



Private sector: the Good, the Bad and the Ugly

Dr John Lister, Keep Our NHS Public, February 2016

What's so special about Britain's NHS? 1948 changes summed up:



UNIVERSAL ACCESS to comprehensive health care – including drugs, eye care and dentistry – free at point of use (funded from **general taxation**).



Decommodified health care. Went beyond failed pre-war 'market': created something **NEW** and superior. Low management/overhead costs



Nationalised (linked & unified) ramshackle networks of (mainly small) municipal, private, charitable, teaching hospitals.

Much more than just single-payer

Formation
of NHS
opened new
possibilities
above &
beyond
“free at
point of use”

- Neighbouring hospitals **work together** for first time instead of separately
- Health professionals to **collaborate**
- **National training** system for doctors & professionals
- Possibility of **PLANNING** resources to meet health needs of local population – many of whom private sector does not want
- (Later) replace smaller hospitals with new district-wide hospitals.
- Possibility of **multidisciplinary teams**.
- Research... Modern medicine ... & much more.

However since 1989

Moves to
unravel
and
fragment
NHS ...

- “**Internal market**” (Thatcher reforms 1990, inspired by Alain Enthoven)
- Under Thatcher almost **no clinical services** provided by private sector.
- Experiments with **competitive market**
- **Labour NHS Plan 2000-2010** – first private providers of **clinical care** (ISTCs, diagnostics, etc)
- Since 2010 **full-scale reorganisation**
- Maximum market opportunities for private sector to **cherry pick services.**

The progress of privatisation

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Privatisation defined: The use of for-profit and non-profit private providers to undertake services PAID FOR, and previously PROVIDED BY, the NHS.

Began with contracting out **support services** (cleaning, laundry, portering, catering) 1984

Who now thinks that was a good idea?

1980s: new low-wage, under-staffed, exploitative companies formed to **compete on price** for contracts

NHS staff cut & casualised, hygiene compromised, MRSA maximised, quality minimised

Labour gets in on the act



PFI

Pure Financial Idiocy.
Picking up a silly Tory idea – and making it even sillier & more expensive.

Concordat with private hospitals - 2000

NHS Plan 2000

- Diagnostics
- ISTCs
- Primary Care: Out of Hours, APMS etc

Deepening the purchaser/provider split:

Break off and break up Community Services

- “Social Enterprises”
- “Any Willing Provider”

More wild experiments

'Franchising' &
contracting out NHS
hospital management

Good Hope Hospital
(2003) – costly failure

Hinchingbrooke
(2012) – costly failure



Health & Social Care Act 2012

Section 75 & Regulations require CCGs⁸ to open up services to tender from “Any Qualified Provider”

Who vets firms to ensure they are “qualified”?

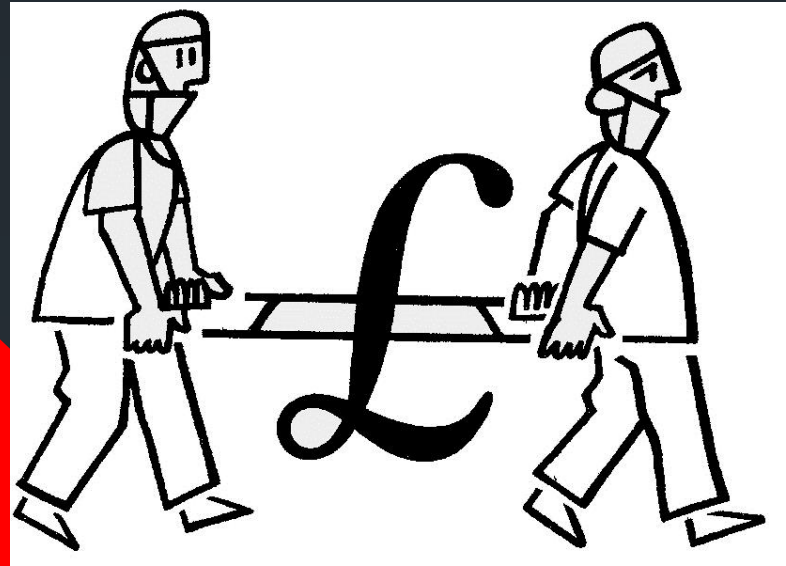
Foundation Trusts encouraged to make up to **HALF** their income from private medicine & deals with private firms

