Why does NHS privatisation matter?

Key arguments in brief

■ The NHS is open to all patients, whereas private companies will restrict access to protect profits and abandon NHS contracts when their profits fall, leaving the NHS to pick up the pieces.

■ Public funds spent with private companies flow out of the NHS and lead to underinvestment in the NHS staff and equipment.

■ Studies show that outsourcing is associated with lower quality care and poorer access and can be unsafe. And yet some companies are still contracted despite their poor track record.

■ Staff terms and conditions are less protected, continuity of care is more difficult, and outsourcing offers the public care that is less accountable and poorer value.

■ Outsourcing can help patients where NHS care is not available: but overall, the evidence shows that the NHS provides better value and fuller access to high-quality care.

By Paul Evans

Why it matters now

Exhausted NHS staff are trying to respond to record waiting lists but are seriously impeded by a long-term crisis in staffing, that includes over 90,000 vacancies.

This is eyed by the struggling private health industry as a golden opportunity to revive its fortunes. A multi-billion 4-year deal with private hospitals is in the pipeline and could see a big surge in NHS patients treated in private units.

And of course, care must be found for all NHS patients, but if this deal and others like it divert sorely needed investment in the NHS, then the reliance on the privateers will grow and NHS capacity will remain far too low.

Important questions about the safety of post-operative care in private hospitals and the value of the contracts hang unresolved.

Meanwhile, ministers have by-passed NHS and public health facilities in favour of signing up commercial outfits to run the £23bn test and trace programme and are withholding information about a host of other covid deals signed with the private sector.

Investigations have already unearthed cronyism in the signing of deals and evidence that some of the companies chosen lack any relevant business experience.

Under the cover of the pandemic NHS privatisation is rising, along with damaging consequences.

Privatisation compromises the NHS

Professor Stephen Hawking, lived with motor neurone disease for more than 50 years using the NHS throughout, and wrote in the final years of his life that the NHS is "the fairest way to deliver healthcare". The mission of the NHS is to deliver comprehensive care to all in our society, prioritizing those with the greatest clinical need. Private companies may claim to support these aims, but in practice the drive for profit places limits on the care they will offer. Fundamentally, the commercial strategy will always diverge from the aims of the NHS.

Patient safety

The record of NHS outsourcing has been tarnished by a catalogue of instances of harmful cost-cutting and the delivery of substandard care.

Three examples:

Cygnet, a specialist mental health provider that operates more than 150 facilities across the UK, has been repeatedly criticised by the Care Quality Commission (CQC). In September 2020, an unannounced inspection of Cygnet Yew Trees, a facility for women with learning disabilities, found evidence of staff "abusing patients, acting inappropriately or delivering a poor standard of care".

A private hospital run by **BMI Healthcare** that treats up to 10,000 NHS patients a year, put their safety at risk according to a report by the health watchdog. The CQC rated Fawkham Manor hospital in Kent as "inadequate" – the worst possible ranking. Staff told the health watchdog that financial targets were prioritised over patient safety at the hospital, where NHS patients make up almost half the caseload.

DMC Healthcare had several contracts for GP surgeries in the Medway area. However, when the Care Quality Commission found serious concerns with the quality of healthcare. enforcement action was taken, and the company was removed from running five surgeries and suspended from three others.

Further examples of the failures of outsourced services are available here.

Price competition lowers quality

For non-clinical services like cleaning and security, where price competition is allowed, commercial providers can win contracts by underbidding competitors, but to keep to the price, quality often suffers.

A 2019 study of 130 NHS trusts, looking into the impact of outsourced cleaning services concluded that "*private providers are cheaper but dirtier than their in-house counterparts.*" They found lower levels of cleanliness and worse health-care outcomes, which can be measured by the number of hospital-acquired infections.

A further international study has confirmed the relationship between the quality of cleaning services and the frequency of hospital-acquired infections, with the clear implication that outsourcing cleaning services can threaten patient safety and cost lives.

Staff can be poorly treated

A string of recent disputes over terms and conditions reinforces the message that outsourced staff often get a worse deal than their NHS equivalents.

In Southampton staff working for Mitie Security Ltd went on strike last year over pay, sick pay and a lack of protective equipment, which they need to help deal with regular attacks from the public – often under the influence of drink or drugs.

In Doncaster, catering staff employed by French company Sodexo were told that NHS pay levels could not be matched. And in Wigan drug and alcohol workers were forced to strike after their employer Addaction refused to keep pace with NHS pay rates for equivalent jobs.

Porters, cleaners and security staff working for NHS trusts across the country have also been forced to fight and sometimes strike against their NHS employer's plans to transfer them over to "money-saving" subsidiary companies, moves which have been vigorously opposed by trade unions as unjust and privatisation by the back door.

Covid contractors include:

● **Deloitte** to manage the logistics of national drive-in testing centres and super-labs.

● **Serco** to run the contact tracing programme.

● **Capita** to bring returning health workers on board in England.

● **DHL, Unipart, and Movianto** to procure, manage logistics of, and store PPE.

Services less secure

As the use of the private sector expanded it became clear that companies were dropping out of contracts when profits fell.

In these circumstances, the NHS has stepped in, sometimes at short notice and at its own cost to keep the service going, but of course, the continuity of patient care will inevitably suffer.

In Brighton and Hove, The Practice Group terminated its contract for five GP surgeries in the city at the end of June 2016, leaving 11,500 patients looking for a new GP.

Over the years, The Practice Group, which runs around 50 GP surgeries, has also closed a surgery in Camden Road, London, the Maybury surgery in Woking, the Brandon Street practice in Leicester and the Arboretum surgery in Nottingham.

All these surgeries were in areas of high deprivation, where it is difficult to make

40%
of hospital trusts' non-clinical support services are outsourced to private contractors

money. The Practice Group defended terminating the contracts and closing services, saying that loss-making activities were unsustainable.

