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Will expansion of the NHS abroad benefit UK patients?

The new NHS mandate calls for hospitals to set up more profit making branches abroad. **Philip Leonard** says this will bring new revenue to the cash strapped service, but **Allyson Pollock** says that promoting trade in healthcare over universal access benefits no one

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YES

One of the quirkier parts of the opening ceremony of the 2012 London Olympic games featured dancers dressed as doctors, nurses, and patients in NHS hospitals. It was met with baffled responses from some of the press, which saw it as celebrating Britain's socialist heritage. Others expressed concern that it marked a new era of entrepreneurism: the NHS was now open for business and was preparing to export its national treasures to rich foreigners. Inevitably, concerns have been raised that this will be done at great cost to NHS patients because the best of the service will seek foreign gold and UK patients will be left with second rate healthcare.

These worries are misplaced. For a start, investors abroad are really interested in importing services from only the NHS's mega-brands. These are specialist centres such as Great Ormond Street, Moorfields, the Christie, and some of the larger teaching hospitals, such as Guy's and St Thomas's, which already have a profile outside the UK. So the majority of UK patients will never be exposed to the risks (nor sadly gain the benefits) of being treated in hospitals that invest abroad. In possession of such powerful brands, any decent NHS hospital would be in dereliction of its duty not to seek new streams of funding for their core missions.

Consider, for example, options for delivery of elective care in the Middle East—a diverse market with few publicly available data on quality. NHS organisations have a huge advantage because for many years they have had to publish performance data. They have readily available evidence on the quality of their care that can be shown to prospective patients, investors, and business partners.

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NO

Generating income from private patients abroad to fund the hard pressed NHS and meet patients' needs at home sounds like a good idea. The problem is that the NHS's system is not being exported; the NHS logo is simply a front for global business corporations.

David Cameron's announcement in August 2012 that the NHS "brand" would be tied to commercial investors has become Healthcare UK, a commercial joint venture between the UK Trade and Investment department and the Department of Health. Spun as a plan to set up NHS clinics abroad, the scheme covers all aspects of international trade from e-health and cross border trade in patients, to the trade in medical staff, technology, drugs, and intellectual property.

Selling NHS branded care abroad is not new. New Labour plugged the idea from 2003 to 2010, calling it variously NHS Global, DH International, and British Healthcare. The Health Industry Task Force set up by the government and the healthcare products industry in 2004 identified the NHS, because of its size, as a key sector in the development of a globally competitive British economy.[1] As the new NHS mandate, published on 13 November makes clear, trade is at the centre of the export model: "It contributes to the growth of the economy: not only by addressing the health needs of the population . . . but also through . . . exporting innovation and expertise internationally."[2]

NHS funds into private pockets

For 60 years the NHS was neither a brand nor a kitemark but a universal healthcare system. It proved to be more cost effective and inclusive than almost all other health systems because its administrators had sufficient power to allocate resources according to need and to keep overall costs,

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Of course, there are many things to consider before making the foray abroad. But for a number of NHS organisations, the prospects are quite compelling. It's unlikely, in the short term, that they will earn enough money to replace the huge savings being demanded by the Nicholson challenge. The NHS budget is enormous compared with the prospective income from overseas business. But that is because NHS Trusts are not yet experienced and resourced to pursue and deliver large deals. In time a number of NHS organisations will mature and gain the confidence to consider large, complex, and well rewarded projects. For some specialist centres, it's not inconceivable that 20% or more of their income could be generated with overseas clients, providing them with financial stability that liberates them to continue the delivery of world class medicine to NHS patients.

Secrets of success

Firstly, NHS organisations have to be clear about what they want to do. There are many options: joint ventures, working with dormant partners, direct delivery of services, training and development arrangements, and so on. Organisations need to be sensitive about how they operate abroad so as not to devalue the brand. A local partner may want to work in a different way from that adopted by NHS organisations at home. That is fine when the partner is providing helpful, practical advice about how to win work in the market but not when it wishes to cut corners on quality. It is tempting when operating in regulatory environments that are less rigorous than the NHS and where there is pressure on cost, to follow competitors by reducing price and quality. That's not to say that NHS organisations must not do it, but it must be a part of planned strategy not mere opportunism.

Secondly, it is a fallacy that there is easy money to be made in wealthy oil states or emerging economies. NHS organisations need to work hard for it. Many foreign markets have some tough negotiators, who have for many years been wise to foreign organisations after a quick buck. The NHS will have to show its long term commitment to its hosts and make plans to stay in markets for years rather than a few weeks or months.

Finally, if NHS organisations intend to sell the services of doctors, researchers, and other staff abroad they need to recruit so that they have capacity and NHS patients are not let down. They will need to employ commercial specialists with the skills to develop relationships, design services for clients, assess risk, win contracts, and most importantly deliver abroad.

If the NHS does these things well, and there is every reason to think that it will, international markets offer great opportunity for the service to extend itself, offer its skills to the world, and secure foreign money that does the opposite of short changing UK patients. Indeed, those whose services are in potential demand have a moral obligation to serve their NHS patients by exploring overseas opportunities that will secure the future of their organisations and their world class treatment and research.

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including administration, low. The gatekeeper role of general practitioners was crucial. As parts of it are floated off, either as foundation trusts with commercial joint ventures or simply as contracted private providers, that power of direction is reduced and so too are public accountability and equity of access.

Large teaching hospitals, including Moorfields, Imperial College, and Great Ormond Street, have set up services in the Middle East, and efforts are being made to penetrate Brazil, India, and China. These titans of the pre-NHS voluntary hospital system—with their large endowments, extensive private patient lists (generating 30% of Moorfields' income), and political clout—have always exercised disproportionate influence over allocation of resources and been able to put their own interests before those of rational planning.[3] Foundation trusts now have the freedom to divert scarce clinical resources including beds and staff to private use. The freedom to generate up to half their income from private patients brings no benefits for publicly funded patients.

The government has reportedly said that investment in foreign trade could come only from the revenue these organisations make from private patients.[4] But increased trade has meant that taxes intended for patient care now flow into myriad private contracts, where commercial secrecy disguises the scale of profits and offshore and tax avoidance schemes disguise returns from international trading.

Nor will the NHS necessarily benefit. Private finance initiatives (PFI) are an international trade, too, and the results have been catastrophic, with major cuts in NHS services and staff. Today, most of the hospitals in England are on "red alert" because they have no beds available to which to admit sick people.[5] The government has stopped monitoring the problems, but emergency departments are overflowing and bed occupancy rates and staffing are at dangerous levels for many specialties.[5] Further cuts are looming with several NHS hospitals on the brink of bankruptcy as PFI debt payments continually rise. Reductions in activity of 25-30% are predicted across south London alone.[6] These past and projected closures are a result of the Treasury's siphoning off more than £2bn to itself and billions to private, for-profit companies.[7]

With the freedom to generate up to half their income from private patients, there are no benefits for publicly funded patients

Damage to public health

In India and South East Asia, where there has been a heavy emphasis on "health tourism," the planning of hospital infrastructure and the costs of care are in danger of being driven up by trade related investment, leaving more local people without basic care.[8] The same is true of the US. Take the rich and the middle class out of the public system and you are left with an underfunded service that no one wants to use.

International trade rules further reduce the scope for public health as distinct from market based planning. The status of foundation trusts after the Health and Social Care Act 2012 is a source of controversy: will their new commercial freedoms put them beyond government and the reach of the public?

Whether presented as generating income from foreign patients to benefit the NHS or as an industrial strategy for export led growth, the policy that promotes trade and markets in healthcare over universal access and equity is equally catastrophic for patients and for citizens both at home and abroad.

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