SMF HEALTH PROJECT BACKGROUND PAPER ONE: THE NHS AND A HEALTH SYSTEMS OVERVIEW

EXECUTIVE SUMMARY

The SMF Health Project has set out to identify challenges which England’s health system will face over the next ten to fifteen years, and to suggest ways in which it ought to change in order to meet these challenges. A series of five background papers identify important areas of research.

Background Paper One provides an introductory overview of the main themes in the planning, financing, organisation and reform of health systems, and a brief survey of the development of the NHS since its creation in 1948 in relation to some of these themes. It considers two central components of organisation and reform, namely the structural arrangements which govern the relationship of key members of the publicly-funded healthcare delivery system (government, commissioners, patients and providers) and the financial arrangements for allocating entitlement and resources to front line care.

The paper identifies the main objectives and performance targets against which performance is usually evaluated and surveys the history of the NHS in relation to these overarching themes: the effectiveness and responsiveness of the service to individual patients, its capacity for and delivery of equitable outcomes across the population, and the efficiency of public resource use. It reflects particularly on the long-standing debate about how the NHS should best be organised and charts both a distinguishable long-term trend towards centralised regulation and financial control, as well as more recent measures to introduce market-mechanisms into healthcare delivery in England. It identifies as important research topics the possibility of introducing a more formal and quasi-contractual system of organisation, entitlement and accountability, the appropriate role of competition, and the feasibility of both measuring and securing the long-term productivity of the NHS.

The full paper may be viewed online at www.smf.co.uk/health-project.html
SMF HEALTH PROJECT BACKGROUND PAPER TWO: LONG TERM FINANCING PRESSURES

EXECUTIVE SUMMARY

The SMF Health Project has set out to identify challenges which England’s health system will face over the next ten to fifteen years, and to suggest ways in which it ought to change in order meet these challenges. A series of five background papers identify important areas of research. Background Paper Two is concerned with the longer term financing pressures which the NHS in England will have to confront resulting particularly from an ageing population and technological advance.

The paper concludes that ageing of the UK’s population will exert upward pressure on health costs, but not as drastically as is commonly feared. Ageing of the population will have an impact on long-term care costs, but this impact will be greatest upon the purely social (as opposed to healthcare) elements of provision. However, social care funding and provision must evolve to meet the challenge of an ageing society or else spin-off pressures could be exerted on the health service. Specific drivers of increased health costs are likely to be increasing prevalence of coronary heart disease, obesity, diabetes, cancer, and mental illness.

Demand for new medical technologies is high and likely to remain so although the UK has been comparatively slow to uptake new medical technologies and to diffuse them throughout the health system. The introduction of a national system of health technology assessment, which is the responsibility of the National Institute for Health and Clinical Excellence (NICE), has achieved considerable success in a relatively short space of time, but will face renewed challenges as the NHS funding slowdown begins to bite. International evidence suggests that the additional cost of new health technologies will be an important driver of increased healthcare expenditure since these are likely to outstrip any cost-reducing effects. However, the NHS IT Programme presents great possibilities for improving patient care and producing long-term cost savings.

Important areas for further research include the assessment of those technologies most likely to impact in the future on both the cost and the shape of healthcare delivery, arrangements for their diffusion and adoption, and improved implementation of NICE guidance; and a closer scrutiny of the challenges which lie ahead in successfully implementing the national IT programme.

The full paper may be viewed online at www.smf.co.uk/health-project.html
SMF HEALTH PROJECT BACKGROUND PAPER THREE:
COMMISSIONING HEALTHCARE

EXECUTIVE SUMMARY

The SMF Health Project has set out to identify challenges which England’s health system will face over the next ten to fifteen years, and to suggest ways in which it ought to change in order meet these challenges. A series of five background papers identify important areas of research.

Background Paper Three considers the main issues in commissioning health services in the English NHS. It traces the introduction and impact of continuous reform of commissioning since the early 1990s, alongside an analysis of the extensive central target setting and delivery targets which have characterized recent government policy. Following on from earlier SMF research in this field, it considers the progress which has been made in strengthening the commissioning process and in improving the quality and experience of healthcare for patients, particularly in reducing lengthy waits for care.

