C·P·S POLICY CHALLENGE

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BRITAIN'S BIGGEST ENTERPRISE

ideas for radical reform of the NHS

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system are so basic and the importance of health so great, that sustained thinking and fundamental reappraisal is required. The range of options which needs to be considered is itself a matter for considerable debate. It should include, as a minimum:

1. Establishment of the NHS as an independent trust.
2. Increased use of joint ventures between the NHS and the private sector.
3. Extending the principle of charging.
4. A system of 'health credits'.
5. A national health insurance scheme.

1. Establishment of the NHS as an independent trust

Some of the most obvious defects in the current system might be remedied by a thorough-going administrative overhaul which carried the Griffiths proposals to their logical conclusion. The NHS could, for example, be separated entirely from the DHSS and be made into an independent trust, publishing its own accounts and governed by its own, apolitical Board. With such a Board in place, the political elements of the present system -- particularly the regional authorities -- could be removed

Proposed by Tories - Implemented by Labour?

2. Increased use of NHS/private sector cooperation

The Government has recently focused attention on the ability of the NHS to benefit from private sector involvement in many aspects of its work. Does this offer a long-term solution to the problems of the system?

In addition, as John Peet suggests in his CPS pamphlet 'Healthy Competition', competitive tendering could be extended to cover not just support services but also surgery facilities, primary care services and hospital building

3. Extending the principle of charging

Another avenue which has been tentatively explored by the Government is charging. In principle, this could be extended to the point of universality -- a charge for every service. That could permanently solve the problems of waiting lists and of basic attitudes towards patients -- since the NHS could charge enough for each service to ensure that demand matched supply, every patient would become a valuable customer, bringing funds to the system. If combined with the establishment of the NHS as an independent trust, this would in effect turn the NHS into a nationalised non-profit service competing on level terms with the private sector, and at arms-length from the Government.

4. A system of health credits

One way of preserving the advantages of charging (while overcoming its overwhelming disadvantage) would be to instal a system of 'credits' (similar to the scheme advocated by James Hourston in his Aims of Industry pamphlet, A Health Alternative). Each individual patient would receive, from his GP, a 'credit note', entitling him to treatment for a specific complaint. This credit note would cover the charge levied by the NHS for the treatment in question. If the patient chose instead to go to a private sector hospital, he would be entitled to carry the credit with him -- making up any difference in cost out of his own resources or through private insurance.

Now here is the sting:

A system of this sort would be fraught with transitional difficulties. And it would be foolhardy to move so far from the present one in a single leap. But need there be just one leap? Might it not, rather, be possible to work slowly from the present system towards a national insurance scheme? One could begin, for example, with the establishment of the NHS as an independent trust, with increased joint ventures between the NHS and the private sector; move on next to the use of 'credits' to meet standard charges set by a central NHS funding administration for independently managed hospitals or districts; and only at the last stage create a national health insurance scheme separate from the tax system.