

Tories warned of perils of boosting the market

BY EDWARD DAVIE

INCREASING MARKETISATION in the NHS will waste money while bringing few benefits to patients, BMA council chairman Hamish Meldrum has told shadow health secretary Andrew Lansley.

Since Mr Lansley took part in the BMA Westminster Political Lecture series in January this year, Dr Meldrum and the Conservative front-bencher have been debating the merits of increasing the role of the private sector in NHS care in an exchange of letters.

Setting out the thrust of the BMA's Look After Our NHS campaign Dr Meldrum says: 'We are concerned that emphasis on competition and choice will lead to valuable time and money being spent on simply managing the market itself rather than delivering care to patients.'

'In the USA the proportion of health funds devoted to administration has risen 50 per cent in the past 30 years and now stands at a total of 31 per cent of total health spending. The US experience is not unique and the devel-

FRANK EXCHANGE:
Hamish Meldrum (left) and Andrew Lansley pictured during Mr Lansley's lecture at the BMA earlier this year



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opment of markets in other health systems shows a related sharp rise in administrative costs,' he says, adding that the economic climate makes this potential waste even more important.

Dr Meldrum adds: 'Introducing choice to healthcare is an outwardly laudable aim but it is a complex process with potentially unpredictable results and the evidence suggests that choice is likely to increase costs, is probably more likely to increase rather than decrease inequalities, and may or may

not increase efficiency.'

Rejecting Dr Meldrum's conclusion that market reforms are likely to have a negative impact on NHS finances Mr Lansley says: 'Any provider selected to provide NHS services according to the terms of our "willing-provider" policy would be competitive on price and regulated for quality. Where commissioners are free to select the providers that offer the best value for money for taxpayers, combined with the best quality for patients, NHS finances can only benefit.'