

## know your enemy

# Simon Stevens and his amazing dancing balance sheet

**O**ver-paid, over-rated and over here' may be the damning gut reaction to the giant US-owned health corporation, UnitedHealth Europe (UHE). But the Minneapolis-based parent company has been savvy enough to front its British operation with a native English management team, including one with impeccable Blairite credentials – former Downing Street advisor Simon Stevens. Almost two years after vacating his post, Stevens is still on the select list of people invited to dine with Blair at Chequers.

As health policy advisor to Frank Dobson, Alan Milburn and Tony Blair, Stevens was widely seen as the author of the NHS Plan, which in 2000 set course towards increased privatisation and market-style reforms. Stepping out of Downing Street in 2004, he moved swiftly and seamlessly into the private sector. He had been in touch with UHE for the previous two years, during which time they landed their first NHS contract.

Stevens is now reportedly pocketing a salary of £150,000 as president of UHE, and his bosses in the US clearly feel it is worth paying so highly for his services. As the architect behind the controversial 'modernisation' of the NHS, Stevens has a clear view of the most promising and

Tony Blair's former health advisor now pockets a £150,000 salary showing a private company how to make big profits out of the NHS. **John Lister** reports

profitable targets for UHE's activities.

Not surprisingly, UHE has not even bothered trying to replicate its role in private health insurance, which is a mainstay of its highly profitable US parent company – whose annual turnover is almost £16 billion. The existence of the NHS with its universal health cover has left private medical insurance as a relatively marginal activity in the UK, covering just 12 per cent of the population.

Instead, like a shark scenting fresh blood, UHE, steered by Stevens and by its chief executive, former *British Medical Journal* editor, Richard Smith, has zeroed in on much bigger prey – the juicy prospect of controlling hundreds of millions of pounds in the commissioning budgets of primary care trusts. The possibility of opening up this vast source of income for companies such as UHE was created by New Labour's determined efforts to establish market-style competition in the health service – as proposed by Simon Stevens.

Still only 39, Stevens' career

has been characterised by a whistle-stop progress. His university education was at Oxford, Strathclyde and New York's Ivy League Columbia university. According to his CV on the UHE website, he has since managed to slot in appearances as a 'health authority director, general manager of a mental health service, and a group manager at Guy's and St Thomas's university hospitals' in addition to working in Africa, South America and the USA. All this before spending seven years as the government's health policy advisor from the age of 30.

Having acquired a passing acquaintance with sections of the NHS, Stevens now writes regularly for the influential management weekly, *Health Service Journal*, and has also managed to secure himself an academic niche as visiting professor at the London School of Economics. The LSE connection also furnished the government with Stevens' successor as health advisor, the rabidly pro-market Julian Le Grand.

Stevens, whose official biographical notes say that his policy interests include 'strengthening the healthcare "payer"/purchaser function', has shown himself a much smoother operator than Le Grand, whose appointment as health advisor triggered a noisy moan from public sector unions. Stevens and Richard Smith have been willing to meet and debate with Unison and other unions, attempting to present an acceptable face of commercial medicine and

privatised care.

But however affable its front men may be, the track record of UHE in delivering any of their claimed benefits to the NHS is less than impressive. The £4 million spent on 18-month pilot studies of the 'Evercare' programme, modelled on United's highly profitable policies of restricting access to hospital for older patients in the US appears to have yielded few useful results. Instead of the 50 per cent reduction in hospital admissions claimed in the US, an independent review of the pilot schemes in nine English primary care trusts early in 2005 found that as few as 1 per cent of admissions were avoided.

Despite its signal lack of success in delivering the promised results, UHE has moved on to win further NHS contracts to collect information and advise on the targeting of services. It has also just controversially secured 'preferred bidder' status in its attempts to buy its way in to the provision of GP services in Derbyshire (see page 22). Even if the contract portfolio of UHE is still small beer for its giant parent corporation, Stevens knows better than most where an acorn planted today in strategic sectors of the NHS can generate a profit tree for years to come.

UHE's corporate profit margin is currently in excess of 12 per cent – suggesting that even winning a relatively small slice of NHS commissioning budgets could soon put a smile on the faces of directors and shareholders in Minnesota, while British GPs, patients and health workers count the cost in lost services.

**John Lister is information director of London Health Emergency**  
[www.healthemergency.org.uk](http://www.healthemergency.org.uk),  
[john.lister@virgin.net](mailto:john.lister@virgin.net)

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#### Public meeting

**1 March** Speakers include Tony Benn and Rose Gentle (Military Families Against War). Skeel Hall lecture theatre, Queen Mary University, London, 7pm. 079585 35231/079177 96673

#### National demonstration

**18 March** Organised by Stop the War, CND and the Muslim Association of Britain. Parliament Square, London, 12 noon. 020 7278 6694, [www.stopwar.org.uk](http://www.stopwar.org.uk)

#### Mass civil disobedience

**2 April** Go to Parliament Square, 12 noon, to read the names of the thousands of Iraqis who have died as a result of the war. 0845 458 2564, [www.voicesuk.org](http://www.voicesuk.org)