

# Health Service Reform in the England: Developing an Alternative Approach

Sally Ruane, June 2009

The reform of the health service must be understood in terms of the wider role played by health care in society. Health service reform needs to address:

- Crisis in democracy
- Crisis of social inequality

## Markets do not solve but exacerbate these problems

The crash in the financial markets revealed:

- Even in an aspect of society considered well-suited to market approach, market failures can be dramatic and disastrous
- Belief in effectiveness of regulatory environment contrasted with reality of regulatory inadequacy, implicating most parties
- Rich individuals and corporations play by different rules in terms of rewards and tax obligations, depriving public of tax revenues

As financial markets headed to collapse, market principles were imposed on health care. But markets in health exacerbate problems of inequality and democratic accountability:

- Weaken risk pooling and cross subsidy principles
- Allocate unequally and inequitably so require vigorous regulation
- In reality, vigorous and effective regulation unlikely or impossible
- In reality, democratic determination and democratic accountability unlikely or impossible
- Market 'solutions' and commercial providers tend to be expensive yet public spending constraints imminent

Our position:

- Abolish market and phase out commercial involvement
- Re-absorb PFI hospitals (and other such facilities) through near nationalisation of banks OR at least buy back as cheaper than continuation of contracts
- Fund capital investment publicly
- Open all contracts or service level agreements to public scrutiny

- Reverse hollowing out of NHS and restore functions and expertise

### Health in All Policies: an Holistic Approach

Health is determined largely by factors outside health care. There is much research on the social determinants of health and the connection between social inequalities and health inequalities. This points to the need to reduce social inequalities and bring health considerations into all policy making. Holistic approach requires:

- Reform of tax and benefit system to reduce inequality through redistribution; protect parenting and caring activities vital for health and wellbeing; help plug revenue gap by proper taxation of rich individuals and corporations
- Health in All Policies
- Intervene upstream: illness prevention and health promotion involves addressing socio-economic structural determinants of health, not just individual behaviours; involves challenging vested interests

### Administrative and structural matters

Needs-based funding; retain body similar to NICE; staff representation on boards.

Key principle: strengthen democratic determination and accountability through democratising NHS and giving more democratic bite to 'watchdog' institutions.

Watchdogs: could either strengthen powers of HOSCs/LINKs or create new more comprehensive Health and Social Care Watchdog with stronger powers than current or previous watchdogs.

### Democratise NHS:

- Three tiered health service
- Devolve genuine decision-making to local level
- Introduce elected element to local level
- Put more health service information into public domain consistent with respect for personal privacy

Explore either locally elected Health Boards or transfer of administration of NHS to reformed and empowered local government.