Bending the cost curve: some English lessons

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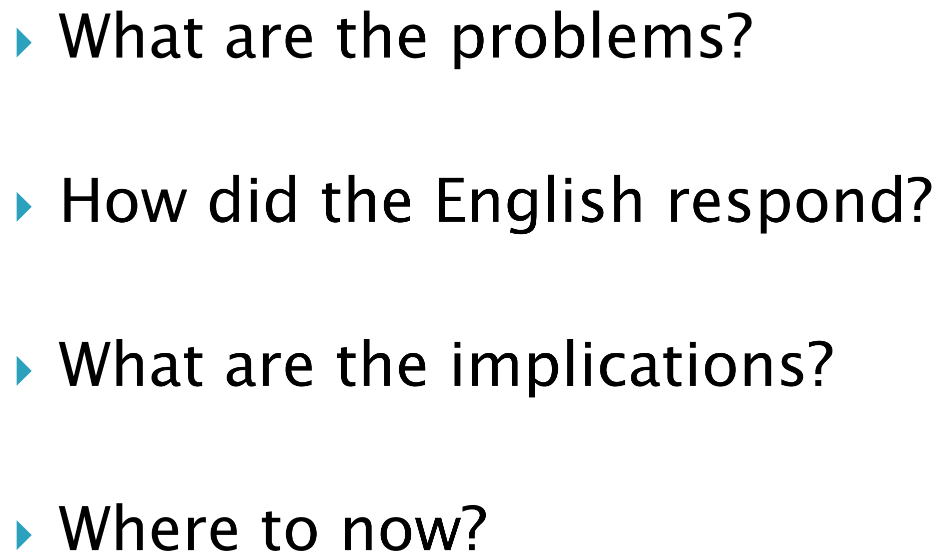
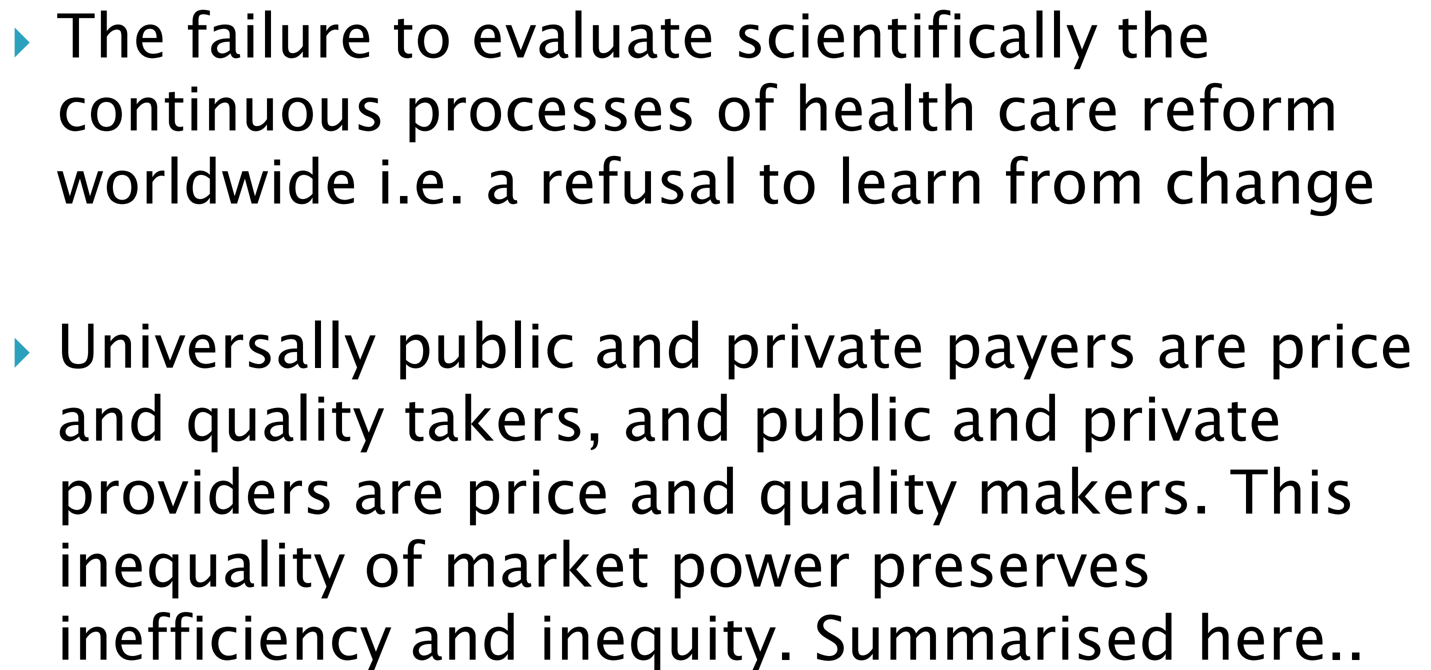
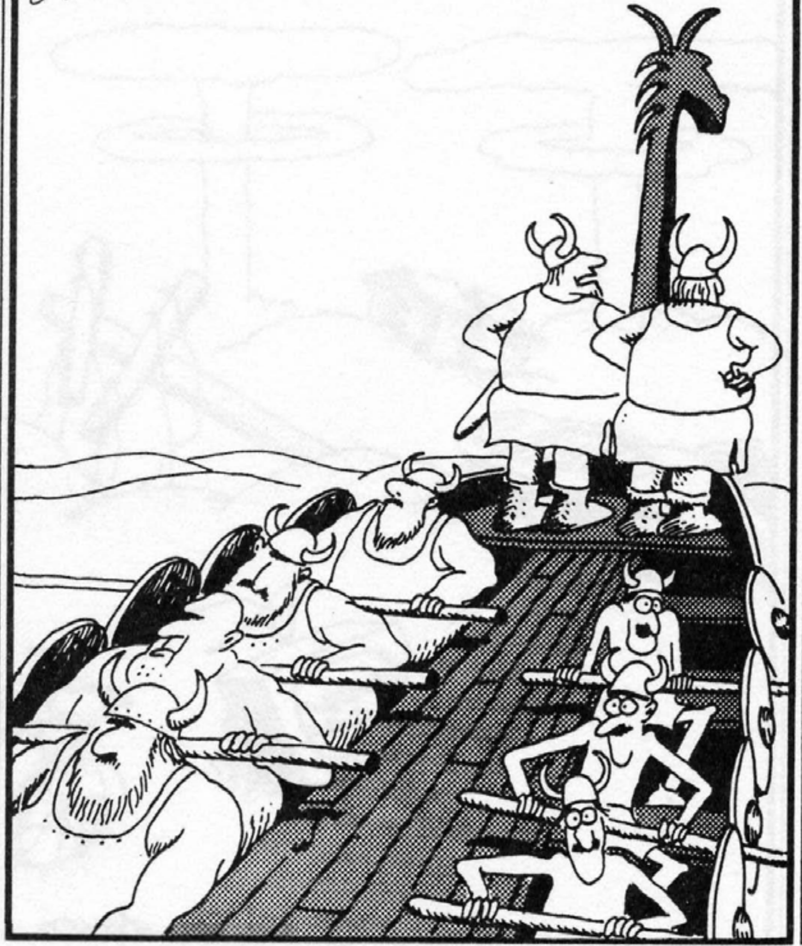
Outline



