

Our healthcare, who cares?

Q. What are the latest government schemes for involving the private sector in the NHS?

In October 2007 the government appointed 14 large private companies to take on a major role in determining how the NHS's £90 billion budget is spent. Their function will be to advise or take over the role known as the **commissioning**, whereby services and treatments are bought by the PCT for its patients. The government hopes that the companies will work to identify local health problems and negotiate cost-effective contracts with NHS and private sector providers.



However critics have significant doubts. This scheme is known as the Framework for Procuring External Support for Commissioners, or FESC.

At the level of the GP, the government has for some time been encouraging private companies to set up and manage GP surgeries. Interested parties include large US corporate healthcare companies, such as UnitedHealth, but even companies such as the Virgin Group, known more for airlines and financial services than

healthcare, are interested and are seeking to launch a network of branded GP clinics under the scheme. The polyclinic initiative, under which several GPs are grouped with other services both NHS and private, will make the area of community care even more attractive to private companies.

Q. What advantages does the government think such schemes will bring to the NHS?

The government views the advantages as increasing choice, competition and efficiency within the NHS. According to the government, the increase in private involvement in GP surgeries and at the commissioning level will lead to a greater range of healthcare providers treating NHS patients, thus increasing patient choice. The increase in competition between the providers, including those within the NHS, will, say the government, benefit patients and increase efficiency.

Q. What do critics say about the plans?

The major concerns for the critics surround patient care, cost and accountability. The experience of using the private finance initiative (PFI) to build and maintain hospitals has given overwhelming evidence of how private sector input does not necessarily bring cost savings. The government admitted in Parliament that the cost to the tax payer of PFI funded hospitals would be £58 billion, when the cost of the buildings was only £8 billion. PFI has brought large profits for the private companies and often hugely inflated prices for cleaning and maintenance services for the NHS trusts. Furthermore, private treatment centres for elective surgery, the Independent Sector Treatment Centres (ISTCs), are not, according to the Commons health select committee, more efficient than NHS units, nor have they in general increased capacity. They are in fact more expensive, have heavily underperformed their contracts and often ended up taking over NHS staff.

If the government puts private companies, with their own ethos to maximise profits for shareholders, in a position of great power within the NHS, with the role of commissioning services, there must be proper accountability to the government. Furthermore, can a company with an obligation to its shareholders to maximise profit really have patient care as an overwhelming priority, as it is within the NHS?

Q. Why do these companies wish to be involved with the NHS?

Now that the government have opened the NHS to allow private companies to bid to run any aspect of the NHS, there are a real opportunities to gain large slices of the NHS budget. The US healthcare system shows that huge profits can be made from providing healthcare. Four of the 14 companies chosen for the commissioning role and several involved in GP surgeries make large profits in the US healthcare system: Aetna's net income in 2007 was \$1.8 billion and Humana's net income was \$833 million in 2007. Although far smaller than the USA, the UK is an attractive target for these corporations, being among the top five companies worldwide in terms of spending on healthcare.

Q. What track record do the private companies involved in the schemes have in running healthcare businesses elsewhere?

Four of the US companies chosen by the government for involvement in the NHS, UnitedHealth, Aetna, Humana and Health Dialog Services have expertise in running healthcare businesses, but have also been found to have broken several regulations governing the health insurance industry in the USA. Both Aetna and UnitedHealth have been fined in several states in the USA for incorrectly turning down patient insurance claims over a number of years, including in New York State and Arizona. Humana was fined in Oklahoma in 2007 following many complaints about deceptive marketing practices and unlicensed insurance agents. Despite this record of malpractice, these companies could soon be advising the NHS on how to spend a £90 billion budget.

There are also companies with little or no experience of the sector interested, such as the Virgin Group.

Q. What safeguards is the government putting in place to monitor these companies?

The government has stated that PCTs will always have a management role overseeing the companies and will always "retain commissioning experience and expertise." In addition, the commissioning supplier for the PCT cannot provide clinical services within that PCT. However it can provide clinical services in another PCT and with this in mind it is easy to envisage that once a private company is in a position advising one PCT, it is in a more influential position when it seeks to provide services in another PCT.

In the USA, the healthcare insurance system is supervised at a federal level by the Centers for Medicare and Medicaid (CMS), however this has not prevented repeated violations of federal and state law by private healthcare companies, four of which are in line for a major role in the NHS.

Q. What differences will patients find when dealing with the NHS?

Differences that could be felt by patients include the loss of close community links, good continuity of care, long-term doctor-patient relationships, and a greater distance to travel to a GP.

