
As doctors, we see the cancer that eats away at the NHS

The NHS is being privatised bit by bit, and patients are already suffering

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Ill-equipped to compete in the increasingly cut-throat healthcare market, the NHS is now £140m in the red. A government that has done everything it can to expand the role of the private sector in the NHS is unlikely to bail hospitals out this time, and so this deficit will translate into hundreds of lost beds, and ward closures up and down the country.

This desperate situation forms the backdrop to the British Medical Association's annual meeting, which begins in earnest in Manchester today. This year's agenda contains dozens of motions critical of the government's health policies, and one of the first topics up for debate will be privatisation. The government will be watching the outcome closely. The Association of Surgeons of Great Britain and Ireland has already come out strongly against private-sector involvement in the NHS. If the BMA votes against it too, a majority of medical opinion will have taken a stand against the main health policy of Blair's third term.

The government has sought to present greater private sector involvement in the health service as a means of creating additional capacity, but already it is apparent that this is not the real agenda. The private sector will not support the NHS but compete with it, and NHS units and hospitals that cannot compete will close. Independent sector treatment centres (ISTCs) will be introduced whether patients want them or not. Thus, when South Oxfordshire, Southampton and Greater Manchester primary care trusts declined to place any contracts with the private sector, they were ordered to do so, even though they had no waiting lists in the specialties the private sector wanted to service. And when too few patients agreed to be treated at ISTCs in Trent and South Yorkshire, the PCT paid for "care advisers" to persuade them to change their minds. Patient choice comes a poor second to government policy.

ISTCs are paid on average 40% more than NHS providers. They are often guaranteed five- or 10-year contracts. They have no requirement to teach and train and they do not provide expensive emergency and high-dependency care. They mop up "easy" cases, leaving the difficult and more costly ones to the NHS. This has skewed the case-mix seen by the NHS and is affecting training in some specialties. And because fewer of the low-risk cases are being seen in NHS hospitals, young surgeons are no longer getting the training they need.

ISTCs have little responsibility for follow-up, and many cannot cope with complications. In some areas they are refusing to carry out procedures on up to 65% of the cases referred to them because they do not have the technological resources.

Standards are also an issue. Alliance Medical, with a five-year contract to provide £95m worth of MRI scans, was unable to register with the Healthcare Commission and as a consequence is not subject to NHS standards. Lewisham University Hospital cancelled referrals to its mobile MRI unit because of concerns about quality. It has since become apparent that scans were being sent abroad to be read, without any apparent clinical governance safeguards. Meanwhile, NHS hospital scanners remain idle for lack of funding.

Radiology is not the only area of concern. Dinesh Verma, medical director of Netcare Ophthalmology Chain UK, resigned over patient safety concerns in mobile surgical treatment centres. Netcare, which has a five-year contract to provide 40,000 operations, was failing to ensure proper continuity of care and on-call cover.

Labour's professed desire for additional capacity sits oddly with its record on NHS beds. Since taking office it has closed 12,000, and the policy of favouring ISTCs has meant that closures are continuing at a dramatic pace. As Nigel Edwards, director of the NHS Confederation, has warned: "The removal of large amounts of elective work from existing hospitals can threaten the viability of the services that remain."

John Denham, the former Labour health minister, has echoed his concerns, highlighting the risk of "perverse outcomes ... if operations in private hospitals cost more than in NHS hospitals and the latter are closing their wards". As a result of budget deficits, hundreds of bed losses have been announced this month: 90 in West Hertfordshire; 200 in Leeds; 30 from the brand new PFI hospital, Queen Elizabeth Woolwich; ward closures in Kings Lynn ... the list goes on.

Of course, the government has an answer to all NHS objectors to the private sector. Government expenditure on the NHS is projected to rise from 7.7% of GDP in 2003 to 9.2% in 2008, or an extra £20bn a year by 2008 in real terms compared with 2004.

This largesse has allowed the government to portray itself as a friend of the NHS. The consequence is that there is less a debate than a stand-off between two compelling yet seemingly paradoxical propositions: "The government is rebuilding the NHS through an unprecedented expansion in funding" versus "the government is destroying the NHS through an unprecedented process of marketisation, privatisation and commercialisation".

Against this background, it is significant that the last time there was a comparable increase in spending on the NHS, in 1991, the extra money went to pay for the costs of the internal market. Once again, much of the new spending is going to meet the costs involved in bringing in the private sector. Major additional transaction costs are involved, as they were in 1991. Money that should be spent on frontline care will be diverted to making and monitoring hundreds of thousands of contracts, billing for every treatment (to achieve "payment by results"), and paying for accounting, auditing, legal services and advertising - not to mention shareholders' profits.

The NHS chief executive, Nigel Crisp, has said that foundation trusts "should adopt the same marketing techniques as Tesco in their bids to win customers in the new choice-based NHS market". A special marketing advice agency, the Insight Unit, has been set up in the Department of Health to give marketing advice, and plenty of companies are moving in to help trusts "profile" health "consumers". Hospitals will advertise for patients.

In 1997 the Labour party denounced PFI as creeping privatisation. They asked senior doctors to sign a letter in which they described the internal market as a cancer eating away at the NHS. Doctors agreed and voted for them, and now we feel betrayed. We see hospitals closing wards and operating theatres. We see huge profits already going to PFI companies. We are not deceived by the rhetoric about patient choice and predict that patients may lose the one choice that is important - a good comprehensive local hospital.

In a system where, as a CEO recently told his managers, every part of the business must generate a surplus, patients will come second to profits. When the dictates of the market replace the public service ethos patients will suffer. If the government does not heed the doctors' warnings, the cancer they correctly diagnosed eight years ago will destroy the NHS.

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