As Ara Darzi was preparing to deliver his final report into the future of the NHS, four experts from the worlds of business, journalism, clinical services, and Whitehall gathered to discuss whether it should have a future at all. The motion of the debate was that “The founding principles of the NHS—services funded by taxation and available to all regardless of ability to pay—are no longer relevant in 21st century Britain.”

The motion was supported by entrepreneur and businessman Luke Johnson and Karol Sikora, cancer specialist and champion of privately funded medical schools in the UK. Opposing were Polly Toynbee, from the UK’s leading liberal broadsheet newspaper the Guardian, and Paul Corrigan, special adviser to two successive health secretaries at the Department of Health.

A poll of the invited audience at the Royal Institution, London, taken before the debate showed that just under a quarter (24%) supported the motion, 71% opposed, and 5% were undecided.

Luke Johnson, chairman of Channel 4, who studied medicine at Oxford University and has been instrumental in the success of many businesses, including Pizza Express, stepped up to support the motion. Perhaps unsurprisingly for an entrepreneur, he believed the NHS suffered because it was divorced from the commercial world’s twin drivers of efficiency and value for money.

**An outdated model**
The NHS was nothing but a “politically controlled state monopoly that is inefficient, outdated, and unsustainable,” he said, claiming the UK taxpayer does not see an adequate return on its almost £105bn (€133bn; $209bn) annual investment—an average of £3500 for every working Briton. “Yet we have some of the worst survival rates in Europe for cancer and strokes. Spending on the NHS under this government has more than doubled in less than seven years. Where on earth does all the money go? Are we twice as healthy?”

What was holding the UK back, thought Mr Johnson was “intellectual dishonesty” by politicians that the original NHS model could possibly serve a rapidly ageing population, with high levels of chronic disease. Politicians had limited management experience and wasted public money with “extraordinary abandon.”

“This government boast that they have been increasing our spending of our cash by 7% per annum in real terms in recent years, as if this is somehow clever, difficult, or morally a good thing. After all, any fool can spend money badly.” He cited as evidence “incompetent” pay negotiations with doctors: “Nowhere else in the entire world can such a lavish settlement have been agreed for such minimal productivity gains.”

But patients themselves had also changed since the NHS started 60 years ago. People

“The healthcare demands of our population and the expectations they have of the NHS are on a massive collision course”

Luke Johnson
now see themselves as consumers; if visiting their doctor they “expect to leave with a pill.” He said the “fee exempt” British public saw the NHS as a “bottomless pit.”

Tackling NHS efficiency, Mr Johnson claimed that the number of NHS managers had doubled to 40,000 under Labour so the health service now had fewer than five beds per manager.

He also pointed to the £1trillion public sector pension deficit, in which NHS workers are the largest component, and the £180bn worth of private finance initiative schemes that would be a burden to the UK for decades to come.

The thrust of his argument was that the NHS was designed for a different era, “An age of deference when people had much shorter life expectancies and no one could learn about expensive treatments on the internet.” Now people have a powerful sense of entitlement, he said, but the idea that we can all have the health treatment we want at anytime is “a fantasy.”

He said more insurance, copayments, and proper pricing must be brought in, with the NHS “as a safety net only.”

An efficient service
But Polly Toynbee, a political and social commentator at the Guardian, vehemently opposed the motion, and derided Mr Johnson for his lack of a credible alternative to the NHS.

“What is the alternative? We could just have less health care. Wherever you are in the world, the tax funded system turns out to be the most economic. If you don’t want the state to pay, if you think it is all too expensive, then it must be because you want to deny health care to somebody, or squeeze it in some way.”

Far from being wasteful and expensive, Ms Toynbee said, the NHS is actually the most efficient way of running a health service.

“The facts show that what is fairer also, on this occasion, happens to be cheaper.” Data from countries pursing alternative models included in the audience were clinicians, researchers, patient representatives and independent providers of health

“Wherever you are in the world, the tax funded system turns out to be the most economic” Polly Toynbee

“There is something absurd in the motion that just because something is 60 years old it lacks modernity” Paul Corrigan
From left: Fiona Godlee, editor of the BMJ; Karol Sikora, medical director of Cancer Partners UK and Doctors for Reform; John Humphrys, BBC Today programme presenter who hosted the debate; Luke Johnson, chairman of Channel 4

seem to confirm that the UK has made the right choice. “Funding the NHS from taxation is more efficient than all other systems, with lower administrative costs than insurance based systems, no cross billing, no collecting from employers and employees.”

She pointed out that within eight years of the NHS being launched in 1948, the universal service had actually reduced healthcare costs.

She went further: “In those countries that do have more private spending, costs tend to rise. Dutch and German experiments in making the rich pay for their insurance have resulted in increased overall costs in both the public and the private sectors, and worse equity. France recently increased its tax funding because private funding for consultations caused costs to rise. Famously, the US spends far more for far less. In the UK, areas with the highest levels of private insurance don’t result in lower NHS costs.”

But what about Mr Johnson’s charge that the NHS care compared badly with that in the rest of Europe? Ms Töynbee acknowledged that the biggest cause for discontent for UK patients was traditionally waiting lists.

But, she said, “Latest figures show not only have the long waits gone but average waits are now down to four weeks. The biggest drop came in the past two years, suggesting—contrary to what Luke Johnson said—the doubling of the NHS budget in real terms is having a real impact.”

On the charge of value for money, Ms Töynbee offered more evidence. “If you look at the figures for mortality amenable to health care—the crucial measure of avoidable deaths—latest figures show a 21% improvement during 1998-2003.” It was a much faster rate of progress than in France or Germany, around 13%, or the US, only 4%.