Common problems in health care systems

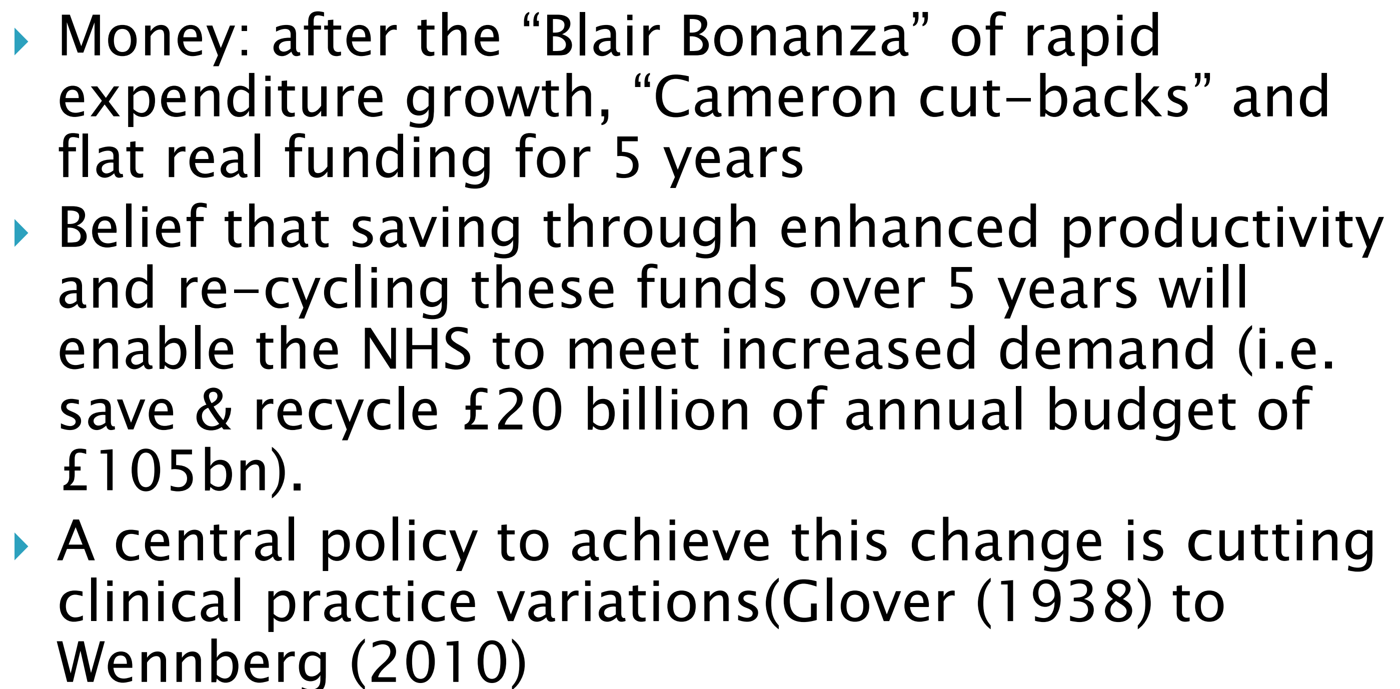


- The failure to evaluate scientifically the continuous processes of health care reform worldwide i.e. a refusal to learn from change
- Universally public and private payers are price and quality takers, and public and private providers are price and quality makers. This inequality of market power preserves inefficiency and inequity. Summarised here..

