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IMPLEMENTING THE NHS REFORMS

There is an overriding question which should underpin the health seminar:

What is the right balance between:

- (1) maintaining the momentum and integrity of the reforms, and
- (2) limiting the risk that the introduction of an internal market throughout the NHS next April, between purchasers (DHAs and some GPs) and providers (hospitals), could affect the delivery of services to patients in some areas, thereby damaging the Government's credibility.

Should there be pilots or phasing?

David Wolfson will continue to press for pilot schemes to cover two out of the fourteen regions, in line with the opinion of the Royal Colleges. Or he may argue for a variant on this theme to limit the operation of an internal market only to those 40 or so districts where there will be a self-governing hospital next year.

Kenneth Clarke will press for the introduction of the reforms in all areas in a phased way.

Our view is that Kenneth Clarke's judgement is correct for a number of reasons:

- In the words of Graham Day - one of the industrial representatives on the NHS policy board - the culture of the NHS will only be changed if we press ahead.
- Two regional pilots would be a recipe for no change in the health service. And 40 district pilots would be unworkable managerially.
- The Government would be seen to be backtracking too heavily, showing little confidence in the reforms.
- The reform supporters - of which there are an increasing number - would be demoralised.
- While it will be important to develop sophisticated IT in the long run most health authority managers should have the capability to manage an internal market - albeit in a crude way - in the first year or two. This is possible because information on the overall flow of patients, GP referrals and aggregate costs are reasonably well known and predictable. Initially, the contractual system will be unsophisticated.

The most important question is the pace of the phasing.

Are we proceeding too quickly?

Progress on the implementation of the reforms is not uniform across the country. The large metropolitan areas, notably London, are particularly challenging:

- Appendix 1 shows the extent of the movement of patients in the Thames regions. (A senior department official assures me that these 1977 figures are still

good estimates of today's flows.) The figures show that in April 1991 a London teaching hospital will only receive between a third and a half of its funding from the local DHA to service their local catchment area. The balance of funds will have to be raised by arranging contracts with other DHAs to reflect the sources of other patient referrals. For example:

St Bartholomew's Hospital

<u>Sources of Patients (DHAs)</u>	<u>Percentage</u>
Local district (City and Hackney)	37.2
Islington	18.0
Tower Hamlets	4.1
Essex	3.7
Waltham Forest	2.9
Newham	2.7
Haringay	2.4
Hertfordshire	2.3
Campden	1.9
Barnet	1.6
29 Other Thames DHAs	18.3
Other	4.9
	<u>100%</u>

- The outer London districts and shires are licking their lips. Their larger budget will enable them to refer more patients to their local hospitals. This is precisely what we would like to see in the long-run. But in the short-run, the teaching hospital will make the most political noise, if there are funding shortfalls and bed closures. There is a danger that press headlines such as 'Babies are dying

in NHS crisis' (Appendix 2) will be blamed on the reforms.

Question 1 (Duncan Nichol)

How do you plan to manage the phasing of the reforms in the most troublesome metropolitan areas, notably London?

Question 2/3 (Peter Griffiths, No 2 to Duncan Nichol).

How confident are you that all GP referrals will be covered by a contract?

How successful have we been with the testing of contracts, especially in metropolitan areas?

Question 4 (Michael Fairey, Director of IT)

In this context, how reliable is the available information on patient flows?

Question 5/6 (Sheila Masters, Director of Finance)

How will the contingency reserve operate in London?

Will the contingency divert funds from day-to-day expenditure possibly leading to longer waiting lists?

Question 7 (Kenneth Clarke)

Have you considered delaying the introduction of a full internal market for one year in the difficult areas?

Kenneth Clarke and Duncan Nichol will want to reassess progress in September or October. If there are problems, flying squads of experts will be dispatched.

This pragmatic approach sounds reasonable but you will want to ask three crucial questions.

Question 8

When will we know the outcome of the flying squad exercise?

Question 9

Will it be too late by then to introduce shadow contracts only next year in, for example, the Thames Regions.

Question 10

If so, should we consider this now?

Conclusion

Kenneth Clarke's instinct of wanting to capitalise on the enthusiasm for the NHS reforms, which is clearly growing, most surely be right.

But if he is to engender a reasonable degree of trust in this approach, he will need to be more specific about how they are minimising the risks.

