Tim- Unis

PRIME MINISTER

10 May 1985

### MICHAEL BEWICK: DULWICH HOSPITAL

It was very refreshing to hear Michael Bewick on the Today Programme the other week saying that the NHS didn't need more money. He argued that instead it needed more information about where the billions go, and better management. John Redwood and I visited him at his kidney unit at Dulwich Hospital last week. He was tired and preoccupied, having carried out 8 transplant operations in the previous  $2\frac{1}{2}$  days.

The hospital was tatty and down at heel. It needed a coat of paint. We walked straight into a melee of nurses, stretchers and invalids. A receptionist would have been a great help to any patient or visitor - a volunteer from the Friends of Dulwich Hospital would not cost anything, nor increase NHS manpower.

Michael Bewick revealed vividly the difference between how good and bad hospital doctors see their responsibilities.

### How the bad doctor sees it

I am here to battle for my narrow discipline and my professional status against all comers. I look to the leading specialists in my field, who fix my distinction

bonus, rather than to my local hospital. It is better to devote my energies to one expensive operation which might get an article in the Lancet, rather than to unglamorous treatments relieving a mass of human misery.

I am not interested in the finance - that is for the administrators, whom I treat with contempt anyway. I do not know the costs of the various resources I use. If the new managers press me to find different ways of doing things so that more patients can be treated, they are interfering with my clinical freedom.

The Griffiths reforms will just be another tiresome reorganisation. I will carry on working in the way that I want, at the speed that I want, until my unit runs out of cash. I will then complain in the most effective way I know - publicly and vociferously, exploiting popular worries about health cuts.

A big waiting list helps as a negotiating tool to get more money out of weak administrators. It is also useful for building up my income from private practice - it encourages my patients to go private to get a quicker service.

#### How the good doctor sees it

I must retain the ultimate power to do what is in the medical interests of my patients. But with this power goes

the responsibility of using the money I am given with maximum efficiency. I am appalled that my colleagues have no budgets, no individual spending constraints, and no knowledge of the cost of the work they do. I recognise the need for a manager, just like any well-run company requires somebody at the centre to allocate funds. I will be bound by the annual budget I agree with him. My budget is simply one component part of the cash limit for the hospital service as a whole. If I am using my money well and can show a real need for more, I expect the manager to listen. I also expect his help in setting up and running a budget, because I don't

want to get bogged down in paper-work. My time should be used in looking after patients.

Michael Bewick was a very good example of the good doctor. He provided us with his budget for his unit, and a copy is attached at Annex A.

### Encouraging good practice

We need to do all that we can to encourage good practice in the Health Service. In the jargon, Michael Bewick was arguing for management information and clinical budgeting. Under pressure from Roy Griffiths, the DHSS have set up

pilot projects at 4 hospitals to develop workable management information systems for doctors. It's a tricky task: Michael Bewick claimed he needed an accountant working for him almost full-time to set up his budget. That couldn't apply across the whole NHS. One accountant for each hospital would be about right. Doctors mustn't be flooded with useless detailed information. The idea is to make them more efficient doctors, not turn them into bureaucrats. It will be easier to push this through if many of the unit managers are themselves doctors. Indeed, the post is an attempt to reinvent the old medical superintendents. In parts of the Health Service, all this is starting to work. At Basingstoke Hospital, the chief nurse was given a budget. The nurses then began to care about the cost of supplies and equipment. Annex B gives examples of their campaign to cut out waste. There are 1,600 admissions a year to the geriatric unit at North Tees Hospital. They used to get an X-ray automatically. Now they are restricted to the patients - 4 -

who really need them. Patients don't have inconvenient tests unnecessarily, and funds are released to care for patients. So there is change in the Health Service, and there are good individuals trying to push it forward. But more needs to be done. Now that the Benefit Reviews are over, we have an opportunity to turn more attention to health policy. We need to set Victor Paige a programme of action. And visits by you to hospitals that are trying to set their houses in order would, I know, be very much appreciated. David Willotta DAVID WILLETTS - 5 -

ANNEX A
MICHAEL BEWICK'S

| RENAL | TRANSPLANT | STATEMENT | FOR | THE | PERIOD | 1ST | APRIL | TO | 31ST | AUGUST | 1984 | • |
|-------|------------|-----------|-----|-----|--------|-----|-------|----|------|--------|------|---|
|       |            |           |     |     |        |     |       |    |      |        |      |   |

