



Oxford Radcliffe Hospitals **NHS**
NHS Trust

The UK National Health Service in evolution

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Trust





Background of the NHS

Established on 5th July 1948 by post-war Labour government.

Principles:

- Funded by general taxation
- Meet the needs of everyone
- Free at the point of need
- Based clinical need not the ability to pay

General Practitioners independent self employed sub-contractors to the NHS.

Consultants employed by hospitals





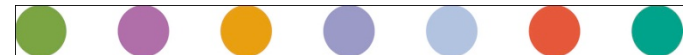
Evolution of NHS

- 1952: Introduction of charges for prescriptions (5p) later followed by charges for dental care and glasses
- 1980s: Replacement of administration by general management in health authorities and hospitals. But still integrated structure based on geography
- 1990: Internal Market introduced, with separation of commissioning and provision of services





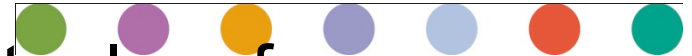
- 1998 Devolution of government for Scotland, Wales and later Northern Ireland, with local responsibility for health and adoption of divergent strategies maintaining integrated service provision under health authority or Board.
- Thus 4 healthcare systems in UK under the NHS
- 2002: Primary Care Trusts established in England (commissioner and community service provision)
- 2004: First wave of NHS Foundation [Hospital] Trusts established in England.





NHS Foundation Trusts

- Independent legal entities
- No direct accountability to Department of Health or Secretary of State for Health
- Own Board, constitution and governance
- Accountable to membership (patients, local community and staff)
- Licensed by independent regulator (Monitor)
- Licence defines mandatory services to be provided
- Financial and operational freedoms
- Income dependent on contractual performance





- 2008: Establishment of the principles of Patient Choice, as a further step to deliver healthcare system responsive to needs and expectations of patients as “customers”.
- 2009: NHS Constitution established by legislation:
 - Maximum waiting times for treatment (18 weeks)
 - Patient choice
 - Access to Health records
 - Right to be treated with dignity and respect
 - Rights to complain and receive response
 - Commitment to provide responsive and timely service
 - Treatment to be based on evidence based practice





Public opinion on NHS

- 73% of UK population considered that NHS was providing a good service.
- 68% considered that the NHS required additional funding
- 70% considered that the NHS was one of the country's most effective and important institutions in the country
- 80% wanted less “political” interference in the NHS





Issues concerning the public:

- Lack of investment in NHS
- Excessive bureaucracy, top heavy poor management
- Lack of nurses and doctors
- Long waiting lists and times
- Poor standards of cleanliness in hospitals





NHS: 2000 - 2010

- Funding increased from £45bn to £110bn [18% of total govt. spend, 7.5% GDP]
- Annual budget increases of 7% [cf 4%pa 1948-2010]
- Hospital waiting times – 18 week referral to treatment
- GP access – 48hr
- ED – 98% patient turn round in 4hrs
- Evidence based practice – National Institute Clinical Excellence
- Improved patient safety – National Patient Safety Agency
- Health Promotion – Smoking, Obesity, Alcohol
- Chronic Disease management

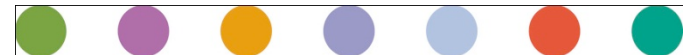




- Improved patient experience
- Reductions in health inequalities
- Equity of access underpinned by legislation
- Independent regulation for Quality
- Improved professional regulation

BUT

- >50% increase in funding spent on pay
- Associated decrease in efficiency and productivity
- Payment by results (activity)
- Centrally driven target culture
- Increased bureaucracy and management costs





2010 election campaign

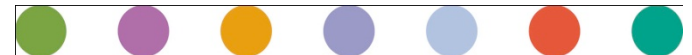
- Conservatives:
 - More control to doctors and nurses
 - More local control of services and standards
 - Fewer national targets
 - Reduction in bureaucracy and of managers by 33%
 - No more top down reorganisation of the NHS
 - Real increase in funding of NHS year on year





