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Treasury Chambers, Parliament Street, SW1P 3AG

Andy McKeon Esq
Principal Private Secretary
to the Secretary of State for Health
Department of Health
Richmond House
79 Whitehall
London
SW1

Nblm

PCCG

20/1

23 January 1989

Dear Andy,

NHS REVIEW: WHITE PAPER SUMMARIES

We spoke earlier ^{with the PCCG?} today about the two NHS review summaries enclosed with your letter of 20 January and I relayed the Chief Secretary's comments to you. For the record these are detailed below.

DRAFT POP VERSION OF WHITE PAPER

First paragraph, line 6: delete 'compared with' and insert 'has now risen to'.

Under "The Way Ahead" second indent, redraft first sentence to read '..popular hospitals which treat more patients will receive more money'.

Amend fifth indent, first sentence to read. '... over the next three years over and above the increase previously planned'.

The Chief Secretary also suggests inserting a new final indent which reads as follows:

'There will be more rigorous audit of quality of treatment and value for money. Arrangements for medical audit will be extended throughout the NHS. And the Audit Commission will take over the audit of health authorities and other NHS bodies'.

Under the heading 'Timetable for Change', the Chief Secretary would like to amend the fourth sentence to read:

'By 1991, and subject to the approval of Parliament, the first NHS Hospital Trusts will be up and running ...'

The Chief Secretary would like to include a final paragraph entitled 'The best use of resources'. This would read as follows;

'These reforms will also improve the value that people get for the £35 a week the average family pays for the NHS. Managers will be freed to get on with the job of managing. And doctors will be made more accountable for the resources they use.'

Finally the Chief Secretary thinks that the 'pop' version should include a paragraph along the lines of paragraph 16 in the staff version.

SUMMARY OF NHS REVIEW WHITE PAPER - FOR NHS STAFF

In paragraph 3 the Chief Secretary suggests adding a new fourth sentence. 'It now totals £35 per family, per week.'

The Chief Secretary is firmly of the view that the fourth indent of paragraph 9 should mention the other half of the consultants package; namely enforcement of contracts and the new approach to merit awards

Paragraph 9 should end with the sentence 'Some of these proposals will require the approval of Parliament.'

In the penultimate paragraph on self governing hospitals, the Chief Secretary would like to redraft the second sentence to read:

'And they will have freedom (within limits) to borrow money'.

Finally, the Chief Secretary thinks that the last sentence of paragraph 16 should be revised to read:

"The Government therefore proposes to allow tax relief on private medical insurance premiums for retired people, whether paid by them or, for example, by their families on their behalf.

I am copying this letter to Paul Gray (No.10) and Richard Wilson (Cabinet Office)

Yours,

Pete

PETER WANLESS
Assistant Private Secretary