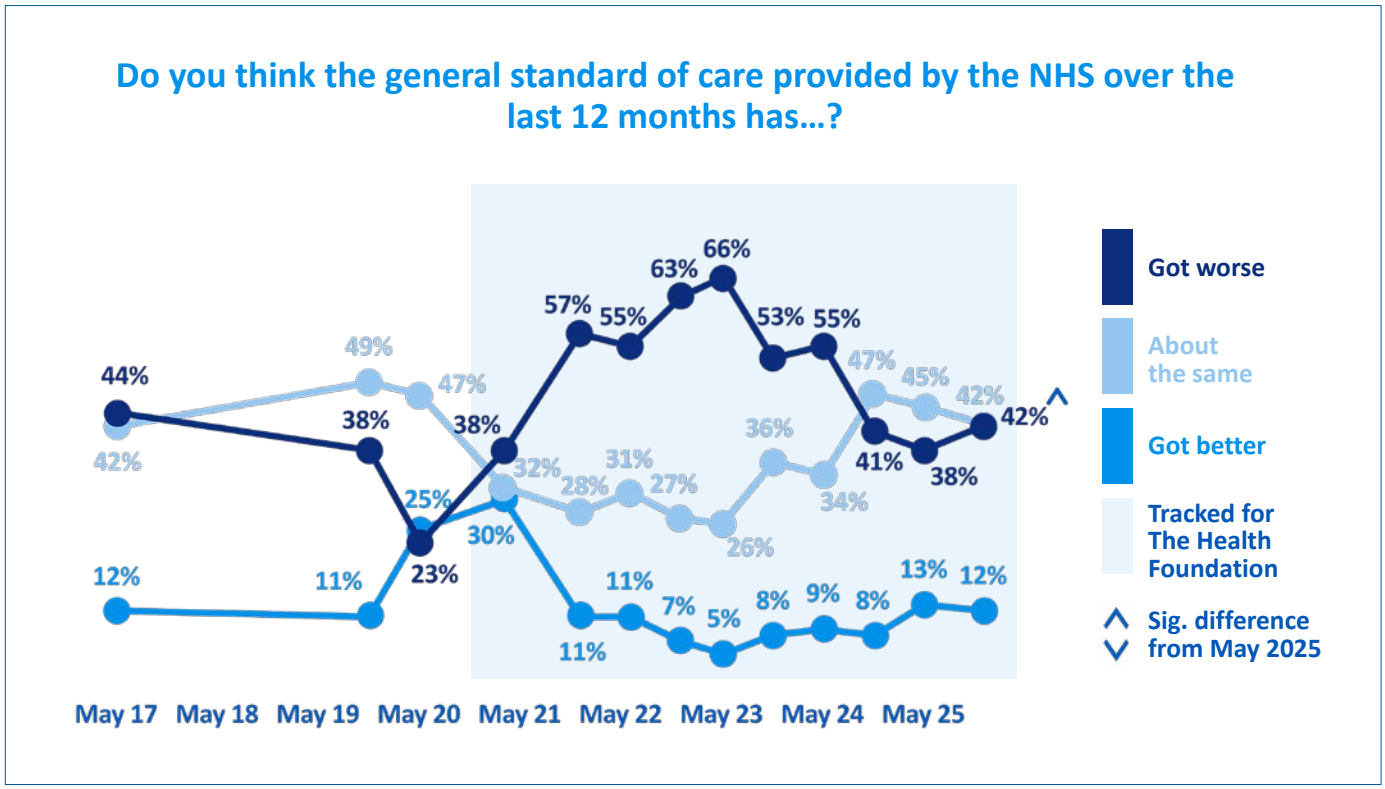
- Corporate healthcare is becoming a strategic investment rather than a discretionary cost, a trend driven by a combination of workforce ill health, pressure on the NHS, and rising employee expectations.
- Private healthcare is necessary and growing. The drift away from the NHS as the 'default' pathway for accessing care in areas such as general practice or cataract surgery may lead to, as has already been seen in dentistry, further erosion and degradation of NHS provision.
- There is a strategic opportunity in prevention, not just provision. A growing focus on value and measurement is helping employees stay healthier for longer. This, in turn, is improving productivity and reducing absence, presenteeism and future claims.
- Corporate healthcare needs to become a Board-level priority. Organisations that treat workforce health as a leadership priority, with clear ownership, transparency and accountability, will be better placed to build productivity, resilience and performance.