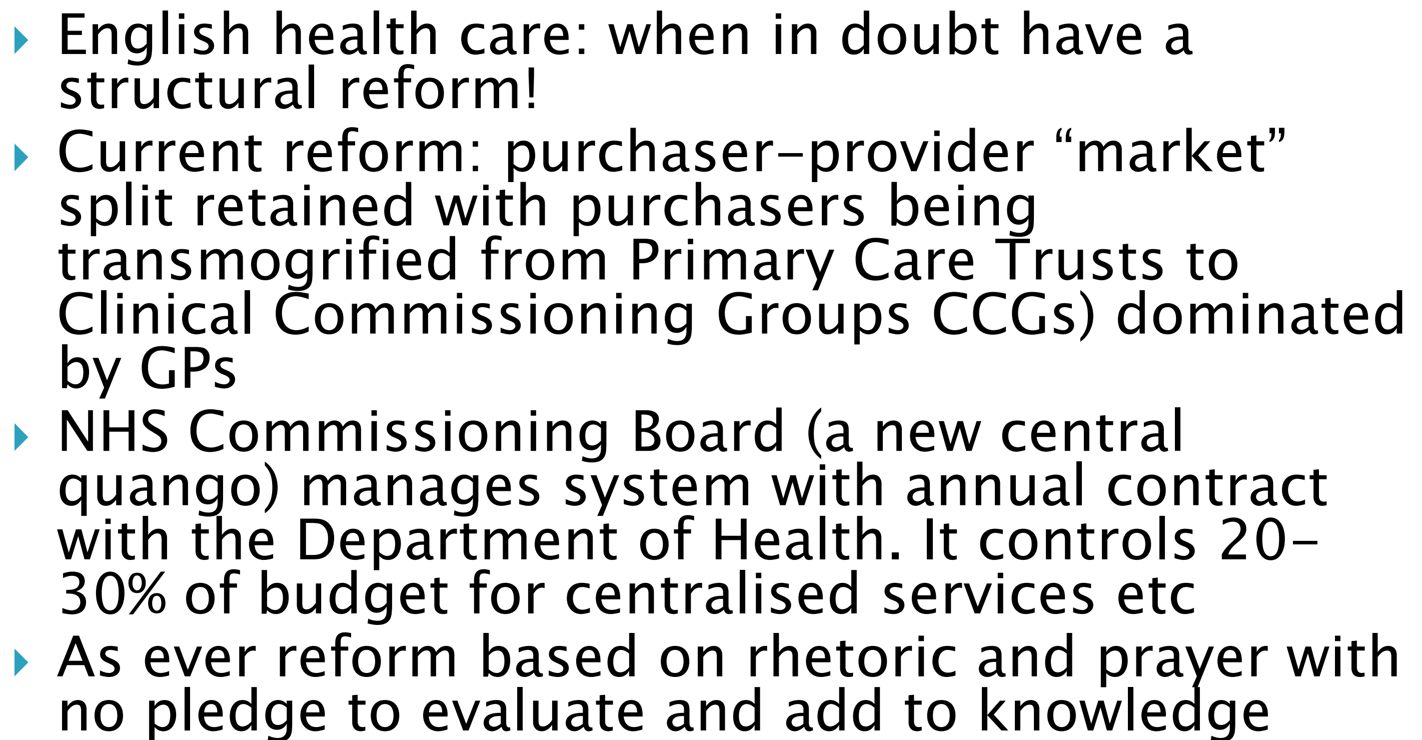


"I've got it, too, Omar . . . a strange feeling like we've just been going in circles."

