

# UK NHS faces further attacks with introduction of “accountable care organisations”

Jean Shaoul  
30 January 2018

As the 70th anniversary of the National Health Service (NHS) approaches, Theresa May’s Conservative government is starving the NHS of cash, while its plans for the dismantling and wholesale looting of the NHS are gathering speed.

The government has accepted the recommendations of the Naylor Review, published in March last year, calling for the sale of NHS land and property to property developers to fund “reforms.” The Review claims that this would release billions of pounds to fund investment in the NHS.

It calls for hospitals to be “incentivized” to sell their property by receiving extra government funding—that would not be forthcoming if they refused—in what would be a “fire sale” of NHS land.

This is in addition to the transfer of much of the NHS estate (except that owned by the NHS Foundation Trusts) in 2013 to NHS Property Services, a company wholly owned by the Department of Health (DoH). The company charges market rents and inflated property management charges to NHS trusts and some general practitioners (GP) practices for the buildings bought and paid for by generations of taxpayers. Between 2013 and March 2017, NHS Property Services sold 295 properties worth more than £203 million.

With the DoH free to sell NHS Property Services, now it too is being prepared for the market.

NHS England has announced that it is to set up an accountable care system (ACS) whereby several healthcare organisations agree to provide all health and social care for a given population. This in turn means creating accountable care organisations (ACOs) to manage the contract to establish such a system, and purchase and deliver health care in a particular area on long-term contracts. The eight pilot ACOs will function as locally integrated health systems with greater autonomy over commissioning and funding decisions and be given additional funds as a carrot.

While ACOs could be an existing NHS trust or, a GP-owned organisation, this is only a sop to public opinion,

which is almost universally hostile to the proposals.

The government’s clear preference is for the private sector, including consortia made up of insurance, property and healthcare companies, to bid to become ACOs and manage the combined budgets. They will be free to subcontract services to private companies such as Virgin, UnitedHealth and Circle, bypassing tendering and competition rules.

The financial advisors, lawyers, accountants and all the additional bureaucracy needed to manage the contracts and billing—as well as their hefty profit margins—will further erode the NHS’ already limited budget.

But crucially, while healthcare is free at the point of use, social care is means-tested and thus subject to user charges. This paves the way for the blurring of the boundaries between health and social care, and the extension of user charges to healthcare.

It means that non-NHS bodies will manage billions of pounds of health and social care funding via large contracts, exempt from any oversight, accountability to public bodies and disclosure under Freedom of Information legislation.

These latest proposals follow on from the government’s plans to introduce 44 Sustainability and Transformation Partnerships for commissioning healthcare aimed at making it easier to drive through £26 billion savings and associated cuts and closures. The ACOs signify a further level of integration and even greater autonomy over commissioning and funding decisions.

The government’s proposals have been introduced at the behest of the private sector and are an import from the US’ public-private healthcare system, a byword for restricted access to limited treatments at exorbitant cost.

Simon Stevens, the NHS England CEO who has held various senior executive positions with UnitedHealthcare Group and Global Health, was appointed by the Conservative/Liberal Democrat coalition government in 2013 to bring a similar system to England.

The outcomes are all too clear. It means workers will have to pay for their own healthcare costs if they are to get prompt, accessible treatment and/or pay for health insurance. Those who cannot pay face long waits, healthcare denial, pain and suffering. Those with the greatest need, the long-term sick, the elderly and those with complex needs—thanks to increasing poverty, stress and pollution—face exclusion from healthcare: a return to the pre-NHS days.

The creation of ACOs will entail creating a new Standard Contract, which NHS England would like to be in place by next month. While this was subject to a public consultation that has now closed, the proposal to radically change the management of healthcare in England is being introduced without any public debate or legislation—despite the requirement under the Labour government’s 2006 National Health Service Act that expanded the system of contracting for healthcare—for consultation prior to implementation and the results taken into account.

These attacks should be seen against the desperate financial crisis facing the NHS and rationing-through-waiting as a means of managing demand. Following the austerity measures set in place after the Labour government’s bailout of the banks in 2008, and further measures taken by successive governments to prop up the financial sector, real NHS spending per capita was flat between 2010/11 and 2016/17, and is due to fall by 2 percent by 2020/21. This, together with an aging population with complex needs, implies a level of cost cutting without historical precedent or international parallel, at least among the advanced economies.

All this has prompted two separate legal challenges to the government’s plans. Last October, the patient campaign group, 999 Call for the NHS, filed papers seeking a judicial review, arguing the ACO contract published by NHS England was “unlawful” and breached the 2012 Health and Social Care Act.

That reactionary Act gave free rein to the hiving off of NHS assets to the big corporations and the construction of a healthcare “market” on the back of taxpayers’ money, while removing the Secretary of State for Health’s core duty to provide or secure comprehensive and universal healthcare. While the Act states that the prices paid for NHS services must reflect the number of patients receiving care for that specific service, the new proposals go even further, allowing commissioners to give providers a fixed budget for an area’s population.

Another group, #JR4NHS, backed by prominent doctors, lawyers, academics and cultural figures as well as the renowned physicist Professor Stephen Hawking, has successfully crowd-funded its bid to seek a judicial review to stop NHS England from introducing ACOs without proper

public consultation and without full Parliamentary scrutiny.

Campaign spokesperson Allyson Pollock, Professor of Public Health at Newcastle University and author of *NHS Plc*, warned that Accountable Care Systems were an import from the US. Furthermore, ACOs were non-NHS bodies not recognised in any Act of Parliament yet they would be able to decide “on the boundary of what care is free and what has to be paid for and will be paid more if they save money.”

Such has been the opposition to the plans that last week NHS chiefs agreed to run a full consultation on ACOs over a period of almost three months.

Professor Pollock told the *World Socialist Web Site*, “I am delighted that the government and NHS England have now accepted that there must be a national public consultation on ACOs, and that no ACO contract will be signed until that’s happened. It should not have needed expensive legal action to make this happen.

“It’s essential now that Jeremy Hunt [Secretary of State for Health and Social Care] holds off on the ACO regulations, as Sarah Wollaston [Chair of the House of Commons Liaison Committee and the Health Select Committee] has asked him to do, otherwise it will make a mockery of the consultation.

“I remain concerned about the lack of transparency and the need for primary legislation for such a radical shake-up of the NHS, which has always been the case in the past.”

In a separate development, #JR4NHS has also been granted permission to go to a hearing for a judicial review on the issue.



To contact the WSWs and the  
Socialist Equality Party visit:

**[wsws.org/contact](https://www.wsws.org/contact)**