Conservative philosophy for public service reform

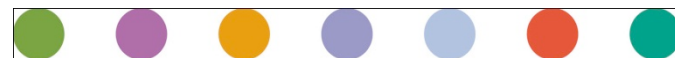
- Maximise competition
- Transfer risk to the private sector
- Ensure strong, independent regulation
- Clear standards and lines of accountability
- Universal service objectives and how they are to be funded
- Provide quality information for customers
- Maximise the number of providers
- Ensure equitable access without sacrificing efficiency for equality





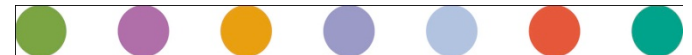
“ The NHS is the nearest thing we have to a national religion”

Nigel Lawson “Memoirs of a Tory radical” 1992





- May 2010 election resulted in a hung parliament with no overall majority and a coalition government between the Conservatives and the Liberal Democrats
- The first coalition government since 1945
- The presence of the liberal democrats was expected to modify the reforming zeal of some of the conservatives

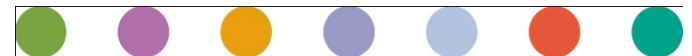




Government proposals on reform of NHS: White Paper July 2010

Principles:

- Putting patients at the heart of the NHS
- Changing the emphasis of performance to clinical outcomes
- Shifting power from centre (DH) to clinical professionals, particularly local family practitioners





January 2011 Health and Social Care Bill

- Market based reforms:
 - Monitor to become economic regulator to promote competition, regulate price and safeguard continuity of services. Similar approach to the UK utility sector
 - Patient choice for all NHS funded services by 2013/14, backed up by improved access to information on performance of providers.
 - Competition encouraged – “any willing provider”
 - Tariff and price competition – Monitor to set fixed prices but also allows specification of “maximum tariff” for activity allowing competition on price as well as quality





2011 Health and Social Care Bill

- **Provider reforms**

- All NHS providers to become Foundation Trusts by 2014
- Establishment of Provider Development Agency
- Transfer of governance responsibilities from Monitor to FT Boards
- Remove cap on commercial borrowing and private activity
- Support employee ownership models for NHS providers and development of social enterprises to run services
- Allow provider failure whilst requiring Monitor to protect access to essential designated services.
- Payment against outcome not activity





2011 Health and Social Care Bill

- Commissioning reforms:
 - Abolition of Primary Care Trusts
 - Establishment of locality based GP Commissioning consortia by 2013
 - Independent NHS Commissioning Board to commission specialist services and primary care services, and to hold GP Commissioning consortia to account
 - Local Authorities to take responsibility for Public Health and run Health and Wellbeing Boards to integrate local NHS services, social care and health improvement





2011 Health and Social Care Bill

- Patients at the heart of NHS via information and choice
 - “No decision about me without me”
 - Access to information on services and outcomes by organisation and clinician
 - Choice of GP, hospital and specialist
 - Patient ratings of services
 - Patient and public involvement through “Health Watch”
- Performance measured against “evidence based outcomes” not activity

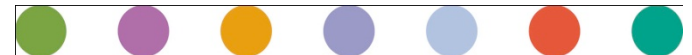




Health and Social Care Bill 2011

Focus on quality

- Care Quality Commission to be independent quality regulator for Health and Social Care. All providers to the NHS to be registered. Bi-annual assessments of provider's compliance with quality outcomes framework.
- Incentivising providers to improve quality through linking contract income to performance on quality and by the use of financial penalties for failure.
- Reporting on quality outcomes by provider, service specific data to be available to patients
- Annual Quality Reports from all NHS providers





Health and Social Care Bill 2011

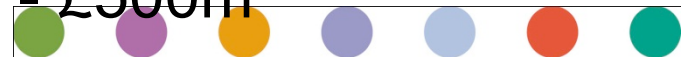
- Reduction in bureaucracy and management costs
 - Abolition of regional tier (Strategic Health Authorities)
 - Abolition of many Quangos and arms length bodies
 - Reduction in DH functions
 - 45% reduction in management costs
- Preservation of investment in healthcare related research
- Reorganisation of arrangements for medical, nursing and allied healthcare training with a move to more integrated local commissioning of training and delivery of inter-professional training.





