Privatisation of NHS: When Did It truly Start?

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Is the Health Service on sale? The recent anxieties around Brexit and politicising of the NHS is not new. But, does it tell us the true story about how we can genuinely deliver healthcare service that is free for all at the point of access? With a budgetary spend of nearly 30% and ever increasing life expectancy, we will continue to face the challenge of funding health service as it exists today and for coming generations.[1] The Nuffield Report[2] enumerates the current challenges as an ageing population, a growing population, evolving healthcare needs, such as the increase in cases of obesity and diabetes, or antibiotic resistance, medical advancements (costs the NHS at least an extra £10bn a year), closure of local services due to centralisation drives and an increase in reliance on privatised services.

To address this, let's take a look at the evolution of healthcare in UK ever since the NHS was born on 5th July 1948. At the time it was a fundamental shift that allowed access to free healthcare to all and was no longer a privilege of the few. It had three key pillars or 'tripartite system' which comprised of the hospital services, primary care and community services. Of these three pillars, the GP's even then were independent contractors and were paid for each patient on their list rather than a fixed salary. Besides GP's, dentists, opticians and pharmacists also provided services under similar arrangement. These were overseen by the executive councils which managed the list of providers, contracts and payments.

Whilst it made healthcare accessible to all, the financial strains were felt within a few years. Four years later in 1956, this resulted in introduction of first prescription charge of 1 shilling and one pound to access dental service. [3] The emotions and battles of prescription charges continued as they were removed and reintroduced with exceptions over the following decades. Then eight years later, the concept of 'efficiency and economical use of public funds' was first introduced in Guillebaud's report in 1956. [4] At the time, NHS received almost a tenth of the Chancellor's budget. During the following decades various other changes were introduced, however NHS still remained within public sector despite the wave of privatisation during the Thatcher era. However, despite patients receiving free care, there were no standards of care set against which the care delivery could be benchmarked. The patient charter was published in 1991 which for the first time outlined the patient's rights and responsibilities. [5]

To deliver the assured patients' rights engraved in charter at all points appeared to be an impossible task. This led to a series of initiatives and publications of white papers during the Blair era to cut down the waiting times for access to emergency and elective services. [6] During this period under the private finance initiatives, private companies grouped together to not only finance and build hospitals, but also provide medical services such as 'urgent treatment centres' or provide non-medical staff such as catering services. Besides, there were targets set for primary care providers to seek around fifteen per cent of services from private and not for profit providers. This also led to other initiatives such as 'Choose and book' system and targets for emergency and elective services. During all these years, the budgetary spend had escalated from around 11% in 1948 to around 30% in 2018.

Despite the involvement of private sector, patients continued to enjoy care that is largely free at point of access. How do we fund such a mammoth undertaking that is sustainable for coming generations? Currently, we spend every 30 pence from one pound of tax payers fund to deliver healthcare that continues to remain free for patients. During the last seventy years, the nature of patients need for services has changed. Unlike then, when heart disease, stroke and infections were leading causes of mortality, now it is cancer and dementia which require long term care and support and have few cures. Without tripling tax payers spend to fund NHS, that offers free care to all, what models of care would make this a sustainable undertaking? Is marketplace a solution or part solution to the problem?

The concept of internal competition has existed throughout its history but was more formalised in late 1980's. By general economic principles, more competition introduces choices for the consumers. It can deliver timely efficient care whist maximising the return to every pence spent by tax payers. However, it comes with its flaws as seen in case of Circle Healthcare when managing Hinchingbrooke Hospital. [7] The company said that funding for the trust had been cut by about 10% and an inspection by the Care Quality Commission reported that patients at the hospital were being neglected, hygiene was inadequate and there were severe staffing problems.

According to the recent King's fund report, in 2018/19, NHS commissioners spent 7.3% of the budget in procuring services from private providers including the voluntary sector. This has remained stable for the last two years. However, there is relative lack of data and clarity on how to derive accurate figures for proportion of budget spent in procuring services from non-NHS sector, both private and voluntary. If we include primary care services, then the figure may be closer to 25%. [8] With the Health and Social care Act of 2012, all providers for regulated services have to operate to the same standards and governance processes. So, if the governance and monitoring standards for the NHS providers and the private providers of NHS contracted services are same, then why do we fear private providers? To address such fundamental question that is more fact based and has less media spin, we desperately need high quality unbiased large population based studies to understand patient expectations to

develop healthcare models that allow us to deliver free healthcare for vast majority of services at the point of access.

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