B. Griffiths
BRIAN GRIFFITHS

Ian Whitehead
IAN WHITEHEAD

EXTRACT FROM Department of Health Publication 'Acute hospital services in London'

Table C4 Where Greater London health districts get their patients from in the rest of the acute specialties

London borough or county of residence	Health district of treatment (% of cases treated)																Health district of treatment (% of cases treated)																						
	South Hammersmith (T)	Kensington/Chelsea Westminster N.W. (T)	Kensington/Chelsea Westminster N.E. (T)	Kensington/Chelsea Westminster South (T)	North Camden (T)	South Camden (T)	City/Hackney (T)	Tower Hamlets (T)	St. Thomas' (T)	King's (T)	Guy's (T)	Wandsworth/East Merton (T)	Barnet/Finchley	Edgware/Hendon	Brent	Harrow	Hounslow	North Hammersmith (T)	Ealing	Hillingdon	Barking	Harvering	Islington	Newham	Enfield	Haringey	East Roding	West Roding	Bexley	Greenwich	Bromley	Lewisham	Croydon	Kingston/Richmond	Roehampton	Sutton/West Merton			
Barnet	1.7	1.3	6.2	0.9	17.6	8.6	1.6	0.4	0.6	0.3	0.3	0.4	61.6	46.7	1.5	1.6	.0	0.7	0.2	0.2	.0	.0	7.1	.0	3.7	0.9	.0	.0	0.1	.0	0.1	.0	0.1	.0	0.1	.0	0.1	.0	
Brent	1.9	17.1	5.7	0.7	8.1	2.7	0.4	0.1	0.5	0.2	0.2	0.4	0.3	23.2	63.8	20.7	0.1	4.4	0.1	0.4	.0	—	0.6	.0	—	0.1	—	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	
Harrow	1.0	0.8	4.1	0.6	0.5	1.0	0.4	0.1	0.4	0.2	0.2	0.2	0.1	21.5	4.5	54.5	.0	0.7	0.2	9.2	.0	—	0.1	.0	—	.0	—	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
Ealing	5.7	2.0	2.1	1.4	0.4	0.8	0.4	0.2	0.6	0.2	0.3	0.5	0.1	0.9	21.8	10.9	13.6	32.6	93.7	15.8	.0	.0	0.3	.0	—	.0	0.1	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
Hammersmith	49.5	2.5	0.7	10.2	0.4	0.6	0.3	0.1	0.5	0.2	0.2	0.7	.0	0.1	1.1	0.1	0.3	30.7	0.3	0.1	.0	—	0.2	.0	—	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0		
Hounslow	8.6	0.5	0.6	0.5	0.2	0.3	0.2	0.1	0.4	0.2	0.2	0.3	.0	0.1	1.1	0.3	52.3	3.3	2.0	0.7	—	—	0.1	.0	—	.0	—	.0	.0	.0	.0	.0	.0	.0	.0	1.0	0.2	.0	
Hillingdon	1.2	0.7	0.5	0.4	0.2	0.6	0.2	0.1	0.5	0.2	0.2	0.2	0.1	0.4	1.5	3.3	0.9	1.7	1.1	59.7	.0	—	0.1	.0	—	.0	—	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	
Kensington/Chelsea Westminster	5.9	18.8	2.3	22.9	1.0	1.8	0.5	0.2	1.0	0.4	0.5	1.8	0.1	0.1	0.6	0.3	0.1	5.6	.0	0.1	.0	—	0.6	.0	—	0.2	—	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0		
Westminster	2.4	35.5	18.0	20.1	4.1	4.0	1.2	0.3	1.5	0.4	0.3	1.8	0.1	0.3	1.0	0.6	0.1	1.1	0.2	0.2	.0	.0	1.0	.0	—	0.1	.0	.0	.0	.0	.0	.0	.0	.0	0.2	1.1	0.1		
Barking	0.1	.0	1.1	0.1	0.2	0.2	0.8	3.2	0.3	0.1	0.2	.0	.0	—	.0	—	.0	.0	—	.0	37.0	0.1	0.1	3.2	—	.0	33.9	0.2	—	0.1	.0	.0	.0	.0	.0	0.2	0.6	0.1	
Harvering	0.1	.0	1.4	0.1	0.3	0.4	1.0	2.5	0.4	0.1	0.4	0.1	.0	.0	.0	.0	.0	0.1	—	.0	51.2	54.2	0.1	0.6	0.1	0.2	3.0	0.6	.0	0.1	.0	0.1	.0	.0	.0	.0	.0		
Camden	0.4	3.6	6.8	1.1	35.5	28.2	1.9	0.3	0.3	0.1	0.3	0.4	0.2	0.3	0.4	0.3	0.1	0.3	—	0.1	.0	0.1	5.1	.0	0.6	0.2	.0	0.1	—	0.1	.0	.0	.0	.0	.0	.0	.0		
Islington	0.2	0.4	1.6	0.4	5.6	11.7	18.0	1.0	0.3	0.1	0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.3	—	0.1	.0	0.1	35.2	0.1	0.6	0.9	.0	0.1	—	0.1	.0	.0	.0	.0	.0	.0	.0		
City	—	.0	0.4	0.1	0.2	0.2	3.1	0.2	.0	—	.0	.0	—	.0	—	—	—	.0	—	.0	.0	0.1	0.1	0.2	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0		
Hackney	0.1	0.2	3.2	0.3	0.9	3.8	34.0	7.8	0.4	0.1	0.3	0.1	0.1	0.1	0.1	0.1	.0	0.3	—	.0	0.1	0.1	3.0	0.2	0.2	6.1	0.1	0.3	—	0.1	.0	.0	.0	.0	.0	.0	.0		
Newham	0.1	0.2	1.6	0.3	0.3	0.4	2.7	13.1	0.4	0.1	0.3	0.1	.0	.0	.0	0.1	.0	0.2	—	.0	1.6	0.2	0.2	79.2	0.1	0.2	2.4	6.3	.0	0.1	.0	.0	.0	.0	.0	.0	.0		
Tower Hamlets	0.1	0.1	0.7	0.4	0.2	0.4	4.1	47.6	0.3	0.1	0.2	0.1	.0	.0	0.1	.0	.0	0.1	—	.0	0.3	0.1	0.2	12.7	—	0.2	0.2	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	
Enfield	0.1	0.4	2.6	0.5	3.1	2.9	1.6	0.6	0.5	0.1	0.4	0.2	2.1	0.1	0.1	0.1	.0	0.4	.0	0.1	0.1	0.1	2.8	.0	69.2	36.7	.0	0.2	0.1	0.1	.0	.0	.0	.0	.0	.0	.0	.0	