Problems in the English NHS

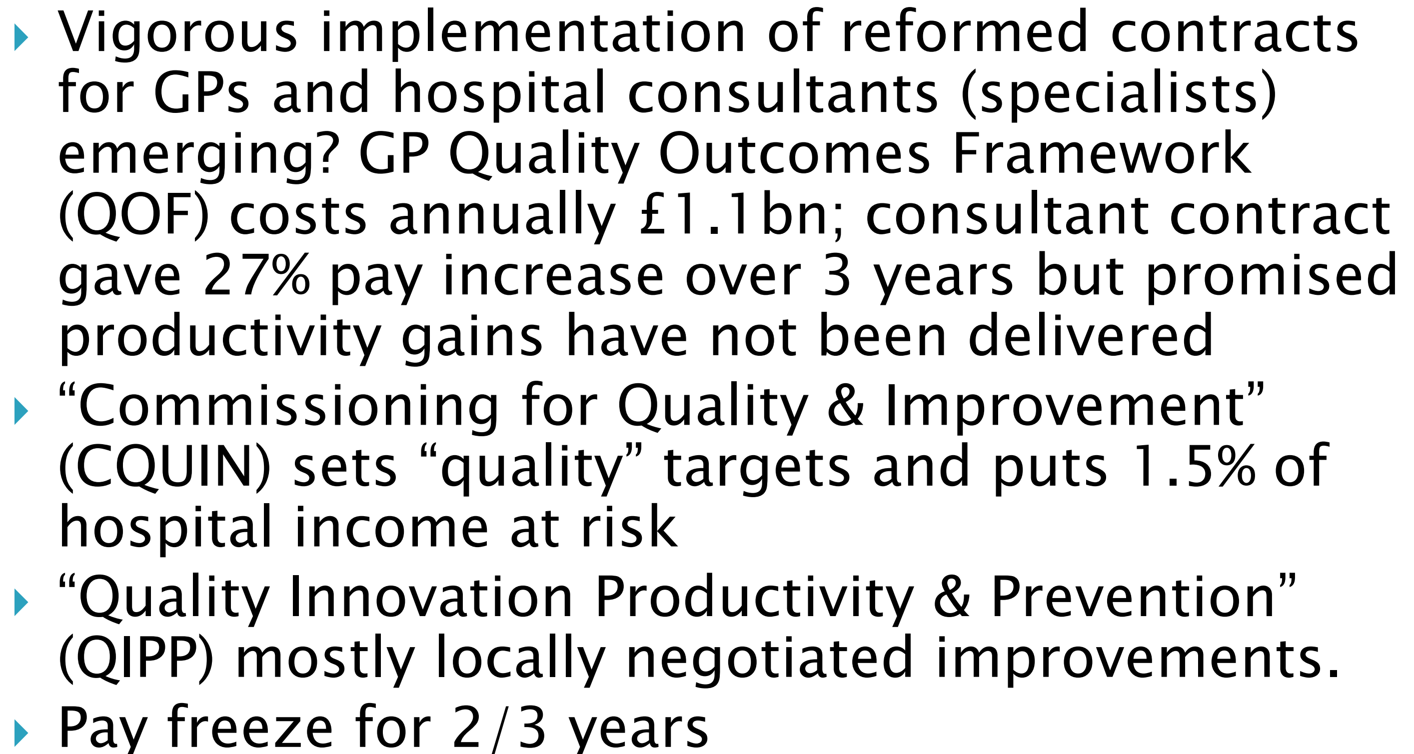


English policy responses : structural “re-disorganisation”

