

## UK government's contract with Atos is "unacceptably loose," MPs say

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Around 20 000 medical assessments of benefit claimants by the private company Atos Healthcare in 2010-11 failed to meet basic standards, the UK government's public spending watchdog has disclosed in a highly critical report.<sup>1</sup>

Margaret Hodge, who chairs the parliamentary Public Accounts Committee, criticised the Department for Work and Pensions' management of its contract with the French owned company Atos as "unacceptably loose and [permitting] loopholes that can all too easily be exploited by contractors."

The company was paid £112m (€140m; \$180m) in 2011-12 to carry out face to face assessments of 738 000 people as part of the government's drive to get more benefit claimants back to work. Atos has been dogged by claims that it was forcing sick and disabled people to work by carrying out substandard assessments.<sup>2,3</sup>

Four in 10 claimants judged fit for work appeal against their assessment, with 38% of these succeeding in their appeals. The appeals system is estimated to cost around £60m.

Around 4% of assessments in 2010-11 were judged to be "below professional standards," but financial penalties apply only if 5% are substandard—a target that the committee deemed "not sufficiently challenging."

And on other measures where targets had been missed the department collected only around 10% of the possible total in penalties, the committee noted. Hodge said, "I am stunned to discover that the department does not check and challenge the key performance data that supports invoices."

She added, "The financial model that informs contract charges was designed by Atos, and the department lacks an understanding of how it even works. The department must take immediate steps to get a tighter grip on this contract."

A spokesman for the Department of Work and Pensions said that the work capability assessment had been improved since 2010, adding, "It's a complicated area, but we're committed to making it a success so it's fair and accurate for the user and value for money for the taxpayer."

An Atos spokesperson said, "We are looking carefully at all the points made in the National Audit Office report and will work with the Department for Work and Pensions on any areas for improvement."

A spokesman for Disability Rights UK said that the committee was right to criticise the department, which was responsible for underlying problems in the system. "We estimate that more than £70m was wasted last year on inappropriate tests and the appeal system."

A spokesperson for Scope, a charity that supports people with cerebral palsy, said, "Disabled people want to work, but they face a host of barriers when it comes to finding a job. The government's fitness for work test should be the starting point for giving disabled people the support they need. Instead it is having a devastating effect on their lives."

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- 1 National Audit Office. Department for Work and Pensions: contract management of medical services. Oct 2012. [www.nao.org.uk/publications/1213/dwp\\_medical\\_services\\_contract.aspx](http://www.nao.org.uk/publications/1213/dwp_medical_services_contract.aspx).
- 2 O'Dowd A. Disability assessment doctors come under GMC scrutiny. *BMJ* 2011;343:d5284.
- 3 Hawkes N. Reforms of incapacity benefit are seen as attack on the disabled, report says. *BMJ* 2011;343:d4786.

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