She said that the founding principles of the NHS would have renewed relevance in the future—technological advances would surely mean we need more collective funding, not less.

“One once genetic testing can predict which patients are high risk and which are low risk, private insurance will be impossible. Only the pooling of the risk collectively can really ensure that a universal service survives that.”

Ms Töynbee warned the audience not to treat press headlines as a barometer of how the public really felt about the NHS.

“There will always be egregious cases of terrible treatments to splash across the front pages of the newspapers,” she said.

Failing an ageing population

Karol Sikora, medical director of Cancer Partners UK, then entered the debate to support the motion and Mr Johnson’s earlier contribution. He began by condemning tax based healthcare systems as “doomed” because of the “new gerontocracy.”

Back when he was a young doctor, older people had poor cancer survival rates. “Now new technology can actually work in old people safely. When I first started work in oncology, the cut-off age for a bone marrow transplant was 50 because people fell apart at 50. Now there is no age limit,” he said.

“Because these people are going to pay less tax after retirement, they’re going to consume money paid by younger taxpayers. There is a limit to which younger taxpayers are going to subsidise the new gerontocracy. The equation doesn’t stack up.”

Returning to the wording of the debate motion, Professor Sikora pointed to the three founding values of the NHS—universality, equality, and quality. He acknowledged the NHS had universality but it had failed miserably to bring equality.

“There are people going to the high court next week for judgments to overturn appeals to the primary care trusts about cancer drugs. Some will get them. Some won’t. And these people are white, middle class, educated folk. They do not represent the average NHS patient.”

Turning to quality, the third founding value of the NHS, Professor Sikora attacked the fact that it was so variable. “You can get the best cancer treatment in the world in many parts of England and the rest of the UK. You can also get some of the worst. One is ashamed to see some of the second opinions that I get to do—people who have been written off without properly being diagnosed.”

Like his debating partner, Mr Johnson, Professor Sikora advocated allowing people to pay for care in different ways, including insurance.

Choice and competition

Paul Corrigan, director of strategy and commissioning at NHS London, disagreed. “There is something absurd in motion that just because something is 60 years old it lacks modernity.” All we had to do was to “renew” the values of the NHS in the nature of the modern world.
He alluded to the fact that the motion’s proposers had called for choice and competition. That’s exactly what the Labour government had set about doing, with foundation trusts, payment by results, and polyclinics. “The BMA is saying if you open a polyclinic next to an existing general practice, the public will choose to go to the polyclinic. Yes, it’s probably right. And that’s because we thought, 60 years in, we might want to renew the NHS by applying the principle of choice.”

Professor Sikora had complained that the NHS wasted money because individual hospitals, unlike private industry, had no incentive to get value for money. But Mr Corrigan vehemently denied this was any longer the case since the government rewarded high performing hospital trusts by giving them foundation status, which conferred preferential treatment.

“If you go to University College Hospital [London] now, they know the price of things. They know how to drive down the cost. They’ve increased business by 14% in the last year. And you go to Guy’s and St Thomas’, you go to Homerton, and you see institutions that are themselves now becoming leading institutions in European and world health care. That’s because we’ve got some competition.”

Mr Corrigan played down the problems of an ageing population. “The ageing population is me. And I’m not going to bring down the NHS because I’ve decided not to die. We have the opportunity to be an active ageing population and not a passive ageing population.”

He rejected the claim that technology was going to bankrupt the NHS. “Every other industry does well because of new technology, and health services go bankrupt because of it. And that’s because in hospitals across the world there hasn’t been a competitive organisation to drive those hospitals into modernity. I think with foundation trusts, with payment by results, with competition we’re starting to get this. And that’s how we’re going to squeeze enough value out of taxation to make this happen.”

He quoted his old boss, former health secretary John Reid, who said the NHS was “the best gift the British people have ever given to themselves”.

US dream

The US healthcare system was particularly derided by those opposing the motion. Ms Toynbee said that Mr Johnson and Professor Sikora had failed to say what would make the health service cheaper to provide.

“I’ve seen quite a bit of US healthcare; it is a vastly wasteful system. It is hugely extravagant and fantastically expensive. There is enormous overtreatment, fantastic numbers of diagnostic tests nobody needs, and virtually nothing for huge numbers of other people.”

Mr Corrigan threw in the fact that US car giant Chrysler now pays more a year for health care of its employees than it does for steel. “The American healthcare system is destroying the American economy. There are more strikes in the US about healthcare systems than about wages, because that’s the issue that people care about all the time.”

He said that the US famously paid 16-17% of its gross domestic product (GDP) on healthcare. “Well, that’s private money. That’s fine. Actually, no. Fifty per cent of that money is taxation—is state money—going on Medicaid and Medicare.” So the US spends the same proportion of GDP as the UK does on state healthcare.

Summing up Mr Johnson criticised the “evangelical” and “almost religious” tone adopted by Ms Toynbee and Mr Corrigan when defending the NHS. “It shows how irrational and how sentimental and how unrealistic these arguments are.

“The simple and profound point is not that we can’t afford it this year but that in the medium and long term the NHS is unsustainable. The grandeur with which the current government has been spending on the NHS is all very well, but the bills will come home and they will have to be paid.

“The danger is that healthcare demands of our population and the expectations they have of the NHS are on a massive collision course.”

In the end, the audience disagreed and the motion was lost, with 65% of the audience opposing the motion and 33% supporting it. There was, however, a 9.3% swing in favour of the motion.

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How the vote went. The first bar in each is before the debate and the second is after.

The founding principles of the NHS - services funded only by taxation and available to all regardless of ability to pay - are no longer relevant in 21st century Britain.

Numerical data:

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Watch a video of the debate at bmj.com/nhs60