These were some of the important takeaways from the event, 'Applying long-term thinking to short-term decision-making', held at London's National Archives by WPA for intermediaries and corporate clients.

How private healthcare is increasingly integral

First, in a thought-provoking presentation, Stephen Collier, previously CEO of BMI Healthcare and chair of the Healthcare Purchasing Alliance, outlined how corporate healthcare is becoming an increasingly integral part of the UK health landscape.

"Since Covid, the public – us – we've fallen out of love with the NHS," he told the audience. "There have been various attitude surveys that show we don't think the NHS works well. More depressingly, we expect it to get worse," he said, citing research from the think-tank The Health Foundation suggesting 42% of the public believe the standard of NHS care has worsened in the past year and 47% fear it will only spiral down further in the coming year.



Above: Policy Polling Programme Wave 9 Report, The Health Foundation (Dec 2025)

The public, too, were far more willing now to step out of the NHS to access healthcare. "And we're far more willing to let our employer pay for it, as we see queues in the NHS and services slowing and potentially deteriorating," Stephen said.

"What that means is staff are increasingly interested in the level of cover that an employer provides – and private medical insurance is generally the mechanism to do that.

"The other feature we are seeing is that the public are increasingly less well. You're seeing an employed workforce which is typically older, typically has increasing level of co-morbidity or increasingly needing health maintenance rather than direct intervention. Again, PMI as an employer proposition has responded to that," Stephen added.

However, this shift from intervention to maintenance was having "quite a profound effect" on cost, he warned.

"Employer-funded private medical insurance has moved from being a nice-to-have perk to a critical, essential need for employers and their employees. Secondly, it has moved from being an adjunct to a functioning NHS to a ground-up alternative structure of healthcare delivery," he said.

Here, Stephen cited research by Laing Buisson calculating that the private health cover sector is now worth £8.64bn, an increase of 13.3% on 2023 (from £7.62bn). The average premium across all segments is now £1,396, up £112 (or 9%) on 2023, he added.

"The problem is that it is easy to give it to staff but very difficult to withdraw; it becomes part of what they see as their 'entitlement'. As new benefits are introduced, whether it's primary care, gender dysphoria, chronic conditions, fertility or neurodiversity, we are creating a bit of a treadmill for ourselves.

"The longer-term impact of some of that is just becoming clear. What we see year-on-year is that there has been a 4% growth in the insured population. If you extrapolate that even for 10 years, it is a massive shift," he added.

The danger here for employers was obvious, Stephen highlighted. If paying for health benefits is becoming 'the new normal', it risks rapidly becoming one of the largest items on the cost side for employers.

"If we are seeing increases in spend because of increasing population, increasing incidence, increasing levels of cover, have we seen a corresponding increase in workforce productivity, attendance or wellness as a result? I think it is quite difficult to see that," he added.

Moreover, as people vote with their feet, this risks creating a negative feedback loop for the NHS, too. "You see a reduction in the pressure on the NHS actually to improve and you allow services to further deteriorate in the NHS as activity, and some of the funding, starts to drift away," he warned, with declining access to NHS dentistry the best example of this.

"NHS dentistry is on its knees and falling further. I think over time we're going to see the same with general practice; some NHS daycare activity, too – like cataracts – is largely now done in the private sector," Stephen added.

Need for a more strategic approach to provision

This led to the second presentation of the day, from Professor Sir Cary Cooper, renowned organisational health psychologist and Chair of the National Forum for Health and Wellbeing at Work.

Professor Sir Cary made the case for health and wellbeing to be seen by employers as an investment rather than a cost, but as much an investment in prevention as intervention. Working-age health is getting worse not through a lack of interventions – NHS or employer – but through a lack of prioritisation, behavioural design and leadership, he argued.

