

Applying market forces to healthcare is fatally flawed.

The current Health and Social Care Bill seems to have been cobbled together with a welter of dodgy dossiers. The orchestrators of this cacophonous symphony should have gone back to basics in order to see where real savings (economies) could have been made without affecting care.

The underlying theme in this Bill is the belief that market forces and the application of a market economy to healthcare will deliver better and more cost-effective results. It is exemplified by Payment by Results (PbR). What those developing this strategy have not done was to look at the effects of subjecting their theory to a controlled experiment.

In point of fact that controlled experiment has been rolling forward over the last decade because, since devolution, Scotland has adopted the non-market driven alternative and therefore has been amassing data to compare with the English fiasco.

You might wonder why those in Government did not examine this data. That clearly reflects either a staggering level of ignorance or a desire to obfuscate. Whatever their excuses might be, now is the time to look at the facts and change their aforementioned market strategy or go down in history as the NHS wreckers who didn't have the common sense to look at *REAL* data.

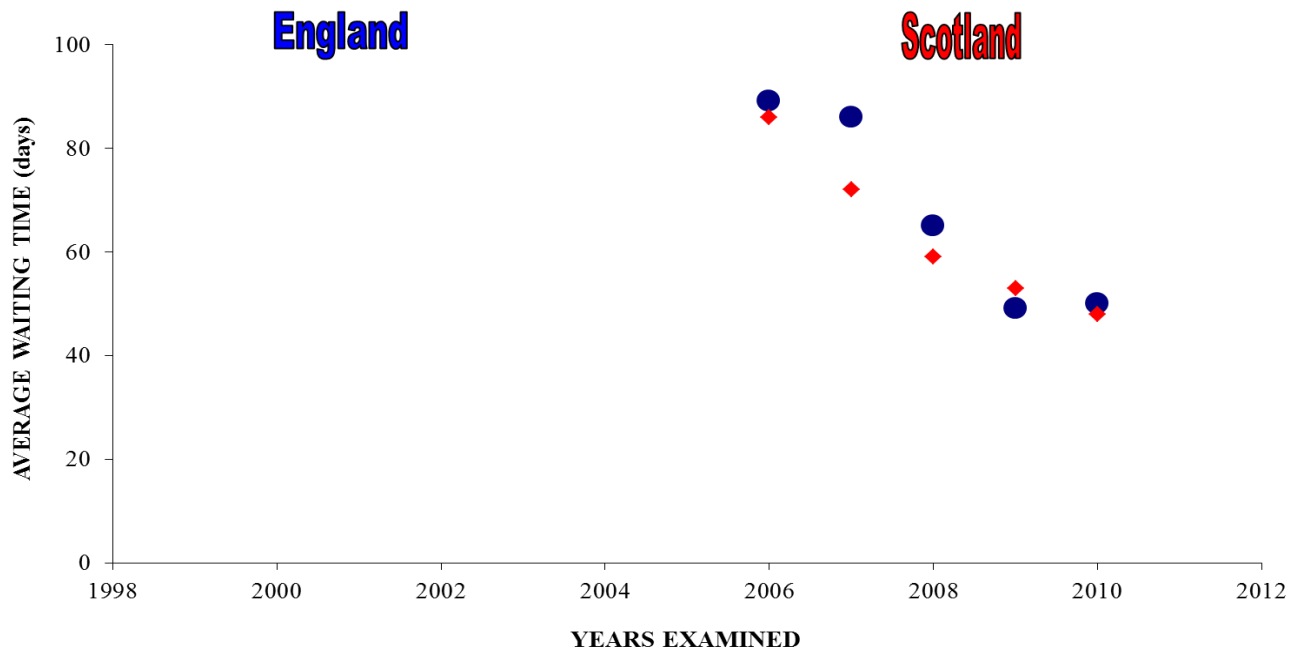
The first figure shows the average time that patients had to wait to undergo booked inpatient/day-case procedures. Eleven common elective procedures were selected to demonstrate this activity.

