

Middle Articles

IS THERE AN ALTERNATIVE?

A Health Corporation?

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Brit. med. J., 1967, 2, 102-103

The suggestion that "medicine should be taken out of politics" is a recurrent one, and support for the vesting of responsibility for health services in a public corporation rests on a belief that such a change would achieve the desired alienation of the service from political control. The argument is unsatisfactory on two counts. Firstly, implicitly or explicitly, it places responsibility for the postulated shortcomings of the service ("too few" resources devoted to health, inefficiency in the utilization of those resources, dissatisfaction with pay and conditions, emigration rates, the alienation of specialists and general practitioners, and so on) upon the fact of "amateur" and "uninformed" control by politicians, without recognizing that the nature of the control is the inevitable outcome of the mode of access to medical services that the community has adopted. Secondly, and arising out of this, it fails to recognize that it is the mode of access that matters: a public corporation would change nothing (except perhaps for the worse) unless it were able to finance health services from sources other than those now used, and *ipso facto* to produce a new relationship between the service and its customers.

Existing British public corporations cover a wide range of activities. A number of them—for example, in coal, electricity, gas, and railways—are engaged in essentially commercial activities, but are argued to require public operation *inter alia* because they also serve "social objectives" of a kind that is never specified with any precision. In so far as these corporations sell their products in the market, at prices bearing some relation to the underlying conditions of supply and demand, they have a source of revenue that is independent of the Government, and it is this that makes it possible for public corporations of this type to enjoy the kind of freedom from direct control that some would like to see enjoyed by the National Health Service. Some degree of political control does of course exist in the form of a Minister with general responsibility for the service in question. But he can avoid undue involvement in day-to-day questions of management, since the necessary constraints are provided by the market. The enabling statutes can thus permit the Minister to restrict himself very broadly to questions arising out of the need for capital and deficit financing that involve demands upon the public purse.

Control of Corporations

The history of control of corporations of this type since the second world war is instructive. Until 1961 the Acts setting up the "commercial" corporations commonly incorporated two requirements of the general form that, firstly, enough revenues should be earned to meet items chargeable thereto, and, secondly, that the corporations should act to

further the "public interest." Since the latter was never defined in operational terms, any difficulties met with in meeting the former requirement tended to be "explained" as the result of a conflict between the corporation's "break-even" obligation and its (overriding) conception of the public interest. Successive Governments acquiesced in this procedure, but increasingly uneasily: recurrent deficits incurred in the name of the public interest are an obvious source of political discomfort.

By 1961 there was widespread agreement that change was needed. A White Paper *The Financial and Economic Obligations of the Nationalized Industries* (Cmd. 1337) argued that the fact that the trading corporations might have obligations of a national and non-commercial kind did not absolve them from the need for a proper commercial and economic justification for their activities. The earlier vague and imperative directives were replaced by much more specific rules. These provide "guidelines" for the individual enterprises. Very generally, specific financial and other "targets" are agreed between the Government and individual corporations, account being taken of social, strategic, and other obligations. Within this context the corporations can then operate by ordinary commercial criteria. The system is not free from difficulty, particularly in the fact that political expediency may override other considerations in the setting of targets. But it does enable the Minister to free himself from day-to-day operational responsibility.

From our present point of view, the lesson of this brief history is obvious enough: the degree of freedom from political control of a public trading corporation is directly dependent, firstly, on its ability to restrict its demands upon the public purse, and, secondly, on the degree to which the magnitude of those demands can be controlled in advance and by general operating rules.

British Broadcasting Corporation

But are these trading corporations the appropriate model? We might next consider the British Broadcasting Corporation, which is often mentioned as the kind of organization that might replace the National Health Service. The first point to be made is that the B.B.C. is "kept out of politics" only in a technical sense and one which is not directly relevant to the organizational problems of the National Health Service. Indeed, it might be said that the structure of the B.B.C. is an attempt to resolve a special problem of political democracy: how to ensure that the Government has access to an important medium of communication without that medium coming to be controlled (in a political sense) by it. The B.B.C. has lay governors, and has negotiated with the politicians some very sophisticated rules controlling the use of the medium by political groups.

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Thus the "political independence" of the B.B.C. is itself a political matter in a fashion that is not true of the provision of health or of any other social service.