GP surgeries are known for good continuity of care and excellent doctor-patient relationships often running over many years and even generations of families. The surgeries are rooted in their communities, know the problems and understand what the community needs. In contrast, a patient visiting a privately-run polyclinic is unlikely to be able to see the same doctor at each visit, and as employees of a private company the doctors could well have a different outlook to those working for the NHS, with an eye on their employer's need to make a profit rather than just patient care. Taking its patients from a much wider area also lessens the chances of the

GPs at the polyclinic building up good community links and understanding. In commissioning, doubts have been cast over the expertise possessed by the companies, in particular in the commissioning of the most appropriate services for vulnerable people. Once more the emphasis on profit that private companies inevitably have could mean that options that make the most money for the company are chosen over those that are the most appropriate for a certain patient group.

Q. Will patients be able to access the full range of services for free?

Private companies involved in GP surgeries will be seeking to maximise profits and this will mean bringing as many services as possible under the same roof. On the face of it this may seem to make things more convenient for patients, however the services would be private and their increased use would be a further encroachment of the private sector into the NHS. For example, patients who need services such as physiotherapy, may opt for the private physiotherapist in the office next door to their GP in the privately run surgery and available the next day but at a cost, rather than face a wait for an NHS physiotherapist. Fewer referrals for the NHS physiotherapist could eventually result in cuts in the service still further, making access to physiotherapy only readily available for those who can pay and even longer waits for those who can not afford private care.

Q. Will these new private schemes integrate smoothly with other areas of the NHS?

It is important for patient care that communication between the GP and other parts of the NHS is efficient. Adding another layer of bureaucracy in the shape of large polyclinics run by different private companies is unlikely to smooth the path of patients through treatment. In the US a fragmented system has led to non-sharing of patient records and the unnecessary repetition of expensive tests.

Q. Where will the staff come from to work in the private schemes?

The private companies will need to recruit GPs. Will GPs recruited by the private

companies be as involved in the local area and be able to build-up the same doctor-patient relationships? In October 2004 the private company ChilversMcCrea won a contract to run a practice at Longton Health Centre (Stoke-on-Trent). The company initially had to pay the NHS for GPs, it then used temporary GPs, including some from France and Germany.



Q. Aside from PFI and ISTCs are there other examples already in the NHS of private schemes and how successful has the approach been to date?

In 2005 failures in the recently privatised out-of-hours service run by Camidoc led to the death of Penny Campbell. Her septicaemia went undiagnosed by eight doctors she accessed through the Camidoc service. At the inquest in 2007, the coroner criticised Camidoc for being unprepared as a major out-of-hours provider of care and for failing to investigate the death quickly. An investigation by the four primary care trusts (PCTs) that use Camidoc, found a “major system failure”. In the three years since privatisation of the out of hours

services began in 2004 there have been repeated reports of problems accessing doctors at weekends and evenings and in October 2007, a taskforce set up by the Royal College of Physicians reported that "patient access to out-of-hospital general practice or community-based acute medical care, especially out of hours, is largely inadequate and inflexible," with the result being patients turning up at A&E for reassurance as there is nowhere else for them to go.

The NHS Support Federation is an independent organisation that works to promote a comprehensive NHS, with equitable access and active public involvement. Our supporters and affiliated organisations are drawn equally from the health profession and the general public.

Through our work we aim to influence the direction of health policy by collecting evidence and views about its impact, raising awareness and by encouraging involvement in deciding how our health care is organised

Alongside the NHS Consultants Association and Health Emergency we started The Keep Our NHS Public campaign which has become a banner for 30 independent local NHS action groups around the country.

If you require further information about the NHS Support Federation try our website or contact us directly:

NHS Support Federation
Community Base,
113 Queens Road,
Brighton, BN1 3XG

www.nhscampaign.org
info@nhscampaign.org.uk

There is a national directory of local NHS groups on our website, together with health news updates, easy guides to health policy and campaign advice.

copyright NHS Support Federation - April 2008

More information?

Please send me more information about the campaign
_____ more copies of this briefing

Key Questions

What is the evidence that competition and private sector involvement in the NHS will improve our healthcare in any of the following areas?

Patient safety, Public trust in providers, Professional standards and training, Efficiency and cost, Community wide access, Planning services to fit need

If there is none then why proceed?

Action

1. Talk to your MP
2. Write to your health scrutiny committee at the local council
3. Write to a local or national paper
4. Find or start a local NHS group
5. Distribute briefings like this one in your area
6. Join the NHS Support Federation

...for more advice on any of these and other ideas try our website www.nhscampaign.org

Support the Campaign

join the network, receive information, get involved in protecting and promoting the NHS

I support the campaign and enclose :-

£100 £50 £25 £15 £7

_____ other

membership: £15 (ind) £7(unwaged) £40(grps)

NAME _____

ADDRESS _____

EMAIL _____