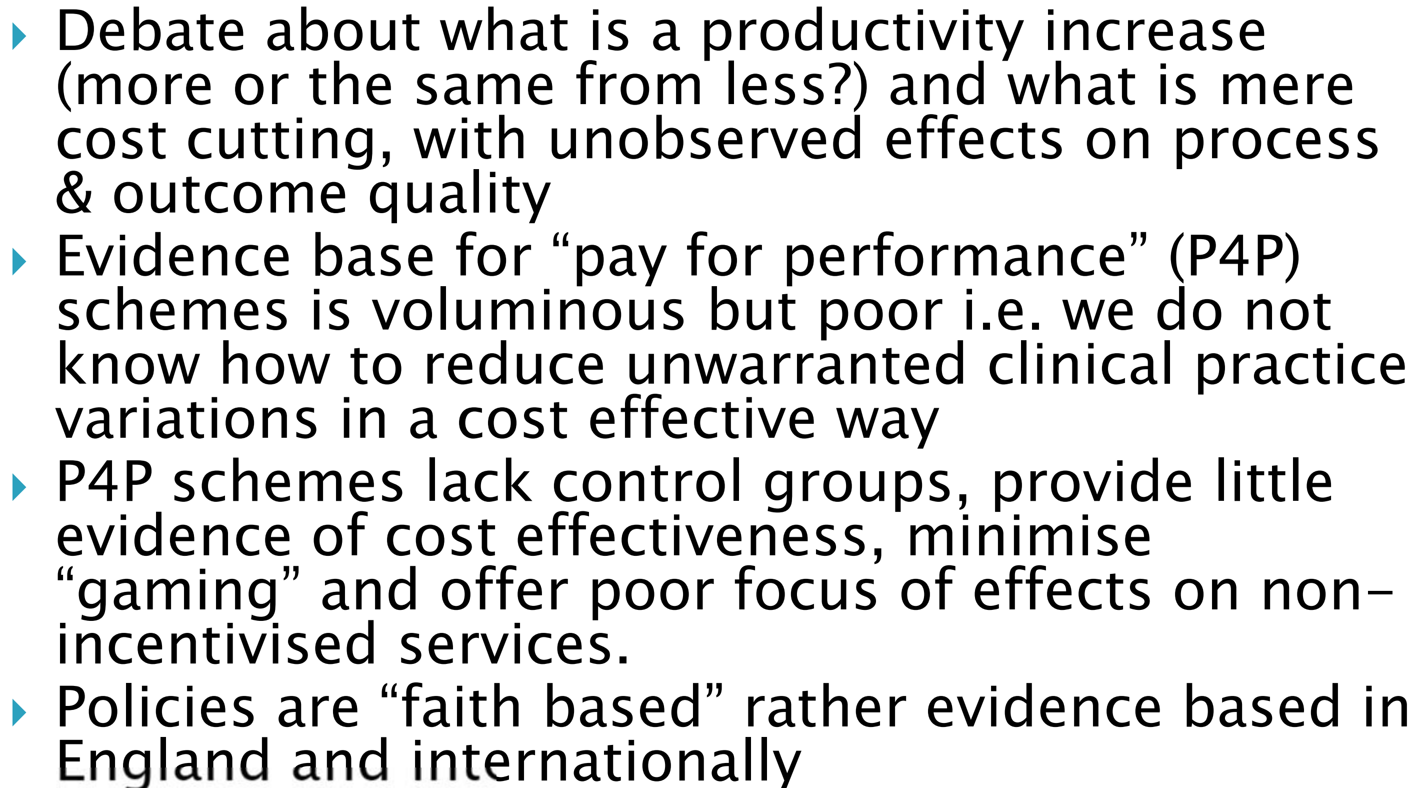


- English health care: when in doubt have a structural reform!
- Current reform: purchaser-provider “market” split retained with purchasers being transmogrified from Primary Care Trusts to Clinical Commissioning Groups CCGs) dominated by GPs
- NHS Commissioning Board (a new central quango) manages system with annual contract with the Department of Health. It controls 20-30% of budget for centralised services etc
- As ever reform based on rhetoric and prayer with no pledge to evaluate and add to knowledge