Haringey	0.2	0.8	3.0	0.5	4.9	6.8	2.4	0.7	0.4	0.1	0.3	0.2	0.7	0.2	0.1	0.2	.0	0.3	—	.0	0.1	0.1	37.8	0.1	3.8	44.4	—	0.2	.0	.0	.0	.0	.0	.0	.0	.0	.0		
Redbridge	0.1	0.2	1.0	0.2	0.4	1.0	1.9	6.7	0.4	0.1	0.3	0.1	0.1	.0	.0	0.1	—	0.2	—	.0	2.8	0.2	0.2	0.9	0.2	0.4	55.3	19.8	.0	0.1	.0	.0	.0	.0	.0	.0	.0		
Waltham Forest	0.2	0.1	1.1	0.3	1.0	1.1	2.9	3.1	0.4	0.1	0.4	0.1	0.1	.0	.0	—	.0	0.2	—	.0	0.2	0.1	0.4	1.1	0.1	4.7	0.3	63.1	—	0.1	.0	.0	.0	.0	.0	.0	.0		
Bexley	0.1	0.1	0.3	0.1	0.1	0.3	0.2	0.1	0.7	0.7	3.4	0.2	.0	.0	—	.0	—	0.1	—	—	.0	.0	.0	.0	—	0.1	—	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0		
Greenwich	0.2	0.1	0.3	0.4	.0	0.2	0.4	0.2	1.3	1.2	3.9	0.2	.0	—	.0	.0	.0	0.1	—	.0	.0	.0	.0	.0	—	0.1	—	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0		
Bromley	0.1	0.1	0.6	0.5	0.2	0.7	0.7	0.2	1.0	3.0	5.0	0.3	.0	.0	.0	0.1	.0	0.1	—	.0	.0	.0	.0	.0	—	.0	—	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0		
Lambeth	0.4	0.4	1.0	3.5	0.3	0.7	0.8	0.3	34.4	29.6	3.3	19.0	.0	0.1	0.1	0.1	0.1	0.3	—	.0	.0	.0	.0	.0	—	.0	—	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0		
Lewisham	0.1	0.2	0.7	0.5	0.2	0.4	0.6	0.2	2.4	7.0	12.1	0.3	.0	.0	.0	.0	0.1	0.3	—	.0	.0	.0	.0	.0	—	0.1	—	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0		
Southwark	0.2	0.2	0.5	0.9	0.2	0.6	0.6	0.3	10.5	37.4	41.4	0.6	.0	0.1	0.1	0.1	.0	0.2	—	.0	.0	.0	.0	.0	—	.0	—	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0		
Croydon	0.7	0.2	0.9	1.2	0.2	0.7	0.4	0.2	1.4	5.1	3.1	2.8	.0	.0	0.1	0.1	.0	0.4	.0	.0	.0	.0	.0	.0	—	.0	—	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0		
Kingston	0.4	0.1	0.3	0.3	0.2	0.1	0.2	0.1	0.3	.0	0.1	0.5	.0	.0	.0	.0	0.3	0.4	0.1	.0	—	—	.0	.0	—	.0	—	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0		
Richmond	3.8	0.5	0.6	1.5	0.3	0.4	0.3	0.1	0.5	0.1	0.1	0.4	.0	.0	0.1	0.1	27.8	1.1	0.3	.0	—	—	.0	.0	—	.0	—	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0		
Merton	0.9	0.2	0.5	0.9	0.1	0.5	0.3	0.1	1.1	0.4	0.5	16.5	.0	.0	.0	.0	0.1	0.2	—	.0	—	—	.0	.0	—	.0	—	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0		
Sutton	0.3	0.1	0.2	0.3	.0	0.1	0.2	0.1	0.4	0.1	0.1	1.0	.0	.0	—	.0	.0	0.1	.0	.0	—	—	.0	—	—	0.1	—	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0		
Wandsworth	3.4	0.5	1.6	7.8	0.2	0.8	0.5	0.3	13.2	1.1	0.7	45.6	.0	0.1	0.1	0.1	0.2	0.8	—	0.1	.0	.0	.0	.0	—	0.1	—	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0		
Bedfordshire	0.3	0.7	1.5	0.6	1.3	1.3	0.8	0.2	0.2	0.1	0.1	0.2	0.2	0.1	0.1	0.1	.0	0.3	.0	0.1	.0	.0	0.3	.0	0.1	0.1	—	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0		
Hertfordshire	0.9	1.2	5.6	2.6	3.1	5.1	2.3	0.8	1.4	0.3	1.2	0.3	32.6	4.0	0.5	2.5	0.1	1.3	0.1	7.8	0.1	.0	1.1	.0	20.2	2.4	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1		
Essex	0.8	0.4	4.0	1.6	1.0	1.6	3.7	5.2	1.4	0.9	2.5	0.3	0.2	0.2	0.1	0.2	.0	0.6	0.1	0.1	5.7	43.9	0.5	0.6	0.5	0.7	4.3	7.8	0.1	0.4	0.1	0.1	0.1	0.1	0.1	0.1			
East Sussex	0.4	0.4	0.5	0.6	0.2	0.5	0.4	0.2	1.1	0.6	0.9	0.2	.0	.0	.0	0.1	.0	0.2	0.2	.0	.0	.0	0.1	.0	.0	.0	—	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0		
Kent	1.1	0.8	2.8	3.2	0.6	1.7	1.3	0.7	4.2	2.4	7.4	0.6	0.1	0.1	0.1	0.2	.0	0.7	0.1	0.1	0.1	0.1	0.2	0.1	0.1	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0		
Surrey	3.0	0.7	2.6	3.6	0.6	1.0	1.4	0.3	7.4	1.7	4.3	1.2	.0	0.1	0.1	0.2	2.8	0.9	0.2	0.3	.0	0.1	0.2	.0	0.1	.0	—	0.1	.0	.0	.0	.0	.0	.0	.0	.0	.0		
West Sussex	0.1	0.3	0.8	0.4	0.2	0.6	0.3	0.2	1.1	0.7	0.8	0.2	.0	.0	.0	0.1	0.1	0.3	0.1	.0	.0	—	0.1	—	.0	—	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	
Oxford RHA	1.0	2.0	1.8	1.3	0.8	0.9	0.9	0.3	0.9	0.4	0.4	0.3	0.1	0.1	0.3	0.6	0.3	2.3	0.2	2.9	.0	.0	0.2	.0	0.1	0.1	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0		
East Anglian RHA	0.3	0.1	0.8	0.2	0.4	0.4	0.4	0.3	0.2	0.4	0.1	.0	.0	.0	.0	0.3	.0	0.4	0.1																				

