

## PRIME MINISTER

## NHS REVIEW MEETING

It is a very heavy agenda. Given that we may be a little late starting because of your Hanover statement, you may want to consider leaving some of the papers - or at any rate only having a second reading on them - until the long meeting on 8 July.

There are six papers before the meeting, all of which you had a chance to have a brief look at earlier today. These are:

- (a) the Chancellor's paper on tax relief;
- (b) John Moore's paper on contracting out;
- (c) the Chief Secretary's paper on financing hospitals;
- (d) John Moore's paper on self-governing hospitals;
- (e) John Moore's note on consultancies;
- (f) John Moore's note on medical audit.

The Cabinet Office brief suggests you take the papers in this order. It is certainly right to leave (e) and (f) until last, and nothing much will be lost if these are not reached at this meeting.

You will also want to look at John O'Sullivan's note which is highly critical of what he sees as the minimal nature of the reforms being proposed by Treasury and DHSS.

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Finally, I have also included in the folder Tony Trafford's paper which you may wish to have available. ~~\_\_\_\_\_~~

PR CG.

PAUL GRAY

29 June 1988

PS: The Chancellor has late this evening sent in a further note, also enclosed, on supply and demand pressures. Its main purpose is clearly to reinforce his opposition to further tax concessions.

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