

# MPs hear of payment by results disruption

BY EDWARD DAVIE

COMPETITION WITHIN the NHS has been ‘counter-productive’ and has failed to improve care quality, MPs have been told.

MPs heard criticisms of the PbR (payment by results) system during the Commons health select committee inquiry into commissioning.

NHS North Yorkshire and York director of public health Peter Brambleby was particularly scathing about the failure of PbR.

He said it had been introduced to encourage private firms to compete to improve healthcare, but the tariff-based system had actually made the situation worse.

Dr Brambleby told the committee’s inquiry into commissioning: ‘It was explained to us that one of the principal rationales for bringing in PbR with fixed tariffs was to bring in private sector competition by giving [the private sector] a secure income ... so it could justify investing in the capital and staff needed [for entry into] the market.

‘It was hoped that competition would drive up quality, but in the end it has had the opposite effect.’

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Dr Brambleby added: ‘Payment by results was a sincere and partially successful attempt to answer the wrong question.

‘What we should be doing is improving the health of the population, not just securing healthcare for episodes of ill health.

‘That aim is what we should be commissioning for, and PbR has been a distraction and can be counterproductive in improving the health of the population.’

Dr Brambleby said that tariffs — whereby hospitals are paid according to length of stay and other considerations — meant that sometimes there were perverse incentives to move patients on too quickly or hang on to them for too long.

He added: ‘PbR encourages competition, which means there is a reluctance to move patients round the system even if it is in their best interests, because if you move certain patients you will be losing lucrative tariffs.’

Asked about what could improve commissioning, he said a whole new objective was needed to improve the health of the population.

‘We need to decide: are we a national health service or are we a national health-care procurement business?’ Dr Brambleby told MPs.

Dr Brambleby’s comments chime with the BMA’s Look After Our NHS campaign, which is highlighting how public money is being wasted on introducing a market into the NHS.

The BMA says the current PbR model merely provides payment for activity and does not account for results.

It has warned that PbR puts collaboration between NHS organisations at risk as they compete for incentives to treat patients, and that it results in private firms profiting by cherry-picking simple cases while the NHS has to treat the more complex ones for the same money.

To find out more, go to [www.lookafterournhs.org.uk/](http://www.lookafterournhs.org.uk/)

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