

April 1st 2013

Start of a full-on healthcare market

April 1 2013 is the date many people involved with the NHS have been dreading – when healthcare in England is opened up to competition from the lowest bidder. In a scary analysis of the changes, Lucy Reynolds, an academic who studies health privatisation, has described the situation as “full-on market”.

The headline change on April 1 is the placing of around 80% of the NHS budget in the hands of Clinical Commissioning Groups which replace Primary Care Trusts. The CCGs have been promoted by the Government as placing GPs in charge, but much of the power remains elsewhere - local officials, joint boards such as the one for Greater Manchester, the NHS commissioning board and, most significantly, Monitor, which is the regulator charged with enforcing NHS competition.

In a video interview now circulating on the internet Lucy Reynolds warns that the changes to the NHS in England are in line with moves towards privatisation in Spain, Sweden and elsewhere in Europe.

Reynolds describes European healthcare as being moved towards the fully commercial system operated in the United States which is “three times as expensive and twice as bad”. The beneficiaries will be the private healthcare industry and multinational companies.

Making money out of health

Reynolds says that on April 1: “We’re finishing the transition away from the original form of funding the NHS and moving into a market system which is going to be full on market.”

She adds: “The internal system within the NHS has been rearranged to make it possible to make money out of it, because once you’ve done that competition law lands, and competition law sets up an arrangement whereby the private healthcare industry can come in and pick the cherries from the budget.”

Reynolds predicts: “Gradually the system will kill off all our traditional NHS providers except for a few big names.”

The changes in the NHS follow the course of typical healthcare privatisations studied by Reynolds. The privatising government stops paying for running costs for hospitals and other parts of the system – instead funding is raised through piecework payments to doctors for each patient treated. In a market system such as the United States the result is that doctors overprescribe for patients whose insurance can pay while many people cannot afford any treatment. Insurers often contest liability for payment.

A researcher on international trade, Linda Kaucher, has recently drawn attention to forthcoming negotiations for a US/EU Free Trade Agreement which will lay European healthcare open to international investors.

She says changes in European healthcare rules have been taking place in readiness for the transatlantic deal. “The fact that the NHS has been prepared for transnational investors as part of a planned US/EU free trade agreement should be made public.”