Financial context:

- 2011 NHS budget: £122 billion
 - £119 billion: clinical services
 - £2.3 billion: public health
 - £0.9 billion research and development[overall expenditure = 7.9% GDP]
- Increase in funding 2010-2015: 0.1% pa
- Efficiency savings of £20 billion required by 2015
- At least 4% pa increase in productivity
- National employee T&Cs result in incremental drift of £1bn pa
- Increase in VAT to 20% - £250m pa
- Transitional costs of reorganisation - £500m





Legislative process

- White Paper “Equity and Excellence: Liberating the NHS” published July 2010 with consultation until Oct 2010.
- Government response to consultation “Command Paper” published Dec 2010: no significant changes.
- Health and Social Care Bill started parliamentary passage in Jan 2011.
- Widespread concern in parliament from Labour and Liberal Democrats and some Conservatives.
- Parliamentary Health Select Committee extensive criticism and alternative proposals
- House of Commons consideration in committee difficult major challenge in House of Lords anticipated.



Non parliamentary reaction

- Opposition from the membership of Liberal Democrat Party
- Broad opposition from public sector unions including British Medical Association, Royal College of Nurses.
- Concern expressed by all Medical Royal Colleges and NHS Confederation.
- Kings Fund concerns:
 - Step change in application of market-based principles
 - Radical reform of commissioning
 - Biggest reorganisation of the NHS since it was established
 - Competition at the expense of collaboration and integration
 - Challenging to deliver in tight financial climate
 - Concern about accountability and system leadership





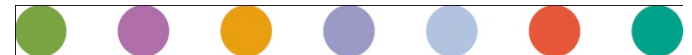
- Kings Fund :

- Supports the need for reform to improve quality of care and enhance performance.
- Outcome of proposed changes difficult to predict due to complexity of the change and implementation.
 - No real change as new structures replicate structure and behaviours of the previous ones.
 - A more market orientated system as choice and competition are expanded significantly
 - Risk of privatisation of NHS by opening up to “any willing provider”
 - An integrated system with GP consortia working closely with other clinicians and stronger links established with social care
 - Disintegration as a lack of collaboration within the system and the impact of the financial squeeze push the NHS in England into meltdown.
- Not convinced that the proposed changes would effectively deliver the desired outcomes





- April 2011:
 - Vote of no confidence in Andrew Lansley as Secretary of State by RCN
 - Calls for his resignation from across public sector unions
 - Prime Minister announces 3 month “listening pause” in the parliamentary process whilst further consultation is undertaken
 - Independent panel [NHS Futures Forum] set up to consult on proposed changes
 - Amendments to the legislation promised





- June 2011: Report of Futures Forum published
- Government response published
- >100 changes to 2011 Health Bill
- Sept 2011: Bill approved by House of Commons
- Oct 2011: Bill passed to House of Lords and survives a critical vote and is currently being reviewed clause by clause in upper chamber committees
- Likely to pass into legislation by end of 2011





Reformed NHS in England

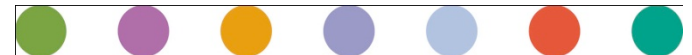
- SoS retains ultimate responsibility for the NHS
- Diminished role for the Department of Health focusing on policy and overall resource allocation
- Central “independent” NHS Commissioning Board
- Local GP lead Clinical Commissioning Consortia
- Local Health and Wellbeing Boards
- All public sector providers to be NHS Foundation Trusts
- “Any Qualified Provider” option for Private or voluntary sector provision of services to NHS
- Single Quality regulator for Health and Social Care
- Single sector regulator for healthcare in England





Challenges:

- Delivering £20 billion savings over 4 years in the face of demographic change and technical advances with level funding at best .
- Quality and accessibility of services
- Local services or centralised critical mass of specialised services
- Reconfiguration of services
- Definition and measurement of quality outcomes
- Selective challenge from non-public sector providers
- Accountability and governance of new local commissioning groups





Can the NHS survive for long in its present form without some or all of the following?

- Increase in central government funding
- Introduction of an additional health tax
- Introduction of co-payments
- Introduction of compulsory health insurance
- Restriction on range, quality and quantity of services provided by the NHS
- Introduction of full market economy into provision of healthcare





Thank you