The second figure shows the hospital inpatient and day case activity calculated as an activity ratio by dividing the number of hospital episodes recorded by the number of people in the hospital's catchment area. Since the data was derived from the whole of Scotland and the whole of England, we are in fact looking at the number of people on either side of Hadrian's Wall.

This ratio for the first year of the study is then given a value of 100%. The values in subsequent years are then expressed to reflect the change as a percentage assuming that the figure in year 1 is 100%.

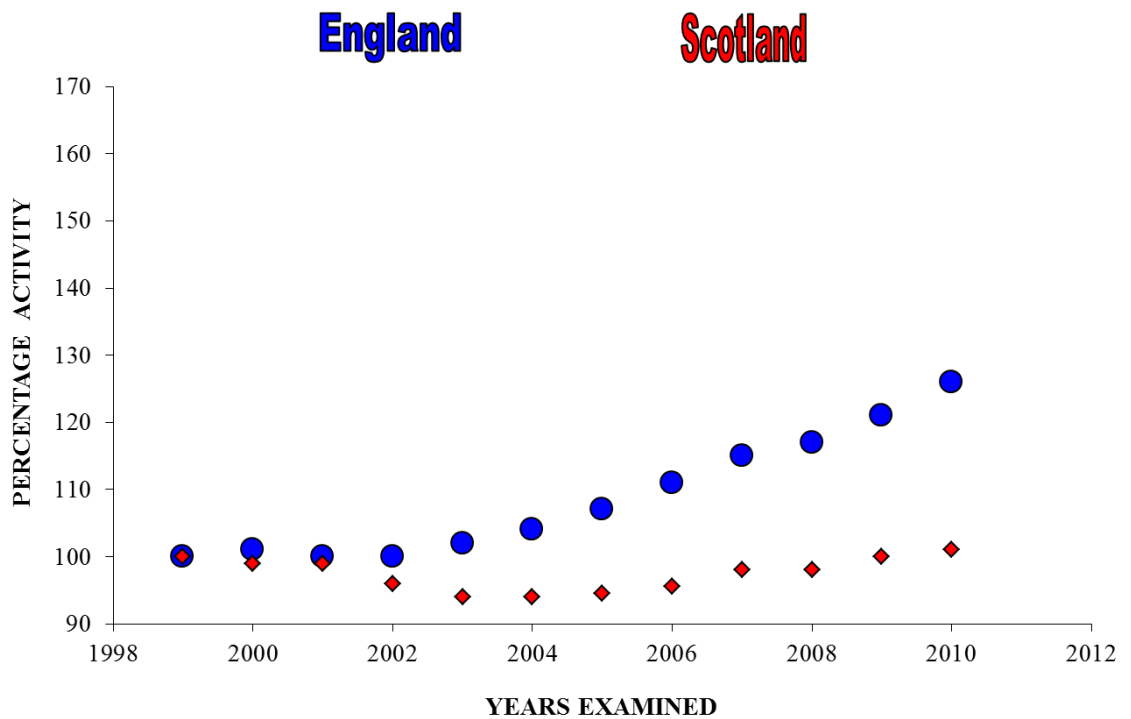
The first figure reveals that since 2006 both Scotland and England have achieved similar reductions in the time patients had to wait before undergoing a planned procedure (Scotland actually performed better than England on 4 out of 5 years).

WAITING TIME FOR 11 ELECTIVE HOSPITAL PROCEDURES



The second figure shows that from 2006 (when PbR came into force) there has been a 15% increase in English Hospital inpatient activity, whereas in Scotland there was only a 5% increase in activity.

