



Britain's Health Care Battle

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Like a bloodied fighter who won't give in, the government in England keeps slugging away in its battle over reform of the National Health Service. The administration—a coalition between the Conservatives and Liberal Democrats—has found itself trading blows with unions, academics and even the normally apolitical medical royal colleges. Criticism has come from within too, as Liberal Democrat members voice concern.

The most damaging accusation has been that the health service is being privatised to create a US-style system. Ministers have hit back, saying critics are scare-mongering. They have argued the changes are about modernising a large and at times bureaucratic system. The NHS now employs 1.4 million people and is said to be the fourth largest employer in the world, behind only the Chinese People's Liberation Army, Indian railways and the WalMart supermarket chain.



But these changes have always been about a drive for efficiency. They aim to increase the amount of competition in the market to better resemble health systems in other western countries like Australia and Canada. The reforms hope to do this by getting private providers to bid for work alongside NHS hospitals and clinics. The English health service is almost completely unique among health systems in major developed countries in that it is essentially a state monopoly. And it raises the question about whether the era of state-dominated health care is over.

In Australia, Medicare coexists with the private insurance system and in Canada, where care is entirely funded by government revenues, services are provided by both private and public hospitals and clinics. Even in the social insurance based systems favoured in European countries, such as France, private providers are relied on to deliver care.

But to some in England competition is a dirty word when it comes to the NHS. The public has been brought up on the notion that health care is entirely provided by the state. The NHS was created in 1948 when a whole industry was effectively nationalised. Hospitals to that point run by charities, councils and private bodies-were all taken over and an army of health professionals were put on the state payroll.

The previous Labour government under prime minister Tony Blair probably did more than any previous administration to shake up the NHS. It awarded contracts to private health firms to carry out non-emergency operations such hip and knee replacements to get waiting times down in some areas. Then, towards the end of Blair's time in office, patient choice was introduced everywhere, giving people a right to opt to go to a hospital of their choice, including private centres willing to do the work at NHS prices. Nonetheless, the private sector still finds itself at the margins. In terms of non-emergency operations it carries out fewer than five per cent each year.

The legislation underpinning the new government's proposed changes was introduced to Parliament in January 2011. But by the spring its progress was halted in an unprecedented move, when the prime minister forced his health secretary, Andrew Lansley, to go back out to the community for consultation to try to garner wider support for his plans. It led to a series of concessions.

But despite initial hopes the tensions had been smoothed over, the last nine months have seen even more vociferous criticism. It has left ministers increasingly exasperated, accusing their opponents of scare-mongering.

The result has been a bill that has limped through Parliament. It is now entering its final stages. However, hundreds of amendments have been made as ministers have tried to appease critics, raising concerns that a mish-mash of ideas has created a 'Frankenstein' policy.

David Worskett, director of the NHS Partners Network, which represents private firms that provide NHS treatment, laments what has happened. 'We've abandoned all rational discussion I'm afraid. What is being proposed is a poor imitation of the mixed provider market in most of the developed health systems. But there is a lot of misinformation out there. That has been very damaging it has

probably set us back 10 years and reopened old wounds.'

It is a theme taken up by many who believe the NHS is in need of reform. Productivity in the health sector has been falling for years. Since 1995 it has dropped by 0.2 per cent a year on average. For much of the past decade this trend has been masked by record rises in the budget. During the Labour years it trebled and now stands at over £100 billion a year. However, that period of largess is now well and truly over.

While the coalition has protected health spending in the budget-it is getting 0.1 per cent annual rises over the next four years-the health service is still under pressure. Factors such as the rising price of new drugs, the ageing population and lifestyle factors such as obesity mean costs are rising at a much faster rate.

But the problem for ministers is that too many people-certainly within the health service-think they have got it wrong. Even those groups that represent GPs-who perhaps have the most to benefit from the reforms-are against it. Both the Royal College of GPs, who sets standards, and the British Medical Association are now calling for the bill to be scrapped.

They fear increased competition will lead to the fragmentation of services, arguing modern healthcare often involves looking after patients with complex, long-term conditions that require a collection of different services to work together in an integrated way.

Dr Clare Gerada, the chair of the RCGP, says the reforms are 'damaging, unnecessary and expensive and risk leaving the poorest and most vulnerable in society to bear the brunt'.

But others reject such views. Reform, a right of centre think-tank, recently published a report setting out numerous examples from across the globe of how competition has improved services. Nick Seddon, Reform's deputy director, says, 'the thing that's so infuriating about this debate is when people say introducing new providers will fragment things. It's empirically false.'

But even those supportive of the plans believe the government has made some serious mistakes. The biggest bone of contention is the complexity of the plans-the bill at more than 400 pages is three times longer than the legislation that created the NHS in 1948.

What is more, it was all so unnecessary, according to some. The NHS Confederation, which represents managers, has argued that the government did not even need legislation to achieve what it wanted. Doctors could have been given more power over primary care trusts-the bodies that are currently in charge of the budget. As for competition, ministers could simply have built on what Labour had started. Away from the attention that a bill generates, the developments would almost certainly have been much less contentious.

But despite the mounting criticisms, the government has now finally prevailed, securing passage of its legislation in late March.

However, the longer-term concern is how the last 18 months will play among voters come the next election. Many already believe the NHS will be a key battleground.



The Conservatives worked hard ahead of the 2010 election to detoxify the NHS as political issue. Traditionally, the Labour Party has been trusted more to run the health service, but when David Cameron became leader of the party he spent more time than any other previous leader talking about the health service. He recounted tales how he was left humbled by the dedication of NHS staff who cared for his disabled son Ivan before his death in 2009.

And it worked. Polling just before the election showed that the public did not see much difference between the parties when it came to who it trusted most on health. But all the indications are that the public is turning against the Tories again. Research by the polling group ICM which was published in February showed 40 per cent of respondents did not trust the Conservatives to run the health service, compared to 25 per cent who said the same about Labour.

But ministers can take comfort from the fact that reshaping the NHS has never been easy. When Labour introduced foundation trusts nine years ago, a policy that gave the best performing hospitals a degree of freedom from state control, it saw scores of its own MPs rebelling and unions up in arms.

And the history of conflict goes back much further than that. While many in England cannot imagine a world without the NHS, the Labour government that created it in the aftermath of World War II ran into opposition. Indeed, the then health minister Aneurin Bevan explained the only way he got doctors on board in the end was to 'stuff their mouths with gold'.