

UK National Health Service faces wholesale privatization

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The Conservative-Liberal Democrat government's Health and Social Care Bill, introduced to Parliament last Wednesday, aims to dismantle the National Health Service (NHS) and hand over its profitable components to private corporations. It is the continuation of the process of backdoor privatization set in motion across the public sector under the previous Labour government.

For working people who rely on the NHS, it will cause untold suffering and premature death, as universal and comprehensive health care, free at the point of delivery, would ultimately end.

Under the bill, General Practitioner (GP) led consortia will be given responsibility for 80 percent of the £100 billion NHS budget, from which they will commission patient treatment from "any willing provider". The 152 Primary Care Trusts (PCTs) and 10 Strategic Health Authorities (SHAs) that currently commission health care will be axed.

A new body, the NHS Commissioning Board, will be able to shut down underperforming consortia, bring in private providers to take over commissioning, and provide financial incentives to GPs and their management teams.

All public hospitals will become NHS Foundation Trusts, ostensibly not-for-profit companies free from direct oversight by the Department of Health, initially brought in by Labour in 2003 to open up the running of public hospitals to private corporations.

Fixed prices for treatments are to be abolished, meaning public hospitals will have to compete on price with private health care firms for business from GP consortia. According to Nicholas Timmins, the public policy editor of the *Financial Times*, "NHS hospitals will by 2014 be operating as free-standing businesses, without any routine oversight by an independent regulator."

Monitor, the regulatory body that oversees Foundation Trusts, will be limited to an economic role. It will primarily function to encourage competition between

hospitals and regulate prices, while ensuring only a minimum essential service is delivered by hospitals.

Carol Popper, a professor of economics at Imperial College London, warns that price competition will raise "the prospect of two-for-one deals on surgery and cut-price consultations for certain specialties. ...At the same time, in order to provide services at these prices, quality suffers," as GPs are essentially forced to ration care.

The Nuffield Trust, a health care think tank, has voiced concerns that "Patients may wonder whether they will be referred to the best services, and not the hospital which the GP may see as making money for him."

Nigel Edwards, acting chief executive of the NHS Confederation, has said that "unless a service is designated as protected, it will also be possible for a hospital or other health care providers simply to stop providing a service or operating a site from which it can no longer make money."

The government cynically claims that GP commissioning will make health care more responsive to local needs, leading to improved "health outcomes" and "patient choice". In a letter to the *Guardian*, Oxfordshire GP Dr. Brian Green responded, "Choice is an illusion to foster the market for competing providers. As a GP, I am uncertain of quality differences between my local hospital consultants, let alone those from multiple providers. Patients stand little chance of making rational choices. ...GPs will inevitably be guided by health management professionals in their commissioning decisions, which the private sector is eager to exploit."

The Health and Social Care Bill is wholly tailored to the interests of private health care firms. An investigation by the *Daily Mirror* into the funding of the Conservative Party under David Cameron revealed that UK private health firms have contributed £750,000 since 2006.

KPMG, a professional services multinational, has already formed a consortium with other private firms, and

has won a contract to develop commissioning management teams across London. Of the 141 initial “pathfinder” consortia, six out of ten are negotiating contracts with private firms for the running of their referrals systems according to a survey by *Pulse* health care magazine.

Private providers, including Simplyhealth, Bupa and Western Provident Association (WPA), are all developing medical cover plans to exploit areas of the NHS that they predict will be subject to growing waiting times and deteriorating quality. The WPA has rolled out a plan called “NHS Top-up”.

Services available on the NHS have already been heavily curtailed in response to £20 billion in budgetary cuts being imposed by the government, under the guise of “efficiency savings” to be made by 2014-15. According to the Audit Commission, to do this, the NHS will have to increase productivity by 4 percent every year while costs are rising 3 percent a year due to inflation and the aging of the population.

Primary Care Trusts in the north west of England, covering Bury, Oldham, Heywood, Middleton and Manchester, have halted 57 surgical procedures until May, including the removal of hernias, varicose veins, cataracts, gallstones, tonsils, and the replacement of arthritic joints.

The chief executive of the NHS, David Nicholson, has indicated that severe staffing shortages are already present, including a 4,500 shortage of midwives. He indicated that beds for both long-term illness and emergencies would be reduced.

Upon the closure of Primary Care Trusts, around half, or 20,900, of the workforce are to be made redundant and a further 3,600 staff will be dispensed with through natural wastage. It is expected that less than half will be rehired under GP consortia.

The Department of Health has threatened that over 60,000 jobs could go in the NHS across England if employees reject a pay deal, including a two-year pay freeze in return for the promise of no compulsory redundancies. The *Nursing Times* reported that health pensions will likely be “diluted” to aid “private sector providers”, who “may be deterred from providing NHS services by the ‘advantages’ enjoyed by NHS organizations.”

Against overwhelming opposition in the workforce, the trade unions are working hand in glove with the government to drive through these attacks. A survey by the *Nursing Times*, covering 1,500 nurses, found that 84

percent of respondents wanted the union to reject the deal; 70 percent said the deal was a “disgrace,” but 42 percent of respondents thought their union representatives would accept the deal regardless.

Mike Jackson, a senior national officer of Unison, the biggest public sector trade union in Britain, said it was too early to reject the proposal outright: “People are very worried about job security. It’s a very big decision.”

However, indicating Unison’s eventual course, he said, “It would be very unusual for unions to accept a first offer.”

For their part, the Royal College of Nursing has already helped to identify 27,000 jobs for the axe, and is enforcing an “efficiency drive” under its “Frontline First Campaign”.

The trade unions and other apologists for New Labour’s right-wing big business agenda are using the bill in an attempt to rehabilitate Labour.

Dave Prentice, general secretary of Unison, said, “Labour has pledged to make the NHS the preferred provider, but the Tories plan to crack the NHS wide open, for the benefit of private health companies and their friends in big business.”

Polly Toynbee wrote in the *Guardian* criticising “the chaotic free-market hurricane” that the Conservatives are “unleashing on the NHS”, while claiming, “Labour left a high NHS benchmark”.

In reality, Prime Minister David Cameron has openly admitted that the Conservative health reforms make it the heir to the Blair government, criticizing him only for waiting “too long before introducing changes that were necessary”.

Richard Titmuss, professor of social policy at the London School of Economics and senior health policy adviser to Tony Blair, referred to the provisions of the bill as the “logical, sensible extension of those put in place by Tony Blair”. He added, “The commissioner-provider split, payment-by-results, and more choice and competition: all were developed under Mr. Blair, and now extended by the coalition.”



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