INPATIENTS AND DAY CASES

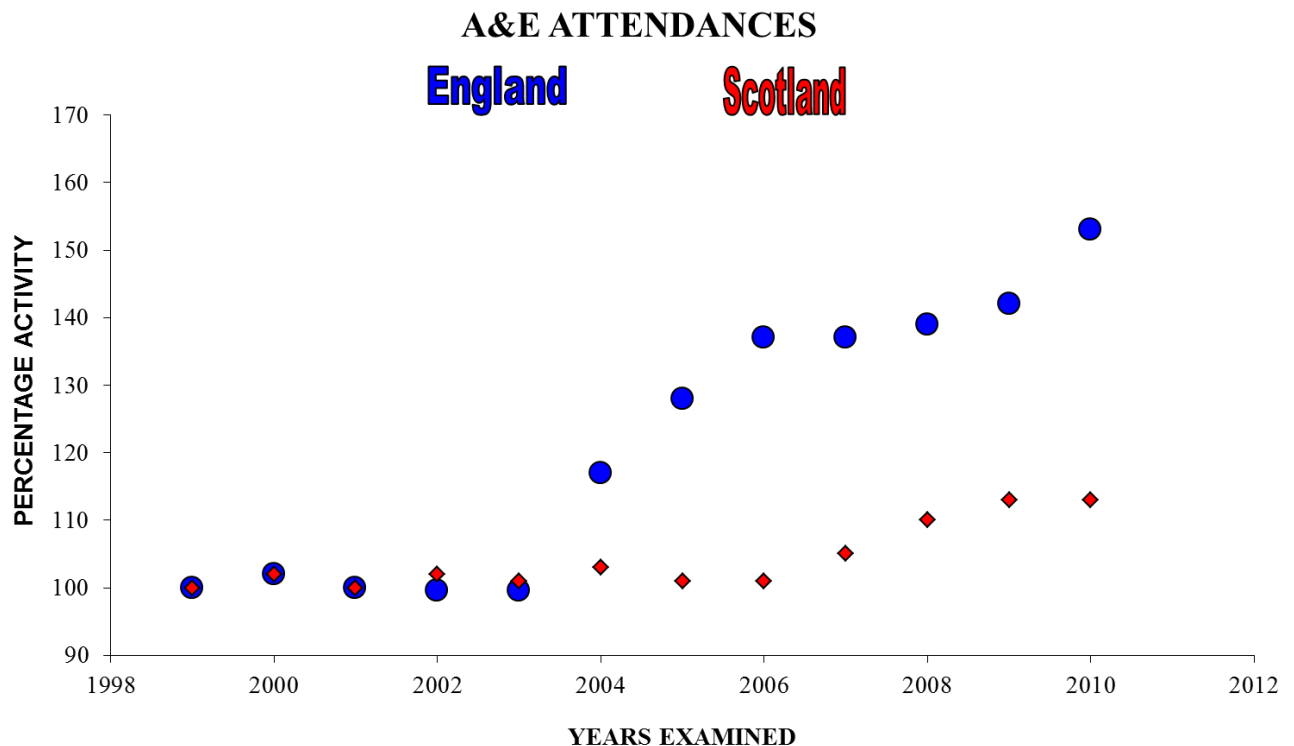


However Scotland achieved this level of performance with only a 5% increase in inpatient activity, whereas English hospitals generated a 15% increase in inpatient activity to achieve a very similar outcome.

There can be no doubt therefore that Scottish hospitals greatly outperformed English hospitals and would appear to be considerably more efficient in achieving this waiting list target.