CCGs spending millions on competition lawyers

NHS decisions vetted by Competition & Markets Authority



Privatising ambulance services



Patient transport services privatised – savings from reduced quality

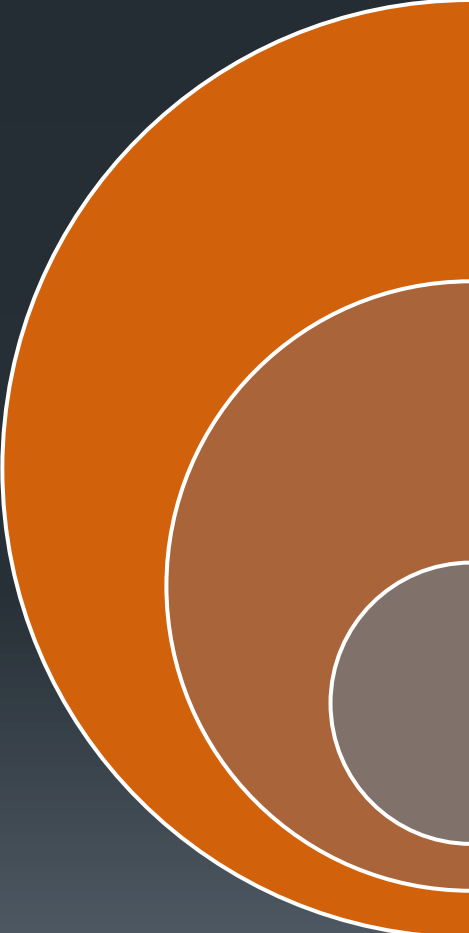
NSL failures – Derbyshire, Kent, Devon, Cornwall

Private firms contracting for 999 ambulance contracts: would you trust them?

Problems for CCGs disengaging from failed contracts

Company walks away from contract in Northants

Mental Health



| | |
|----------------------------------|--|
| Addictions and alcohol services | <ul style="list-style-type: none">• Voluntary sector• threat to more specialist services |
| Child & adolescent mental health | <ul style="list-style-type: none">• Virgin! |
| Mental health medium secure beds | <ul style="list-style-type: none">• Poor quality• Long distances• Perverse incentives• Inflated costs |
| | |
| | |

'Lead provider' contracts ...

Staffordshire
Cancer Services

- Daft idea. Process/opposition
- Interserve-led contract chaos

MSK – Sussex

- BUPA contract – ended **by BUPA** because of threat to 2 A&Es

Dermatology
Nottinghamshire

- Circle's contract brings chaos to specialist care

Cambridgeshire
Older Peoples
Services

- Process/opposition
- Uniting Care contract collapse

Community & primary care

Serco Suffolk Community health services

- Losses & withdrawal

Serco Out of Hours Cornwall

- Failure & withdrawal

£126m Community Health Services contract Kent

- Legal challenge by Kent Community Foundation Trust to Virgin winning contract

“Any Qualified Provider”

105 healthcare firms granted “any qualified provider” (AQP) status in 2013 – no vetting of quality

39 different services up for grabs

- physiotherapy, dermatology, hearing aids, MRI scanning & psychological therapy

Privatisation in age of austerity

- Cambridgeshire
- Staffordshire
- Leicestershire support services (Interserve)
- PLUS Virgin, Circle, Care UK etc – all with hedge fund shareholders seeking profits ... but getting none



Not enough money to guarantee ££ profits

Overhead costs of contracting

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Even when private sector does NOT win contracts ...

Costs of bureaucracy – purchaser-provider split

Transaction costs

Management time and energy diverted from patient care

Management consultants

£lawyers, accountants... etc

Estimated cost of Lansley reforms £3 billion

Estimated yearly cost of market **£5-£10 billion** – Commons Health Committee declared it a “**costly failure**”

Private sector – perceived “Good”

Care/cleanliness/food/comfort in private hospitals

- Quicker treatment
- Choice of time/flexibility

ALL this is an ILLUSION. Reality:

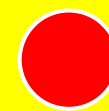
- Private hospital average size **50 beds**
- **No emergencies**, or chronic, complex or risky cases
- No doctors overnight; **no ITU** – emergencies & failures simply sent to NHS
- No multidisciplinary teams: but **staff trained by NHS**
- **“Cleaner”** – because small buildings = fewer visitors + private hospitals use **in-house** cleaners
- EXTRA MONEY spent per patient = better food etc.
- Small, quiet, because **limited** services
- Flexibility = no emergencies, unused capacity

Personal budgets - maternity

Cumberlege Review proposes £3,000+ personal budget for women to buy appropriate care in pregnancy

