

Britain's model of health reform blows an ill wind

The NHS experience reveals the true costs of a complete overhaul, **LESLEY RUSSELL** writes

Prime Minister Kevin Rudd is clearly gearing up for an election campaign that will have health care as a key issue. In Britain, another Labour leader, Prime Minister Gordon Brown, will go to the polls even sooner with health also a key issue.

Last week the launch of Labour's manifesto was held at a new hospital – visual proof of the British Government's investment in health services. The manifesto itself could have come straight from Canberra. It promised that: patients will get legally-binding guarantees on the treatment they receive in the National Health Service, including the right to cancer test results within one week of referral to a specialist; limited waits for treatment, with the backup of an offer to be treated in the private sector; a new focus on preventive care; the right to see a GP evenings and weekends, and more community health services; and all hospitals to become foundation trusts, with greater freedom to manage their budgets and decide their priorities. Poorly performing hospitals will be taken over by successful trusts.

Over the past 13 years, Labour governments have made major investments in health care reforms. Spending on the NHS has tripled since 1997, up from £33.5 billion (\$A55.7 billion) in 1997-98 to \$A160 billion for 2008-09. Some of this increased funding has been eaten up by inflation, but it has also bought more staff, more modern equipment and buildings, and improved access to services.

Britain has also had the benefit of rigorous, timely and uncensored reporting on progress made in achieving the goals set and the value obtained for the large sums of money

spent. These reports show that since 1997 there has been a major and sustained reduction in waiting times for hospital and other kinds of care. Few would criticise this huge achievement, but it should be a lesson to Australia that the relentless pursuit of this policy objective has had some downsides.

For example, the focus on speed of treatment has obscured a potentially more important focus on the overall effectiveness of treatment for patients. Although reducing waiting times was a top priority for the public [and important for the Government], the quantifiable overall health gain from pursuing shorter waits has proved surprisingly small, perhaps because excessive waiting times were experienced by a minority.

There have been improvements in the number and variety of primary care services and the ability of people to access these in a timely fashion, but progress in shifting care out of hospital settings has been slow. Since 2004 a range of new initiatives to better support people with chronic conditions have been introduced, and these have been popular with patients, carers and GPs.

But while GP achievement against the performance indicators has been high, these initiatives have not yet delivered significant improvements in terms of avoidable admissions to hospitals.

A real concern is that NHS efficiency has not improved, despite the introduction of new hospital payment systems. In fact, higher pay costs – an essential part of health and aged-care workforce reform that is not acknowledged by the Rudd Government – have absorbed more than half the financial resources made available to the NHS since 2002.

Perhaps the biggest lesson for Australia from the British experience is that failure to take aggressive and cross-departmental action to reduce the harm resulting from alcohol misuse and increasing rates of obesity has meant that the real value of investments to date have not been able to be realised. The most recent report from the King's Fund finds that there needs to be "adequate investment and energy in tackling the preventable causes of ill-health".

The full importance of this finding is highlighted by research from Western Australia showing that obesity has overtaken tobacco as the leading preventable cause of disease.

While health-care systems and health-care reforms are essentially country specific, there is one lesson of reform that is translatable internationally – by definition, a real health system must be fully integrated across community, acute and residential care, across prevention and treatment, and across physical and mental health. It must be linked by common e-health systems, report on standardised and agreed indicators, and have quality, value and equity as key goals.

Treating the health-care system as a series of silos and tackling one issue at a time will fail to deliver the needed changes and wastes resources and effort. Those failures then come home to roost at election time.

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