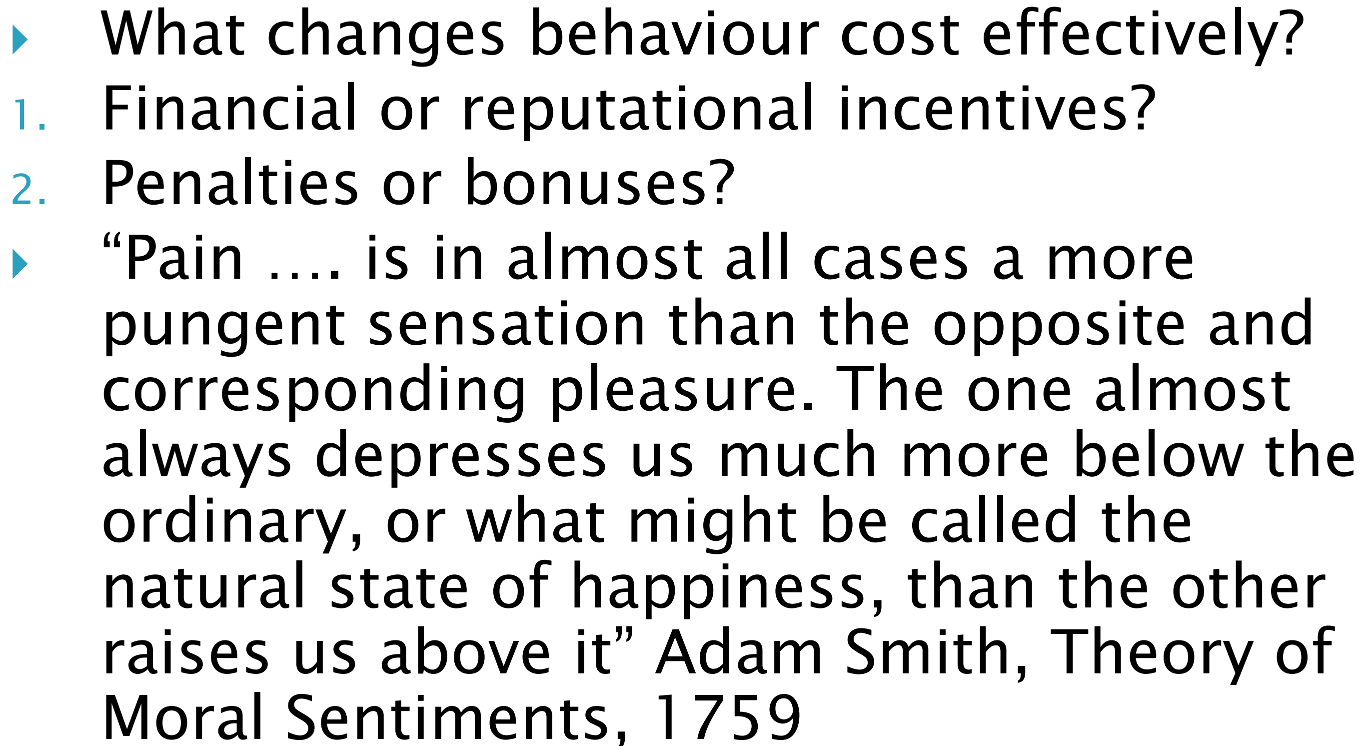
English policy responses: attempts to increase productivity



What are the implications?



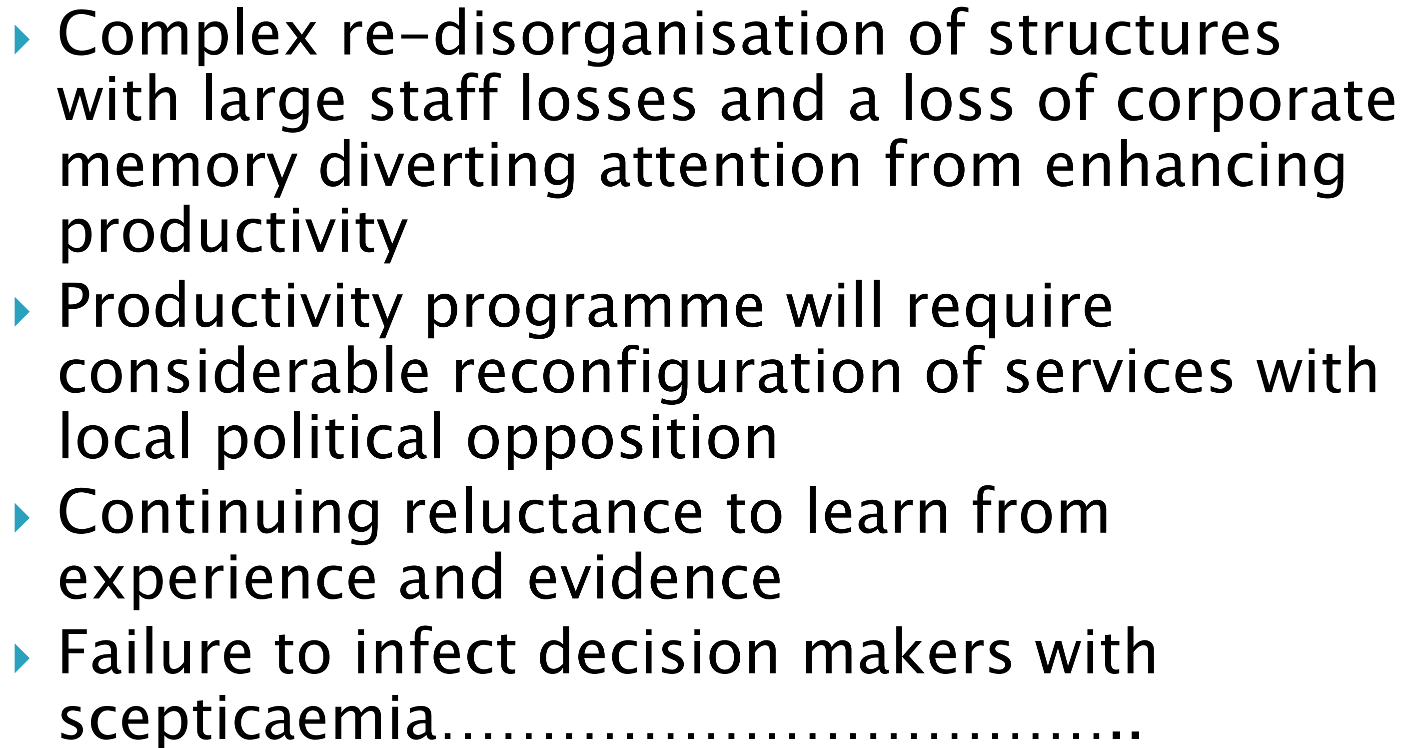
Where to now?