In any case, the financial arrangements of the B.B.C. reflect the problems and objectives just described. The Corporation is not entirely dependent on the Exchequer, as it can raise revenue from licence fees. The fees are low by international standards, but their existence clearly provides some freedom of action. Again, the B.B.C. is subject to competition, both from its own and other media. Direct competition is relatively new, and its consequences have been interesting. Judgement on the content of programmes is perhaps too subjective to be useful, but there seems to be little doubt that *technical* standards have been raised by competition, and even less that the pay and conditions of the B.B.C. staff have been improved. There is equally little doubt that in the past the B.B.C. has used its monopoly powers and special relationship with the Government to protect its own position and inhibit the development of competitors, and this in ways not easily reconciled with any plausible view of the public interest: anyone who doubts this needs only to read the history of the development of wire broadcasting in Britain.

Alternative Sources of Finance

In conclusion, we can bring together some of the specific questions to which advocates of a public corporation for the National Health Service, whether or not modelled on the B.B.C., must find answers. Firstly, would they accept lay control? If not, how would they justify doctors alone being treated as judges in their own cause (for example, in the determination of their own pay and conditions)? Secondly, do they expect the corporation to be financed entirely from the public purse? I do not share Enoch Powell's pessimism about the discovery of improved financial arrangements, but he is surely right in arguing that public finance must imply public responsibility: a corporation that can refer complaints only to its

paymaster must expect that the paymaster will decide all the important questions. If it is accepted that the desired independence of politics demands other sources of finance, what are they to be? There are two broad possibilities. One follows the pattern of the trading corporations (and for that matter the B.B.C.): it would make the Health Corporation wholly or partly dependent on fees provided by patients, insurance organizations, and so on (and would subject it to competition from private medicine). The other, supported by some who find private finance distasteful, would seek to alter the form of public finance by devoting a given proportion of the national product to health purposes. Thus, it is said, the Health Corporation is guaranteed an income and can plan ahead accordingly, and Parliament has done its job and need not interfere further. The argument does not stand up to serious examination. How is the share of health to be decided? The Government provides all kinds of "good things," and the technicians responsible for each of them are all sure that their "share" of the public purse is too small. The sum of the "shares" they would all expect is larger than any Government could provide. Who but Parliament can decide where to cut? Even if health services were the only ones to enjoy the privilege of this procedure the same questions would arise. Negotiation about the size of the health budget would be replaced by negotiation about the Corporation's share of the gross national product. Inevitably, Parliament would turn this formula back into cash, since for the politician it is the sacrifice of resources to other public or private uses that matters. We are back where we started.

We are back where we started in a broader sense. We certainly need to try to improve our arrangements for providing health services. But a Health Corporation *per se* would provide solutions for none of the problems that trouble us—and might produce some new problems of its own. It could be of value, if at all, only as a medium for the implementation of the new modes of finance and organization that remain to be found.

HOSPITAL TOPICS

Two Years' Admissions to a Regional Child Psychiatry Unit

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Brit. med. J., 1967, 2, 103–106

One of the striking changes in the psychiatric services in Britain since the inception of the National Health Service has been the establishment of many new psychiatric inpatient units for children. Most regional hospital boards now have at least one such unit operating within their area. There is nevertheless little information about the part these units play in the child psychiatry services as a whole, and the place of inpatient psychiatric treatment in children is still not clear. The subject was discussed in a memorandum of the Royal Medico-Psychological Association (1956), which recommended the provision of 20 beds for children up to 12 years of age per 500,000 population, with, in addition, one long-stay unit of 25 beds for each regional board area.

To date, an account of the work of a regional unit catering specifically for the needs of a defined population does not seem to have been published. Yet the nature of the work done in such units must be of importance, both from the clinical point of view and for the planning of future developments in the child psychiatry field. This paper gives such an account and analyses the work of Liff House Children's Unit during its first two years of operation.

The Unit

Liff House is the children's unit of Royal Dundee Liff Hospital, the psychiatric hospital for the Dundee area. Unlike its parent hospital, Liff House is a regional unit, admitting patients from the whole area covered by the Eastern Regional Hospital Board. During the two years under review only three

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