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'Babies are dying in NHS crisis'

by Flora Hunter

BABIES are dying because London's hospitals are underfunded and understaffed, a leading consultant has claimed.

The capital's baby units have to rely on charity for much of their essential needs, said Dr Anthony Kaiser, consultant for the special care baby unit at St Thomas's Hospital.

"We only have about half or two thirds of the intensive-care cots needed for London and the surrounds," he said.

"Some of the babies die, some hang on in less equipped units and some have to be flown to Bristol, Luton, Hillingdon or other

places often a great distance from the parents."

His unit is funded by West Lambeth Health Authority and South East Thames Regional Health Authority, but the money is not enough for equipment or staff.

Charity is footing more and more of the bill and even then there is not enough cash to run the unit at the level Dr Kaiser would like.

"We had to move four babies to other hospitals during the last bank holiday and on occasions obstetri-

cians here have had to move pregnant mothers elsewhere because there is no room."

He says that St Thomas's needs four more intensive-care cots to stop patients being turned away but predicts this would cost hundreds of thousands of pounds. And he says that London's other special baby care units are facing the same problems.

"We reached crisis point many years ago but we are just having to deal with it," he said. And with the Government's NHS Bill ex-

pected to become law in April 1991 he does not see the situation improving.

Dr Kaiser made his comments after being presented

with nearly £4000 by Gavin Baylis, whose twin daughters spent four months in the unit. Born nearly 14 weeks premature, tiny Sigmourney and Lauren needed ventilators to keep them breathing.

Gavin, the Standard's advertisement manager, raised the money by running the London Marathon.