| RENAL TRANSPLANT ST                                | LANT STATEMENT FOR THE PERIOD 1ST APRIL TO 31ST AUGUST 1984 |   |                                     | BUDGET    |  |  |
|--|---|---|-------------------------------------|-----------|--|--|
|  | 1984/85 BUDGET AT<br>-8-84 PAY & PRICES                     | MONTH 5 BUDGET AT<br>31-8-84 PAY & PRICES | ACTUAL<br>EXPENDITURE<br>AT MONTH 5 | VARIANCE  |  |  |
| PATIENT CARE SERVICES                              | £   | t   | t                                   | ٤         |  |  |
| Medical Staff Services                             | 80, 373   | 33, 489                                   | 77 774                              |           |  |  |
| Nursing Staff Services                             | 116, 853  | 48, 689                                   | 33, 334                             | (155)     |  |  |
| Medical & Surgical Supplies & Equipment            | 21,062  | 8,776                                     | 38, 640<br>8, 776                   | (10, 049) |  |  |
| Pharmacy *   | 199, 752  | 83, 230                                   | 113, 210                            | 29, 980   |  |  |
| Sub Total  | 418, 040  | 174, 183                                  | 193, 960                            | 19, 777   |  |  |
| DIAGNOSTIC & PARAMEDICAL SUPPORT SERVICES          | 1   |   |                                     |           |  |  |
| Radiology  | 40.750  |   |                                     |           |  |  |
| Pathology  | 12, 369   | 5, 154                                    | 5, 154                              |           |  |  |
| E. C. G  | 80, 334   | 33, 473                                   | 36, 696                             | 3, 224    |  |  |
| Nuclear Medicine                                   | 601   | 250                                       | 250                                 | -         |  |  |
| Physiotherapy                                      | 15, 383   | 6,410                                     | 6,410                               |           |  |  |
| Miscellaneous Paramedical Services                 | 3, 867<br>4, 668  | 1,611                                     | 1,611                               |           |  |  |
|  | 4,000   | 1, 945                                    | 1,945                               |           |  |  |
| Sub total  | 117, 222  | 48, 843                                   | 52, 066                             | 3, 224    |  |  |
| GENERAL SUPPORT SERVICES                           |   |   |                                     |           |  |  |
| Adminstration & Medical Records                    | 20, 162   | 0.404                                     |                                     |           |  |  |
| Catering   | 18, 297   | 8, 401                                    | 8, 401                              |           |  |  |
| Domestics  | 20, 134   | 7,624                                     | 7,624                               |           |  |  |
| Portering  | 11, 820   | 8, 389                                    | 8, 389                              |           |  |  |
| Laundry & Linen Services                           | 6,047   | 4, 925                                    | 4, 925                              |           |  |  |
| Transport  | 1,581   | 2,520<br>659                              | 2,520                               |           |  |  |
| Estate Management & Misc Services                  | 49, 338   | 20, 558                                   | 659<br>20, 558                      |           |  |  |
| Sub Total  | 127,379   | 53, 075                                   | 53, 075                             |           |  |  |
| TOTAL  | 662, 641  | 276, 100                                  | 299, 101                            | 23, 000   |  |  |
| 1983/84 Overspend to be set against 1984/85 Budget | 46, 336   | 19, 307                                   |                                     | 19, 307   |  |  |
| RESULTING TOTAL ADJUSTED BUDGET                    | 616, 305  | 256, 794                                  | 299, 101                            | 42, 307   |  |  |

NOTES: \* Pharmacy Budget Includes £49500 Regional Monies For Immunosuppressant Drugs. Pharmacy Expenditure Includes £44072 On Cy-a , £43741 On Atg , And £2149 on 5% Buminate. Underspend On Nursing Reflects Decrease In Length Of Stay. Overspend On Pathology Represents Phlebotomist's Salary.

> TREASURERS DEPARTMENT RFC/PGM 26-9-84

# BASINGSTOKE AND NORTH HAMPSHIRE HEALTH DISTRICT MEDICAL AND NURSING EQUIPMENT AND CONSUMABLES

WE SPEND £41,000 PER ANNUM ON PAPER TOWELS IN ONE HOSPITAL ALONE

## 10" BLUE ROLLER TOWELS

These hand towels cost .8p each.

We spend £16,000 per year in one hospital on this product alone.

They are intended as a luxury hand towel where staff need to dry hands frequently. They are not intended for bibs, mopping up spillages, cleaning, tray cloths, trolley cloths, bedpan covers, etc.

## GREEN INTERLEAVED HAND TOWELS

These hand towels cost .3p each.

We spend £12,500 per year in one hospital on this product. They are intended as hand towels not general wipes.

# 18" HI-DRI ROLL

This costs .9p per foot.

We spend £12,500 per year on this product.

This roll is intended for mopping up spillages, cleaning, drying dishes, etc.

Do you know it should be used as a chamois leather. Dampen the paper slightly and it absorbs more moisture. It can also be wrung out several times before having to be disposed of.

Beverley Clack, Infection Control Nurse for Medical/Surgical/Nursing Supplies Working Group.