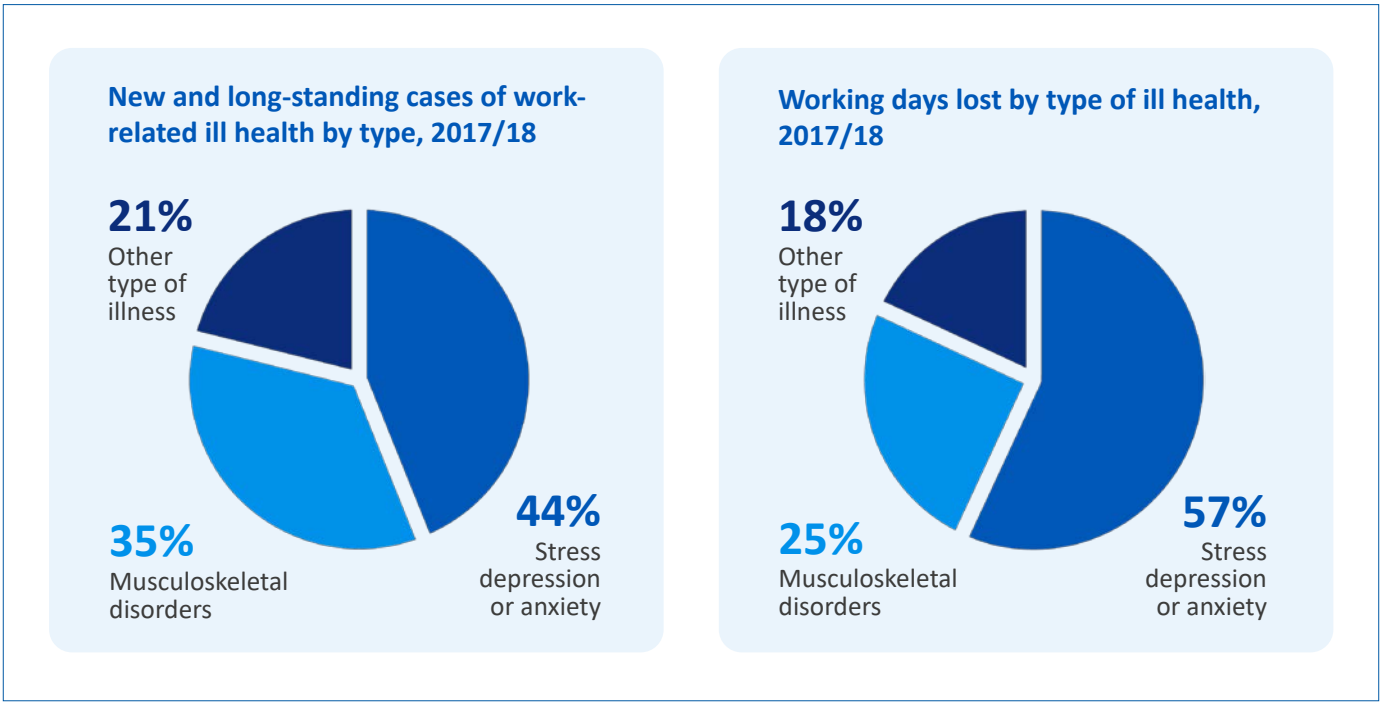
He highlighted the Keep Britain Working review into workplace health by Sir Charlie Mayfield. This has calculated that as many as 2.8 million working-age people are now economically inactive because of health conditions, 800,000 more than in 2019.

"So, we have a problem here, which is about getting Britain back to work. The majority of these health conditions are for stress, anxiety or depression. We have to prevent this, not just deal with the problem" he said.

There are many sources of stress at work, which may lead to lack of mental well-being in the workplace. One of the more significant ones is the role of the line manager. Unfortunately, we promote and recruit managers from shopfloor to top floor based on their technical skills and not their people skills.

What we need is more emotionally intelligent line managers who are empathetic, can provide social support and be aware when his or her staff show signs of stress. We need to recruit and promote people to managerial roles where there's parity between their people skills and their technical skills.

"What we really have to do is to create the right culture in our workplaces to cope with it," added Professor Sir Cary. To that end, he will be unveiling his latest report 'Practical Approaches for Measuring Workplace Health and Wellbeing' at the House of Commons next month.



