

A system needs to be introduced for the long-term financing of the NHS

By Malcolm Almond

In late November 2001, the Chancellor of the Exchequer, Gordon Brown, promised an extra £1bn for the National Health Service. In his budget of 17 April 2002, the Chancellor announced increased spending on health of £40bn over the next five years. Although this extra money is more than welcome, one has to wonder how the money will be used. Throwing extra cash at the service will not solve the problems that exist. An industry that is top heavy with administrators and short at the sharp end needs more radical surgery. Our spending on health will be 9.4 per cent of gross domestic product by 2007 and will be £105.6bn in 2007/2008. The weighted European Union spend on health care is already 9.7 per cent of gross domestic product and growing at a rate of 1 to 2 per cent per year.

Recent years have seen a move away from a national health service towards a more local health service. Although it is claimed that this takes decision making nearer to the people, it also increases the number of tiers of management needed for the service to operate. This means that the number of administrators increases with an associated increase in costs. We have also seen over the past few years that control of primary care has been moved away from health authorities to primary care trusts but this again means that more administrators are working in smaller units to achieve the same end result. Politicians talk glibly about more doctors and nurses to provide better health care, but it will take longer than the lifetime of a parliament to produce these professionals. Students wishing to become doctors have to decide when still at school that this is what they want to do and it will take about eight years before they can treat patients. Likewise, we cannot advertise in job centres and have an influx of ready trained nurses. But pharmacists will have noted long ago that there is never any promise of extra funding to relieve the shortage of pharmacists.

If extra funding is needed, there are certain areas within the NHS that swallow resources and should be addressed. One of these is exemption from prescription charges. In 1968, the government of the day introduced a system of exemptions that were brought in hurriedly and put forward as a temporary measure. Sadly this temporary measure is still in place with little alteration. In his report, which looked at the funding of the NHS, Derek Wanless observed that the system allowing exemption from prescription charges is illogical and irrational. As one would expect of a system introduced hurriedly, there are some anomalies. Patients with specified conditions are

exempt from all prescription charges. This applies not only to medicines used for the relevant medical complaint but to all of that patient's medicines. There would seem to be no logical reason why patients with diabetes should receive all their medicines free of charge including, for example, antibiotics, cough remedies, analgesics and treatment for hypertension. A patient who has hypertension but is not diabetic must pay prescriptions charges for the same antihypertensive treatment. Removal of anomalies such as this could bring in extra revenue for the NHS.

Patients with coeliac disease are able to receive a large proportion of their daily diet free of charge on the NHS. However old, however poor and however ill a patient might be, he or she cannot go into a branch of Tesco and get bread, spaghetti, biscuits and pizza bases free of charge. It would be quite easy to introduce a scale of charges so that patients with coeliac disease could receive their food at a subsidised price that bears some relation to what the rest of us pay. The same could apply to the wide range of nutritional supplements available on prescription.

The list of specified conditions that allow patients exemption from prescription charges is in need of an overhaul. Although diabetes, epilepsy and thyroid abnormalities are included, heart disease and terminal cancer are not. If we can afford to continue to allow certain patients to have free medicines, the list requires a thorough review.

Some patients are entitled to all of their medicines free of charge due to age or hardship. All children under 16, senior citizens over 60, many students and people with low incomes all benefit from this ruling. Anything that is provided free of charge is seen as being of little value by the consumer. Widening the net for people paying prescription charges would reduce the demand for medicines and, we would hope, reduce wastage. Most money is spent on patients in the first year of life and in the last year before death. Although many senior citizens have the greatest disposable income of all

consumer groups, in 1998–99 half the NHS budget was spent on the over 65s. If a system was introduced that required most patients to pay for their medicines, the charge could be low. All babies up to the age of one could be allowed free prescriptions; all other patients could pay a £1 per item charge. Pre-payment certificates could be introduced for around £30 per year.

When we are looking at raising revenue for financing the NHS, why is it always pharmacists who are charged with being the tax collectors? No one would wish to see patients denied access to a doctor because of hardship, but some charges could be made at the surgery. A charge could be made for injections, for dressings applied by the practice nurse and for diagnostic testing. If more charges were introduced for different services, the level of these charges could be quite modest. At present we only levy a tax on patients liable to pay prescription charges.

At hospitals it has now become standard practice to charge for car parking. Is there any reason why patients should be provided with free meals while in hospital? Charging for hospital meals may well improve the standard and range of hospital catering and would provide the Treasury with more money for the health service.

The NHS is a slumbering giant. It has been asleep for too long and has lagged too far behind the times. When Aneurin Bevan introduced the NHS in 1948 it was a revolutionary idea. The principle of free health care for all is something we should strive towards, however, it cannot come about before years of lost ground have been made up. In the interim we have no alternative but to continue to tax the unfortunate people who need to use the service.

Changes in the NHS are usually slight modifications to the existing system. Unfortunately, five years is a lifetime in politics, so no government is prepared to plan for more than five years and no long-term plan can ever emerge with any hope of implementation. Governments do not like the idea of money being ring-fenced for a particular use, so if money promised to the NHS is needed to fund conflict in some far away country, that money is diverted to the defence budget. Unless some method is introduced for the long-term financing of the NHS, health will remain what it has always been — a pawn in the political game.

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