



Competition, Integration or Local Coalition

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Is it Either/Or ?

Or can we cope with a
combination of all three?



Competition

- Only limited so far
- Needs an excess of capacity to be effective (only now might we have it)
- Needs robust information to drive choice (still very patchy)
- Needs market entry and market exit strategies (can we allow a DGH to fail?)
- NHS cannot involve price as a core dynamic as yet (only personal budgets)
- So based on quality, access, convenience



Choice

- Treatment choice more important to most than provider choice
- (Coulther BMJ 05/11/10)
- Choice of hospital recommended to be dropped from In Patient Survey by Picker!
- Can we afford free choice?
- (e.g. prefer specialist care for diabetes than GP care}
- No choice available to co-pay in mainstream NHS as yet
- And if there was would we want patients to trade off quality for price?



As Yet the NHS Far From a Free Market

But will Liberation Move to This?

So Much Depends on Perceived Profit Lines for
New “Willing” Providers

(ISTCS demanded guaranteed volumes)

And the new Role for Monitor



The QIPP Challenge

- Whatever the future this is a clear and present danger NOW!
- Hospital care is expensive
- Community care is usually cheaper (but need to ensure it is safe and effective)
- To make big savings we need to save “heads and beds”
- This means closing units not just reducing admissions
- This needs careful planning



The Case For Coalition

- Collaboration likely to be needed to effect large scale service redesign
- Need to move staff between institutions and into community
- Need to coordinate service change and share risks
- Need to maintain essential services
- Need to avoid “cherry picking”
- Need to avoid unnecessary redundancy costs
- Need to work to agreed cash limits



Providers of the Future

- Respond to national and local needs assessment with new options
- Can work collaboratively with other providers
- Focus on quality and outcomes not just turnover and profit
- Will accept and work to financial cost limits
- Ideally won't suddenly disappear!



The Case For Integration

- We know provider choice not high on patient's list of demands
- We know visible drop offs and fragmentation of care is frustrating
- So many patients do not follow simple care pathways or years of care (multiple LTCs)
- Continuity of care is valued by patients if not by government
- Need for continuous information and records
- One stop shops can be cheaper
(no transaction costs)



But Cautions To Integration

- Need to avoid provider capture
- Need to mitigate against perverse incentives
- Need to ensure value for money
- Needs effective regulation
- Need to ensure a Plan B if service failing



GPs as Providers

- Will need to be able to make “make or buy decisions”
- If all these need to be tendered it will kill innovation and rapid change
- A suite of “enhanced services” that depend on a registered list could be commissioned by GPCC from practices (with scrutiny by NHSCB)
- GPs can set up new provider organisations (e.g. for OOH) but then treated as “any willing provider”
- They will have to cope with Monitor, CQC and of course open competition



A Proposed Model

- Local coalitions encouraged to effect service change between providers and commissioners to meet JSNAs and local health plans
- Plans open to public interest test and local scrutiny (CCP, LAs, Healthwatch)
- Value for money and service continuity/quality predominant over the need for free market
- **Tenders not always required**
- Contestability for cost, quality or as lever for change but not for its own sake!
- Choice active in treatment plans and for those who want it in providers
- Integration to support joined up care (section 75)





But Let's Avoid the Education Variant of Choice

Where choice is often by the school on
the child rather than vice versa!





And If Our Aim is To Reduce Inequalities

Do we rely on competition to deliver this?
Providers must not be allowed to segment the market and serve only the “profit lines”



And As We Know From Politics

Coalitions aren't always cosy!

But sometimes are needed to meet
unprecedented challenges!