The private sector doesn't share the risk

Private sector providers draw up eligibility criteria to determine which NHS patients they will accept for treatment, and frequently this means the more complex and costly cases end up receiving care in the NHS. This is a feature of health systems with public/private partnerships.

GPs have accused private providers of cherry-picking, by attracting younger patients to their lists. This has left some surgeries struggling with a skewed patient list - a greater proportion of patients who require more care and GP time, but with no extra funding to provide it.

A study of the Scottish NHS found that increased use of the private sector was associated with a significant decrease in direct NHS provision and with widening inequalities by age and socio-economic deprivation.

Diverting resources away from the NHS

For the last decade the experiments with competition and outsourcing have coincided with an unprecedented squeeze on NHS funding.

Workforce, buildings and equipment have all needed significant investment, to adjust to the rising numbers of older people and increasing chronic disease, but instead, the NHS was forced, year on year to search for unrealistic levels of savings.

Academic analysis has argued that policies to encourage greater private sector involvement tend to coincide with

underfunding of the public sector and are associated with a government trying to progress a privatisation agenda, often fired by the belief that firms will cost less and improve services.

Benefits … at a cost

International research has confirmed that any benefits of involving private health care come at a cost.

A study that collected evidence across 107 low- and middle-income countries to compare the impact of public and private healthcare providers concluded that the private sector more often violated medical standards of practice and had poorer patient outcomes but had greater reported timeliness and hospitality to patients.

Public healthcare is more efficient

A study by the WHO found that public systems tended to be more efficient than private.

The NHS performs well in international comparisons of health systems.

The experiment with marketization and greater involvement of the private sector has resulted in a rise in bureaucracy and administration costs throughout the NHS.

In systems where public provision is lower, there are perverse financial incentives that add costs and undermine continuity of care.

Overtreatment of patients is more common, companies do not share patient information and tests are repeated.

Who pays to train staff?

The NHS trains most clinical and scientific staff. Some go on to work in the commercial sector, but a larger private health sector is an inevitable drain on the staffing resources of the NHS.

Where private hospitals take on a large amount of NHS surgery it can affect the local NHS hospitals as their surgeons do not get the same mix of cases with which to develop their skills.

No transparency

The public deserves to know who is providing their care, but often companies hide behind the NHS logo, and patients are not informed that their care has been outsourced to another provider or are not given a choice to remain inside the NHS.

During the pandemic, normal tendering rules have been suspended.

Commercial companies with the right political connections have landed lucrative deals with the government, trampling over the normal safeguards.

Ministers are being dragged into the courts to force them to reveal information about a series of dubious covid deals, despite
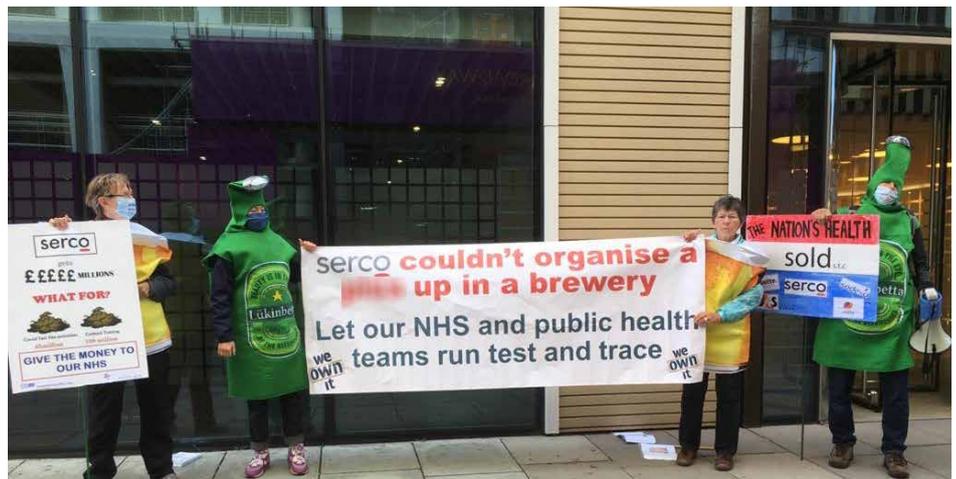
11%

The share of NHS spending going to non-NHS care in 2019/20, although this figure misses out some expenditure on NHS-funded social care.

According to NHS accounts for 2019/20, LOCAL commissioners (CCGs) spent around

15%

on average, with the largest spenders allocating up to

26%

of their budget with private providers

A third
of NHS HIP OPERATIONS, and

a quarter
of CATARACT OPERATIONS are performed in private hospitals.

30%
of MENTAL HEALTH HOSPITALS are privately run

44%
of health funding for child and adolescent mental health care goes to private companies.

the clear public interest in seeing that funds were properly and wisely spent.

Undermining the covid response

Throughout the pandemic, outsourcing has rapidly accelerated and normal safeguards are suspended.

The strategy of bypassing the existing network of NHS labs and the council tracing facilities has caused delays and reduced the effectiveness of these services at a crucial time in the response to the virus.

Healthcare workers reported that they were not provided with adequate PPE, leaving them exposed to the virus.

Serco and Sitel have been awarded contracts (valued at £108 million) to support the government's test and trace strategy and yet centralising contract tracing has consistently failed to reach effective levels and performed less well than public health run services operated by contract tracers with local knowledge.

Eight months into the pandemic Independent Sage group concluded

"it's clear that England's find, test, trace, isolate and support (FTTIS) programme is failing, leading the government to rely on a succession of restrictions on people mixing to control the pandemic.

"The result is that the UK has some of the greatest excess death rates and economic damage anywhere."