

A not-for-profit prescription



NHS funding

The operation of free market principles in the NHS is inescapably incompatible with its founding aim of equality of healthcare provision, says **Hamish Meldrum**

The passionate and, at times, outrageous debate in the US over reform of its health system provided an opportunity for this country to consider what makes our NHS so special. The NHS' core values of being comprehensive, free at the point of delivery, and with equity of access for all, are founding principles which have stood the test of time.

The current US system, despite costing almost twice as much per head as the UK's, does not provide healthcare coverage for a fifth of its population because the insurance needed is so unaffordable. President Obama has rightly identified this, together

with the spiralling costs of US care, as untenable.

The US' experience shows that where for-profit organisations have a significant role in the healthcare system, those that need care the most, such as the chronically ill, the elderly and the disadvantaged, seem to be excluded, as they are not viewed as profitable.

Given the intense scrutiny of the state of the US healthcare system, it is ironic that recent English health policy has been to copy many of its features, with increasing use of private providers in healthcare provision, and the use of 'the market' being encouraged in the NHS. There has been a belief among politicians that lightly regulated market mechanisms from numerous providers are essential to reverse what they view as declining productivity in the NHS, as well as deliver increased efficiency and effectiveness for patients, and improve quality and reduce costs.

However, proceeding down this path has serious consequences and doctors in England have expressed very strong concerns over the increasing commercialisation of the NHS and a growing dependence on a market-based system in healthcare. The drivers in this marketisation agenda include plurality and competition; they require substantial transactional costs to operate; and the result is that taxpayers' money leaves the Service in the form of shareholder profits.

Are patients' best interests being served? The pursuit of market reforms in England, such

as the use of expensive PFI projects, the use of independent sector treatment centres and the courting of the private sector in primary care delivery, have all ignited serious discussion on the effects that a market-based system of health care is bringing and whether this really is good value for money.



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Particularly during a period when public finances are being squeezed, these reforms will have a negative impact on the finances of the NHS. Much-needed money could have been spent on patient care rather than on simply managing the market or going to private companies and shareholders.

What does this mean on the ground? Whilst there is not a vast amount of evidence, what there is shows that where patients' care is bought and sold, and where hospitals, doctors, nurses and carers have to compete like businesses, the effects are: poorer health outcomes for patients, lower-quality care, rising bureaucracy, and co-operation losing out to competition.

Despite the moves towards increased marketisation, I believe that it is not too late

to acknowledge that private provision of NHS services has not provided adequate value for money for taxpayers.

During this summer, it was very encouraging to see leading politicians flock to voice their public support for the core values of the NHS whilst it was under attack. Whilst their support was commendable, politicians here need to also bear in mind that it is of vital importance that the core values they support should not be undermined by further opening-up of the NHS to market forces. NHS staff should not be forced into the situation of competing with each other, or with private companies.

The BMA strongly advocates an alternative approach, one that encourages co-operation and collaboration between providers, and uses comparable outcomes data to inform health professionals and encourage them to perform better, rather than relying on market forces. Furthermore, any future policies must be developed with the involvement of NHS staff and patients.

The NHS is not perfect; it has achieved much and has proved incredibly resilient and cost-effective, but we must always seek to improve it and should not be afraid to learn from others. However, pursuing the market-style philosophy of the US is not the way forward as it risks moving the NHS away from its founding principles of being publicly funded, publicly provided and publicly accountable. ●

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