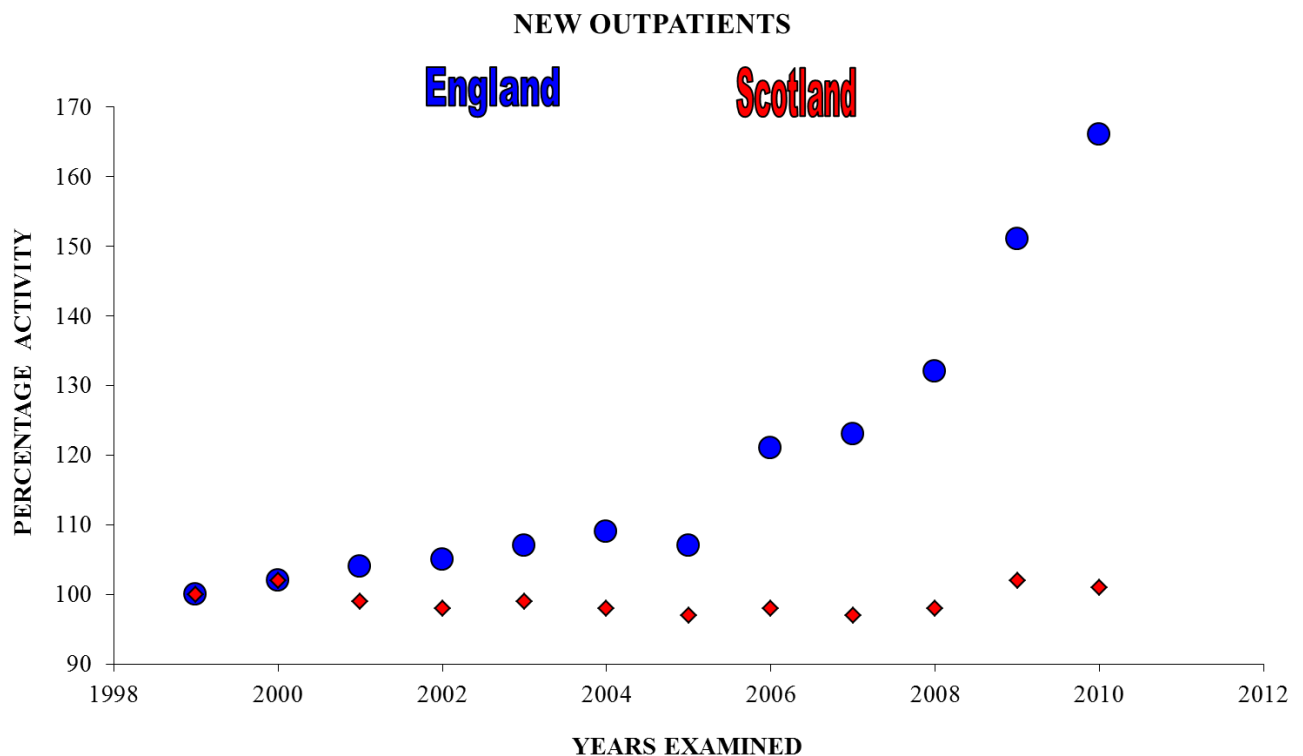
Since the hospitals in Scotland have to meet their targets from a fixed annual budget, whereas English hospitals are paid pro rata for each and every procedure carried out, there must have been a deliberate, inadvertent or just hapless ability in England to massage their inpatient activity. This would appear to be little different from MP's expenses, in so far as "legitimate" add-ons to a Finished Clinical Episode (FCE) will be exploited because it is in that way that the hospital's income is generated.

The next figure shows A&E attendances from 1999-2010



It's difficult to understand why people in England should use A&E to a greater extent than in Scotland unless this reflects dissatisfaction with the GP service, or a belief that going to A&E might facilitate access to special services not available at a GP appointment.

The next figure shows new outpatient referral activity from 1999-2010.



Explaining why GPs in England should refer so much to the hospital service compared with Scotland, is hard to understand except that by so doing GPs can spend more time earning money from Government funded “healthcare improvement” targets. Alternatively it might reflect a greater level of dissatisfaction with GP performance and a demand for more “expert” attention elsewhere. Clearly the Scots are better at controlling patient lead demand.

If one looks from a medical perspective at what is currently going on, then the Government is giving the impression of an incompetent doctor trying to deal with a sticking plaster that has lost its adhesiveness by sticking a larger sticking plaster over the top of it. A competent doctor would take off that offending plaster, examine the underlying wound to find out what was wrong and then treat appropriately.

It is the opinion of my colleagues that unless the Coalition can come up with a *provable* explanation for the findings demonstrated above, then they will have to *change* the system by which hospitals in England are financed. Hospitals in Scotland have proved that their system works both

efficiently and economically. Therefore we should adopt the same system in England.

*Mr Lansley's obsession with "market forces" **is** flawed.*

*This data was collated by Matthew Dunnigan. In due course, and in collaboration with Professor Allyson Pollock, this research, to which additional data is still to be appended, will be published.