



13 October 2016

The BMJ Press Release

Private top-up insurance could help pay for the NHS, argues expert

But a critic says this could lead to inequities in healthcare

Private top-up insurance could help prevent the declining healthcare standards in the NHS, argues Christopher Smallwood, an economist and former chair of Kingston Hospital NHS Foundation Trust, and St George's University Hospitals NHS Foundation Trust.

"It's hardly controversial to suggest that standards of healthcare in the NHS are declining," he writes in **The BMJ** today, and points to long waiting times, unprecedented staff shortages, and the 85% of hospital trusts in deficit.

"The principal cause of this lamentable state of affairs is unquestionably under financing of the system," he argues. "The NHS will not be adequately financed as long as it relies exclusively on tax revenues."

He says "lessons can be learnt from some other European countries." In the French model, for example, mainstream healthcare is mainly financed from public funds, but the proportion of treatment costs covered would vary depending on the service provided.

Treatment for "catastrophic events" would be paid for by the state, with more minor treatments requiring a contribution from individuals.

The government could negotiate with insurance companies the premiums chargeable to provide cover for this menu of charges, as in Switzerland and the Netherlands. This could also be for treatments which the NHS is likely to withdraw. "Without such a scheme, poorer people may lose access to these treatments," he warns.

A French style scheme would be affordable for most people. The premiums would be lower than for private insurance at present because the bulk of costs would remain covered by the state.

"People on low incomes would be treated for free, with better-off people making contributions well within their means," he says.

"We're rich enough to drop the 'free at the point of use' principle for the pragmatic 'no one should be denied the healthcare they need for financial reasons.'"

Everyone would receive the care they needed, he concludes.

On the other hand, David Wrigley, a GP and deputy chair of BMA Council, says that private top up insurance schemes are common in the United States, which means those with the ability to pay can receive high standard care, whereas those who cannot afford extra payments receive care of a lower quality.

"We should be working hard to ensure that everyone has equal access to all the care they need," he argues. "This is why the model of the NHS from 1948 onwards has been the envy of the world."

He blames the current state of the NHS "firmly at the door of our politicians," who have enabled talk of 'top-up insurance' as the answer to the NHS's woes.

“Politicians could decide to fund the NHS adequately if they were to end their obsession with cutting public services. Governments can borrow at all-time low interest rates, and investment in healthcare has been proved good for the economy,” he explains.

He calls for more investment to be made into front line staff, and to end the exorbitant £2bn a year interest payments for private finance initiatives that could be spent on caring for patients.

Introduction of private top up insurance “would be a sad day for patients, and the NHS as envisaged—free for all at point of need—will be gone,” he concludes.

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Note to Editors

Head to Head: Could private top-up insurance help fund the NHS?

<http://www.bmj.com/content/355/bmj.i5424>

Podcast: <https://soundcloud.com/bmjpodcasts/h2h-top-up-payments-in-the-nhs/s-bzfYd>

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