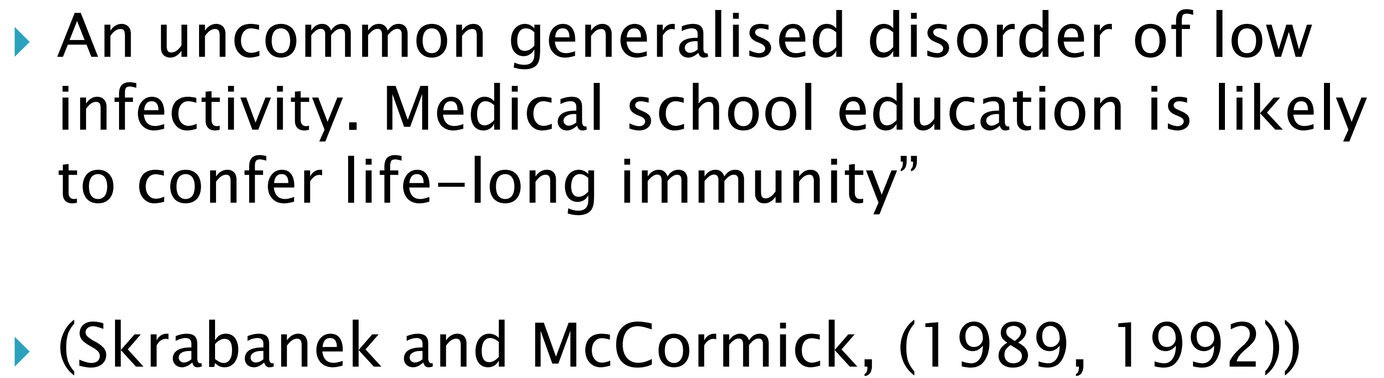
- What changes behaviour cost effectively?

1. Financial or reputational incentives?
2. Penalties or bonuses?

- “Pain …. is in almost all cases a more pungent sensation than the opposite and corresponding pleasure. The one almost always depresses us much more below the ordinary, or what might be called the natural state of happiness, than the other raises us above it” Adam Smith, Theory of Moral Sentiments, 1759


Conclusions
Complex re-disorganisation of structures with large staff losses and a loss of corporate memory diverting attention from enhancing productivity
Productivity programme will require considerable reconfiguration of services with local political opposition
Continuing reluctance to learn from experience and evidence
Failure to infect decision makers with scepticaemia…………………………..

Scepticaemia



- An uncommon generalised disorder of low infectivity. Medical school education is likely to confer life-long immunity”
- (Skrabanek and McCormick, (1989, 1992))