

## REFORM SCOTLAND NEWS RELEASE

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# PATIENT POWER IS THE KEY TO A BETTER NHS FOR ALL, SAYS REFORM SCOTLAND

A leading think tank today [Fri] calls for a legally binding charter setting out the care and treatment patients are entitled to receive from the National Health Service.

Reform Scotland says the charter, or NHS Constitution, would make public health care more answerable to patients and help end the anomaly of 'postcode lottery' treatment.

'By giving patients legal entitlements, it ensures the system is accountable to them, not government,' it says.

'And because the entitlements would be set at national level, the constitution should help overcome the problem of patients in some parts of the country having access to treatment while others do not.'

An NHS charter is among a series of radical recommendations set out in a report entitled *Patient Power* which Reform Scotland says would help create a health service worthy of 21<sup>st</sup> century Scotland.

More choice for patients and greater competition between health care providers underpin the independent, non-party think tank's root-and-branch reforms.

They include:-

- Replacement of NHS Boards with new Health Commissioning Co-operatives that would become the 'champions of patients' securing care on their behalf.
- Scrapping centrally-imposed performance targets and giving local NHS managers and clinicians greater freedom to improve patient services.
- Supplementary insurance allowing patients to secure treatment and drugs not provided by the NHS, without penalty.
- Diversity of health care provision, eventually resulting in NHS hospitals and providers of community health care becoming independent, non-profit trusts.

In the report, Reform Scotland says despite a 55% rise in health spending over the past 10 years, Scotland continues to lag behind many comparable European countries in public health care.

'Familiar problems associated with public sector monopolies persist,' it says. 'The reliance on central control and management of performance within the NHS in Scotland through an array of centrally-imposed targets has not delivered good value for money.'

'The top-down approach tends to stifle innovation and gives patients little control over the care they receive.'

'There is also evidence that centralised health care delivered by a public sector monopoly does not serve the interests of the most disadvantaged in our society.'

### ***Greater choice***

The report says that health services in other comparable European countries, such as Sweden and the Netherlands, whether taxpayer-funded or insurance-based, are designed with strong incentives to meet the needs of the patient – a key driver of innovation and quality.

It adds: 'Insurance-based systems provide clear accountability to patients, while other countries routinely offer patients a greater choice of GP or where they are treated.'

'This is facilitated by a clearer split between government as the funder of health care and a wider range of public, voluntary and private providers, usually at a local level.'

[3]

The new NHS Constitution would set out the relationship between the health service and patients. It would also have the added benefit of clarifying the role of the Scottish Government in health care.

Under Reform Scotland's proposals, the Scottish Government would:-

- Set the legal and regulatory framework for the health service and ensure everyone was guaranteed access to defined health care, irrespective of ability to pay.
- Regulate the commissioners and providers of health care to ensure they meet approved standards.
- Set the overall budget for the NHS in Scotland which would come out of general taxation and be distributed to the new Health Commissioning Co-operatives.
- Establish a national tariff scheme for different treatments, setting out the amount that would be paid to health care providers per patient.

The report says that patients would be free to take out supplementary insurance for treatment and drugs not provided by the NHS, without incurring any penalty.

'The Health Secretary, Nicola Sturgeon, has issued revised guidance to health boards on this issue. This new guidance would, under certain circumstances, enable patients to pay for new cancer drugs which the NHS did not provide without turning themselves into private patients.

'This is a step forward. However, there are still too many grey areas. Our proposals would provide much greater clarity by forcing the Government to define exactly which treatments and drugs the NHS will cover. Patients would then know that if they wanted a specific drug that was not covered they would have to pay for it themselves.

'Allowing a supplementary insurance market to develop, as we propose, would enable far more people to gain access to these new drugs, which are often expensive, than is likely to occur if people have to pay out of their own pockets.'

### ***Honest brokers***

The proposed Health Commissioning Co-operatives would replace the current 14 unified NHS Boards in Scotland and would be area-based mutual organisations, owned by their members and with direct patient representation on their boards to ensure they were run in their interests.

[4]

The report adds: 'They would be specifically charged with ensuring the provision of essential local services such as Accident & Emergency and that patients were given a choice about the care they received.'

'This would require them to act as "honest brokers", disseminating all the relevant information on health outcomes and quality of care so that patients and their GPs could make informed choices based on the performance and quality of care offered by different providers.'

'Money would flow through the system based on the choices of patients with the NHS tariff following the patient to the provider of his or her choice, ensuring that the system was focussed on the needs of patients.'

The report recommends that GPs continue to act as gatekeepers to further NHS-funded health care with Health Commissioning Co-operatives contracting with GP practices to provide primary care services.

The new General Medical Services Contract allowing health boards to negotiate with GP practices for additional services should be extended, with far greater discretion given to the new Health Commissioning Co-operatives to negotiate their own local contracts for primary care services within a national framework set out by the Scottish Government.

Other providers should be able to tender for these contracts to provide GP services. These local contracts could be used, among other things, as a tool to encourage primary care services which meet local needs or to promote better health.

They would be combined with an end to GP catchment areas, allowing patients to choose a GP practice that suits them. This choice might be based on convenience – such as a surgery providing online booking or late-night opening or simply on a patient's perception of the quality of service provided.

Taken together, locally-negotiated GP contracts and patient choice of GP would reward those practices which served patient needs, fostering innovation and higher standards in the provision of primary care.

Geoff Mawdsley, Director of Reform Scotland and one of the report's authors, said: 'The NHS in Scotland has many strong points. In particular, the fundamental principle that everyone in our society should be guaranteed access to health care should remain the cornerstone of our health care system.'

'However, we should note that other countries have enshrined this vital principle without the need for a public sector monopoly over health care.'

[5]

'The evidence points to the fact, although there have been some improvements, our health care system is not working as well as it could. This is particularly true in comparison to systems in other comparable countries. What is clear is that the problem is not due to a lack of money because the increase in funding over recent years has been dramatic.

'It is Reform Scotland's view that the necessary improvements in the performance of the service cannot be achieved simply by managing the existing system better. This is because the problems with the health service in Scotland are structural and require structural reform.

'Top-down performance management of a public sector monopoly is the root of the problem. We need to introduce reforms which put patients first and enable the system to develop according to their needs and wishes.

'The best way to achieve this is to introduce elements of patient choice and greater competition between health care providers into the system. These are the keys to increasing productivity, to providing real value for the money invested in our health service and to raising standards for all.'

**A full copy of Patient Power is attached.**

**For further information please contact Ian McKerron on 07740 510411 or Gordon Hay on 07784 772905**

**For a hard copy of the report, please email [info@reformscotland.com](mailto:info@reformscotland.com)**

### **Notes for Editors**

1. Reform Scotland is an independent, non-party think tank whose objective is to set out a better way to deliver increased economic prosperity and better public services based on the traditional Scottish principles of limited government, diversity and personal responsibility.
2. The authors of the report are Geoff Mawdsley, Director of Reform Scotland, and Ben Thomson, Chairman of Reform Scotland.
3. Reform Scotland's Advisory Board comprises Ben Thomson, chairman, Noble Group; Martin Gilbert, chief executive, Aberdeen Asset Management; Lesley Knox, chairman, The Alliance Trust; David Milne, former chief executive, Wolfson Microelectronics; Dan Macdonald, chief executive, Macdonald Estates; Keith Skeoch, chief executive, Standard Life Investments; Professor Sir Donald MacKay, chairman, Baillie Gifford and former Professor of Economics at Heriot Watt and Aberdeen Universities; Alex Hammond-Chambers, former chairman of Dobbies.