Above: Health and Safety at Work Summary statistics for Great Britain 2018.

As well as rising numbers off or out of work, we are seeing growing levels of 'presenteeism' – a term that Professor Sir Cary originally coined – or where people are struggling into work while unwell and being under-productive when they get there.

The think-tank Institute for Public Policy Research, for example, has estimated the cost of presenteeism to UK plc as £100bn (and up £30bn since 2018 alone), and a third of employers (35%) have seen this increase as a result of more employees working from home, according to the HR body the CIPD. Alongside this, Professor Sir Cary identified 'underload' as becoming a growing problem alongside job 'overload'.

"What we're seeing now in job-insecure times is underload. People not having enough to do and being worried their employer knows that they don't have enough to do, and their employer is trying to save money by getting rid of people," he said.

Rather than simply throwing more benefits at the problem, he urged employers to take a more strategic, preventative approach to healthcare provision. This needed to cover four aspects. First, organisations needed to create, measure and monitor robust wellbeing metrics, covering stress and mental health, sickness absence, labour turnover, accident rates and so on.

Employers also need to appoint – and support – a director of health and wellbeing, normally reporting to the HR director, the chief medical officer or, best of all, the chief executive.

Working alongside them, there needed to be a named board member who has responsibility for employee health and wellbeing, and who should highlight the organisational metrics to the board every quarter.

Finally, the most salient 'wellbeing metrics' needed to be included, publicly, in the organisation's annual report. "Do proper wellbeing, not just the wellbeing day, not just the mental health first aid, all the low-hanging fruit," explained Professor Sir Cary.



Above: Strategic employee health & wellbeing, Sir C. Cooper.

"We need somebody at the top trained to look at the metrics and do something about it. Finally, the annual report should have all this in it. If you think your most valuable resource is your human resource, well do something about it," he added.

Professor Sir Cary concluded the formal presentations by citing 1960s' US senator Bobby Kennedy's call for gross national wellbeing to be the measure of 'wealth' for countries rather than gross national product (or GDP as it now is). "If we can change the workplace, then you won't have claims. Well, you will always have claims; you just won't have the kind of claims we're getting now," he added.

Reassurance that UK will not go down US healthcare route

In the question-and-answer session that followed, Stephen Collier emphasised that, no, the UK is not likely to go down the all-private US route when it comes to healthcare anytime soon.

"Firstly, we're not in love with the NHS but we do value it. We don't want to change the funding model, if you look at the public perceptions/reviews. But we are going to end up having to pay more. And that is either going to come through tax or it is going to come through co-pay," he said.

"But the NHS as it stands is not affordable, and it is not delivering the current amount of money that goes into it. But we have got to make sure that we do enough to maintain the NHS as a support service for people who can't afford private," he added.

"Believe me, the damage it does in the US, totally, 100% private," agreed Professor Sir Cary. "The NHS is a wonderful thing; we need it. But we need private as well. The two have to live together."

Stephen also highlighted the risk from these trends for smaller and medium-sized employers with fewer resources or smaller budgets.
If access to private healthcare benefits is ever-more commonplace and expected in bigger corporates especially, there is a real risk of a 'two tier' workforce emerging.

"We are seeing a significant uptick in personal pay; you have got a willingness to pay. The level of out-of-pocket self-pay since Covid has increased quite significantly; the rate of growth has slowed, but it is still growing," he said.

"But you have got this undercurrent [that it is against the backdrop] of a deteriorating NHS service. We're getting two tier; we have had it for some time. But the differentiation is getting stronger," he warned in conclusion.

For further information:

Charlie MacEwan
Corporate Communications Director, WPA
charlie.macewan@wpa.org.uk
01823 625000

About the author

Nic Paton is one of the country's foremost journalists on workplace health, safety and wellbeing and is consulting editor of OHW+.

About WPA Health Insurance

WPA helps families, professionals, the self-employed, SMEs and multi-national companies access the best healthcare.

WPA
Health Insurance

Western Provident Association Limited
Registered in England and Wales number 00475557

© Western Provident Association Limited 2026. All rights reserved.
WPA is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority. Registration number 202608.