Important questions for future research include the role and development of the commissioning function. Some of these questions relate particularly to the impact of the new financing regime (Payment by Results), which is based on a case-mix determined, national tariff and the introduction of indicative budgets for GPs, namely Practice Based Commissioning. Both of these accompanying reforms are likely to present considerable challenges for commissioners in the areas of effective demand management and the strategic targeting of activity in secondary care.

Other key areas for research are the role and functions of the National Institute for Health and Clinical Excellence (NICE) in generating central service standards for driving commissioning decisions, and a resolution of the tension between centralized oversight, devolving autonomy to commissioners and public antipathy to the “postcode lottery”.

The full paper may be viewed online at www.smf.co.uk/health-project.html
EXECUTIVE SUMMARY

BACKGROUND PAPER FOUR:
PROVIDERS OF HEALTHCARE

EXECUTIVE SUMMARY

The SMF Health Project has set out to identify challenges which England’s health system will face over the next ten to fifteen years, and to suggest ways in which it ought to change in order meet these challenges. A series of five background papers identify important areas of research.

Background Paper Four looks at the system of provision of healthcare in the NHS, starting with the Health Select Committee’s finding in the late 1990s that the NHS was in the midst of a staffing crisis. The paper documents the subsequent targeted increase in workforce numbers and revisions of work practices in Agenda for Change, as well as the controversies surrounding the impact on financing, productivity and access to care of new contracts for consultants and GPs.

The government’s policy of extending NHS provision to the private sector, particularly through Independent Sector Treatment Centres (ISTCs) also comes under scrutiny for its fairness and cost-effectiveness, as does government aspiration to give much greater autonomy to, and more active involvement of the public in, hospital Trusts, through the creation of new Foundation Trusts. Whether these new institutions have really delivered yet on what they promised seems uncertain and will be the subject of more investigation by the SMF Health Project.

Solving the problem of providing care in alternative settings, and integrating patient pathways across institutional and professional boundaries is another crucial milestone on the path to deliver high quality, personalized care. The rather patchy experience in this area, along with the difficulties of persuading local populations of the value of service reconfigurations, is identified as an important area for further research. Likewise, information technology is essential for the development of coherent healthcare delivery and the SMF project will investigate in more detail the ability of the national IT programme to support the quality of service delivery to which everyone aspires. Finally, since the efficient provision and use of equipment is essential for streamlined care, the SMF Health Project will investigate those perceived inefficiencies in facilities management in the NHS which are identified and analysed in this paper.

The full paper may be viewed online at www.smf.co.uk/health-project.html
EXECUTIVE SUMMARY BACKGROUND PAPER FIVE:
PATIENTS IN THE HEALTH SYSTEM

EXECUTIVE SUMMARY

The SMF Health Project has set out to identify challenges which England’s health system will face over the next ten to fifteen years, and to suggest ways in which it ought to change in order meet these challenges. A series of five background papers identify important areas of research.

Background Paper Five completes the series of background papers by looking in detail at patients’ issues. In recent years, and particularly as a central value in the Labour Government’s reform and investment programme in the NHS, patients and the public have come to the fore: as people who have expectations about how the health service which they fund should serve them; as people who should exercise a voice in how health care is delivered; and as people who should feel empowered to make joint decisions over their own care and able to call the NHS to account when it does not serve their needs and expectations adequately and appropriately.

Consequently, this paper reviews the government’s success in introducing a patient-centred NHS, with its emphasis on the totemic issue of Choice, and the information and organizational support which will be required to deliver this. The paper looks at whether it might be feasible to extend the use of individual budgets in the NHS, concluding that this is a real possibility for further investigation. The paper contains an extensive exploration of what these ideas mean and how they translate into practice.

The paper also explores the possible impact of patient expectations on future health care financing. Although patient expectations are usually cited as an important demand pressure, in practice patients’ expectations have arguably not been given due voice in the past. What the effect of releasing “patient power” will be on the growth of expectations and on the necessity for the NHS to respond, seems to be a crucial topic for further investigation. It is likely to impact on expectations about the range of available treatments, about the quality of the process of care, about financing mechanisms and about the way in which the NHS is accountable for its priorities and allocations.

At the same time, as the emphasis in healthcare shifts perceptibly from disease-management and treatment to lifetime health promotion, patients are likely to be encouraged to take more responsibility for their own health and lifestyles. How patients view these issues will be a topic of special polling and research in the SMF Health Project.

The full paper may be viewed online at www.smf.co.uk/health-project.html