

ON THE CONTRARY **Tony Delamothe**

What to cut

After the years of plenty the NHS will have to tighten its belt

In the first decade of the Labour government, spending on the NHS rose at an annual rate of 6.1%. This year and next it will rise at 5.5%, unless the current financial storm blows this commitment off course. From April 2011, spending will rise at 1%, if at all. This means that the NHS has two years to tighten its belt. I learnt all this at a recent summit organised by the Nuffield Foundation, which got me thinking about ways to save money. Here's my top 10.

1. Stop expanding capacity

As pointed out in a recent article on the primary care market, "spare capacity and instability may be necessary to create the conditions for choice and competition" (*BMJ* 2009;338;b1127). The independent sector treatment centres, liberalisation of the primary care market, and the polyclinics mooted by the health minister Ara Darzi were intended to produce both. Yet patients' appetite for choice is minimal (*BMJ* 2008;336:1327). As it's not going to become an effective lever for change in the short term, why not put the whole choice idea on hold?

2. Abandon practice based and patient based commissioning

Primary care trusts (PCTs) are struggling to commission effectively, because they lack the necessary expertise. How could individual general practices conceivably do any better with the even more limited resources at their disposal? Only a few enthusiasts have tried, and the early reports are not promising. Moving to patient held budgets for health care seems even more fraught. This is an experiment that should be shelved.

3. Stop PCTs adjudicating on new drugs before NICE has

This was an understandable sop to the public, inflamed by "patient" groups. However, PCTs are having difficulties performing their core functions without taking on new ones (see above). It's much more efficient to evaluate each drug once, at a

countrywide level, than for individual PCTs to puzzle over the complicated analyses on their own.

4. Cut the drug budget

The government should move to value based remuneration for drugs (that is, pay 10% more for a new drug that is 10% better than the current best treatment). It should start with the 20 most expensive drugs (by cost to the NHS), followed by the next 20, and so on working down the list. This exercise would brutally expose drugs with an insufficient evidence base, which could then be dropped from the formulary without qualms.

5. Cut spending on IT

The NHS national programme for IT is costing vastly more and taking far longer than originally planned. So how long will it take for the penny (or 1.27 trillion of them, actually) to drop? Apparently, the Netherlands, Denmark, and Sweden are developing their IT systems locally while maintaining centrally set standards. Is it time for the United Kingdom to look elsewhere for a model that works?

6. Call off reorganising anything for the next five years

Everybody other than government politicians and management consultants rail against the perpetual revolution that the NHS has become. Doesn't that tell you something?

7. Stop employing management consultants

Management consultants are on a quest to identify the sweet spot—"a place, often numerical as opposed to physical, where a combination of factors suggest a particularly suitable solution" (says Wikipedia). Since 2000 the sweet spot has turned out not to be any particular policy but the NHS itself. Unevaluated quality initiatives by the score, market reforms without number or coherency—management consultants have walked away with hundreds of millions of pounds of taxpayers' money. Let's just agree that their job is now done and it's time



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for all those clever girls and boys to find themselves the next sweet spot, somewhere else. It will be good for them and good for the NHS.

8. Stop intervention threshold creep

As the government exerts downward pressure on the price it is willing to pay for activity, surgeons may be tempted to compensate by reducing their threshold for intervention—thus performing more operations. This will keep the costs to the NHS higher than planned. Unless a strong case can be made that threshold creep benefits patients, PCTs should resist it.

9. Cut costs while increasing the quality of care of elderly people

No one seems to believe that we have got the acute and chronic care of elderly people even half right. Total costs are eye wateringly high and can only get higher with an aging population. Two years isn't long enough to sort this out, but a start needs to be made now. Dusting down the 10 year old findings from the royal commission on long term care would be a useful starting point.

10. Your suggestion here

Conclusion

The NHS budget this year is £102bn. My suggestions should net a couple of billion. I'm sure readers who actually work in the health service could come up with another couple of billion pounds' worth of ideas. A billion here, a billion there; soon you're talking real money. The two years the NHS has to implement these changes looks like the only luxury on offer.

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