

PRESS RELEASE



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DOBSON SUPPORTS CALL FOR SUSPENSION OF NHS REFORMS

'Big bang' creation of new NHS market due 1 April

Former health secretary Frank Dobson has lent his support to calls on the government to suspend the next steps in its NHS reforms for fear that they will worsen the financial crisis in the NHS. Addressing the SOS NHS national conference today (March 25), he will be joined by NHS staff and members of the public from around the country including those from areas where cuts are already taking place.

The conference, organised by the NHS Support Federation in collaboration with Keep Our NHS Public, will challenge the government view that "there is no crisis in the NHS". It will call on the government to stall the imminent expansion of 'payment by results' to help save the NHS from further cuts in staff and services.

The new system, under which hospitals are paid per treatment, it is due to be rolled out to over 80% of hospital activity in just one week's time on 1 April. Campaigners have dubbed this the NHS's 'big bang', sending more hospitals and PCTs into spiralling debt. This latest change is part of a major plan to introduce commercial competition into the health service. The conference organisers aim to raise public awareness about its impact, which will fragment and destabilise the NHS.

Frank Dobson said:

"The main cause of deficits, cuts, closures, job losses and reductions in patient care in the NHS is the latest round of re-organisation. If the Health Department pays out hundreds of millions of taxpayers' money to private hospitals and management consultants then it's not available for the NHS. Even more damaging is the paper chase and bureaucracy of the new system which is costing upwards of £12 billion – three times what it cost under the old system. The payment by results experiment threatened from 1 April is just that – an experiment. The NHS is too important to be experimented on – people's health is at stake."

Alex Nunns of the Keep Our NHS Public campaign said:

"There is now widespread concern – from the unions to the Audit Commission – that this 'big bang' approach to health service reform is too fast and too dangerous. Already we are seeing NHS managers citing payment by results as the reason for cuts. It's driving PFI hospitals to the point of insolvency and rows are breaking out between trusts and hospitals over bills."

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NOTES TO EDITORS:

1. The NHS SOS? conference will take place on Saturday, 25 March from 12 noon to 4pm at Friends Meeting House, 173 Euston Road, London. It will be addressed by Frank Dobson, senior trade unionists from Unison and Amicus, doctors, including GP Elizabeth Barrett (central to the campaign against UnitedHealth Europe in Derbyshire), health academics and campaigners.

2. Photo opportunity: the audience will hold their own banners and signs aloft to show a sea of concern at 12.00 noon, main hall, Friends Meeting House.

3. Predictions that payment by results would be accompanied by fraud are already being proved right. 80% of primary care trust and practice-based commissioners surveyed by the NHS Alliance said the current PbR system encouraged "gaming" by providers to "unfairly maximise income". 93% said that the PbR structure is not fit for purpose. Already

commissioners and providers are coming into conflict – Coventry PCT is claiming that Walsgrave Hospital took advantage of the new system to overcharge for treatment, while the hospital believes the PCT is trying to claw back £1m of its debt by disputing payments.

4. In October last year an Audit Commission report - Early Lessons from Payment by Results - stated: "The level of risk in the current policy...is too great". Chris Ham, former head of the Department of Health strategy unit, has said the government should restrict payment by results to "planned" care as emergency care must be protected from the market: "Unplanned care requires networks, but how will that be achieved as services are being fragmented?" (Health Service Journal, 15 December 2005). Jonathan Fielden of the BMA has said: "Payment by results is currently too crude to deliver improvements and maintain quality without severe disruption and fragmentation of patient care" (Guardian, 25 January 2006).

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