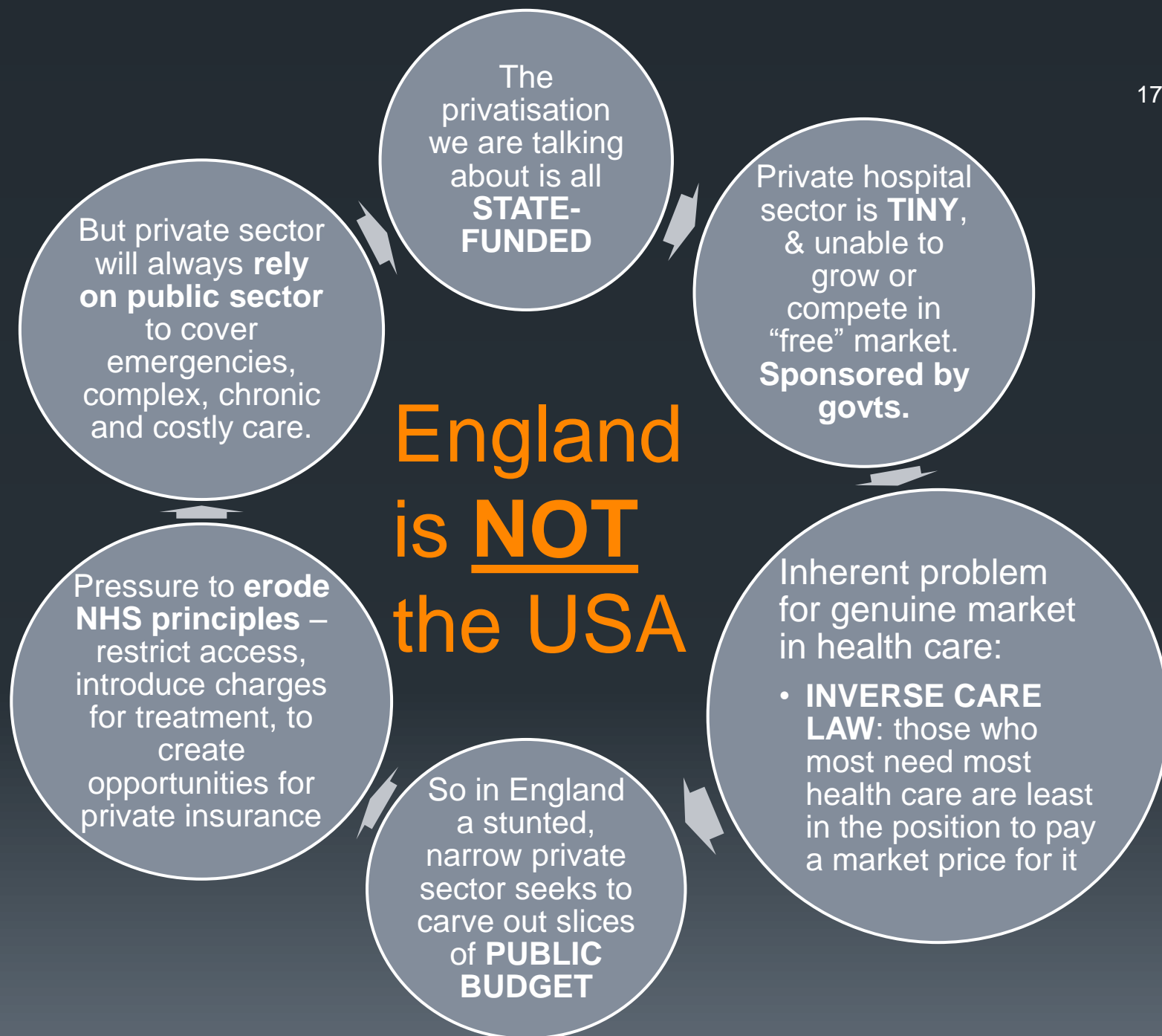
This would mean core routine funding would be **WITHDRAWN** from NHS maternity units

Costs of NHS provision for complex pregnancies would increase.



To include possible private provision of “one to one” support from midwives

Midwives (all trained by NHS) would be **DRAWN AWAY** to work in new private agencies



We all know CCGs are under pressure to put services out to tender

But now also required to work with trusts on STPs in “footprint” areas

And “integrate” services, working with trusts, GPs & social care

Contracts need to be monitored to ensure compliance and corrective action taken

CCGs must account to CQC and others for contractors’ standards of care.

So what has outsourcing (privatisation) got to do with heroin?

Both are nasty habits. The only sensible answer to either is **JUST SAY NO!**

'Essential reading in the battle to save the NHS before private companies bleed it dry.' – Ken Loach

'This is the most important recent book about the future of the NHS. It examines the havoc created by Andrew Lansley's costly and damaging "reforms" and George Osborne's spending cuts. It's a must read.' – Owen Jones

In 2010 David Cameron's coalition government discarded pre-election promises about the NHS. Instead they imposed savage spending cuts and pushed through 'reforms' which put at risk the health and lives of all of us. As a result the NHS is now in crisis.

NHS For Sale challenges their myths and lies, arguing that:

- The NHS is efficient and affordable and didn't need radical reform
- The private sector is not cheaper or more efficient than the public sector
- The government is privatising the NHS
- The NHS market is wasting billions of pounds while harming the service
- The Coalition's Health and Social Care Act:
 - Has not put GPs in the driving seat
 - Has reduced patient choice
 - Has reduced community control over healthcare priorities
 - Has increased bureaucracy and waste

This book sets out what needs to be done to protect the NHS against corporate greed, and enable future governments to meet the challenge of delivering high quality and affordable healthcare for all.

Royalties from this book will go to Keep Our NHS Public
www.keepournhspublic.com

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Davis, Lister
and Wrigley

NHS

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Myths, Lies & Deception

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