

SECRET

D

21 July 1989

2(a-d)

PRIME MINISTER

WORKING FOR PATIENTS - A PROGRESS REPORT

Kenneth Clarke's progress report is encouraging. Support is growing amongst clinicians and nurses for the underlying principles of the reforms: medical audit, better information, devolved management and money following the patient.

Unfortunately, most of the national representative bodies are not prepared to accept the next philosophical step towards self-governance and GP budgets. Bridging this gap must surely be a priority.

Kenneth Clarke is rightly focussing on the 178 hospitals that have expressed interest so far. All but 6 are real contenders. If we can achieve a first wave of 50 or so self-governing trusts by April 1991, implementation of our reforms will be well under way.

Yet there are serious pressure points. Departmental officials are sometimes too complacent. A bilateral meeting with Kenneth Clarke in early September may help us to focus on the key steps to take to ensure that we will be able to deliver tangible results over the next few years.

Possible outline agenda:

1. Relaunching the reforms

Our main objective must be to win the hearts and minds of the medical professionals. The public will then follow.

But we may need a national publicity campaign to emphasise the benefits of the reforms in a straightforward way. There

And
bring
us back
to the
problem of
the committees.

SECRET

SECRET

b.

is still much confusion as to why we are reforming the health service and what the actual benefits will be.

2. GP Contracts

The unresolved contract negotiations continue to interfere with the NHS reforms. In the recent poll by the BMA, three-quarters of the doctors voted against the new contract. Now there is a strong case for speeding up the deliberations of the Doctors and Dentists Review Board. Once the new contract has been priced, we will then be able to communicate the actual impact of the changes to GPs. If this process is delayed, GPs will continue to fear the worst: a fall in their income.

Falling incomes are central to GPs' concerns. A vast majority still believe - quite mistakenly - that they will need to increase their list size substantially. As a consequence, GPs believe they will then spend less time with their patients. These arguments must be countered.

But they have one valid concern. Many GPs feel they will be unable to achieve national target rates for childhood immunisation and cervical smears. This may well be true. I believe we would create a much better atmosphere if FPCs were given the power to manage the transition more thoughtfully, within a local cash-limit. GP budgets would then receive close attention from GPs.

3. Quality of Care

The Royal Colleges believe that unbridled market forces will take priority over the quality of care and the level of service provision. I believe we need to emphasise the role of the District Health Authority more forcefully. This presentational point is critical.

SECRET

The DHAs will no longer need to run hospital laundries. They will focus on satisfying the health needs of the local population to the highest standards possible.

If the Royal Colleges eventually accept this crucial point, they will probably support the concept of self-governing hospital trusts. But the Colleges currently believe that self-governing hospitals will only provide the most profitable services (eg elective surgery). And their clinicians will then be paid the highest salaries - therefore attracting the highest calibre staff. Other DHA managed hospitals would then lose their best staff. As a consequence, they believe the overall level of service will fall.

We have some very strong arguments to counter these claims.

4. Information Technology

Money following the patient will not work without good information on costs and throughout. Progress is not encouraging so far. There is a critical need to develop a coherent strategy.

5. Medical Education

We need the support of our major teaching hospitals. But we have failed to allay their fears about the changes. One priority must be to ensure that the current level of funding for medical schools is preserved.

6. Pace of change

We are coming under increasing pressure to compromise on the principles of our reforms, to slow down progress and then to introduce pilot schemes. This should be avoided at all cost. Presentation and tone are far more critical.

SECRET

d.

For example, we need to stress the voluntary nature of the main reforms, the active involvement of doctors in implementation and the evolutionary nature of the changes.

Ian Whitehead

IAN WHITEHEAD

SECRET