

NHSScotland versus
NHSEngland:
Does More Money Mean Better
Health?

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NHSS v NHSE Content

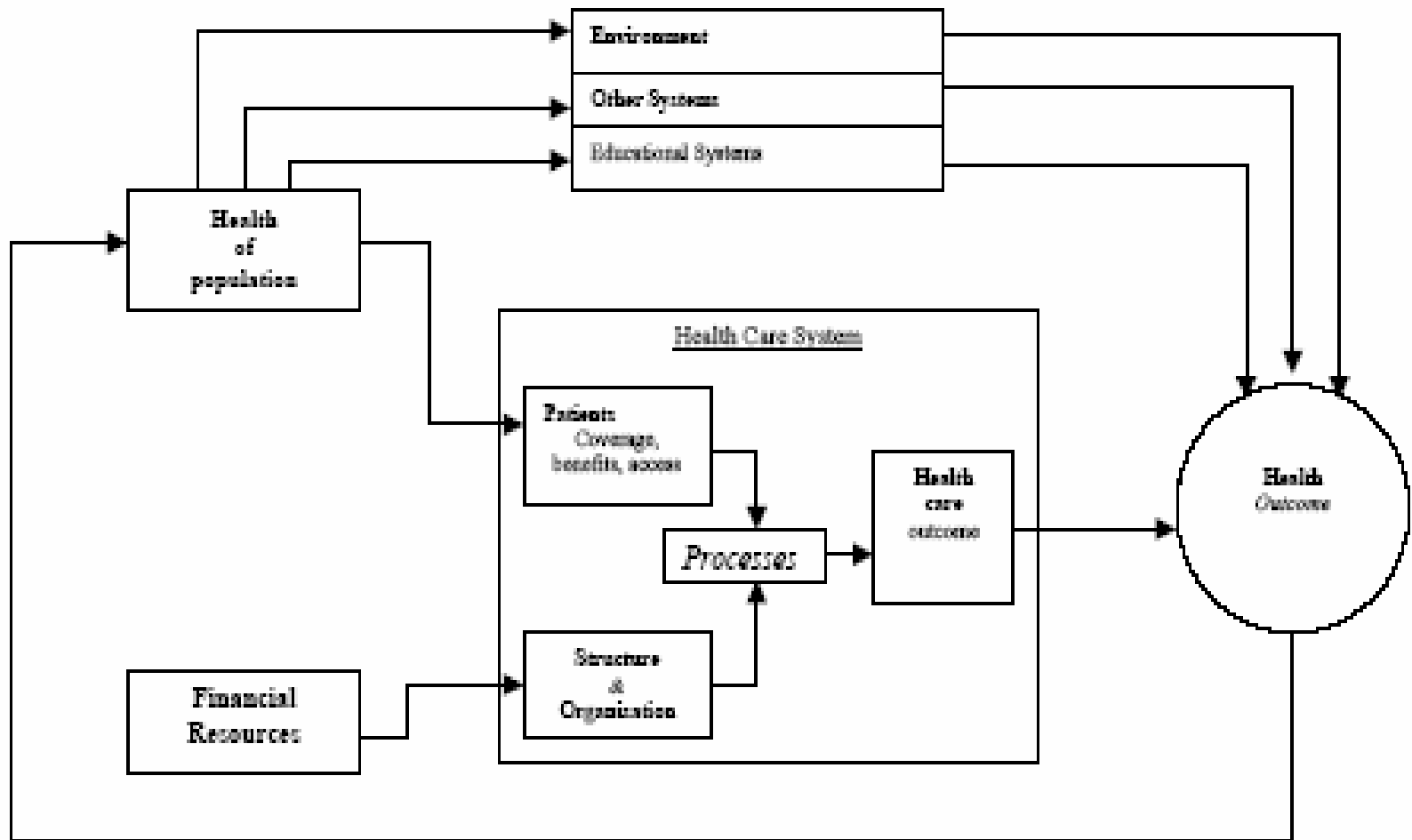
- Hypothesis
- Model
- Results
- Hypothesis
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Hypothesis

- *‘That increasing healthcare expenditure in England may not yield improvements in patient care sufficient to raise standards to those found in other countries such as Switzerland and France.’*

Locus: Scotland and England and wider
OECD

Figure 1. Health Care System Inputs²



Source: reproduced from Busse, R. *Health Care Systems: Britain and Germany Compared*, 2002

Results: Inputs

<i>Financial inputs</i>	Scotland	England
Expenditure	£1,347 (2000-01)	£1,132 (2000-1)
£ Source	Public, tax, NICs	Public, tax , NICs + more private
% Total public exp.	C.24%	C.24%
Co-payments	Prescrip, dent, eye	Prescrip, dent, eye
<i>Population and Environmental Inputs</i>		
Alc, tob, diet, exercise, income rel. ineq. in health	Worse	Better
Blood Chol, blood press, income ineq,	Better	Worse
Geographic variation	Significant	Significant

Results: Healthcare System I

NHS Structure / Organisation	Scotland	England
<i>System Type</i>	Public Beveridge	Public Beveridge
<i>Coverage</i>	Universal	Universal
<i>Health Benefits Package</i>		
Rationing / Access	HTBS/SIGN/NHSQIS (eg.IVF), + waiting list	NICE (IVF)+ waiting list
Screening programmes	Higher coverage	Slightly Lower
Personal+nursing care	Paid by govt (not housing / living costs)	Not paid for

Results: Healthcare System II

Healthcare System Resources	Scotland	England
<i>Ownership and management</i> Eg. hospitals	Public <94%	Public >94% (+private)
<i>Doctors, Consultants, GPs, nurses, midwives, dentists (pc)</i>	Higher supply Ns- 7.3WTE	Lower supply Ns- 5.4WTE
<i>Acute beds, beds per staff.</i>	Higher supply	Lower supply
<i>All beds per 1,000 pop</i>	3.53	2.2
<i>MRI/ CT/LinAc (pc)</i>	Lower supply	Higher supply
<i>Stroke Units (all forms) (pmp)</i>	Higher (5.71)	Lower (2.80)
<i>Geographic Variation in Supply</i>	Significant	Significant

Results: Healthcare System III

<i>Healthcare System Activity</i>	Scotland	England
Finished consultant episodes per med / dental staff	Lower (126) (2000-01)	Higher (206) (2000-01)
FCEs / discharges and deaths per bed	Lower	Higher
Bed occupancy rates	Similar	Similar
Average length of stay	Longer (7.4 days)	Shorter (5.1 days)
<i>Standard Treatments (for Cancer, CHD, Stroke)</i>		
Breast + Cerv. Screening cover	Higher	Lower
Histological verification + curative treatment of lung cancer	Higher 61% - 58%	Lower 58% - 52-53%
Revascularisations (CABG, PTCA)	Higher	Lower (PTCA higher)
Statin prescription per capita	25% Higher	Lower (closing gap)
Spec. Stroke Unit treatment	65%	49%

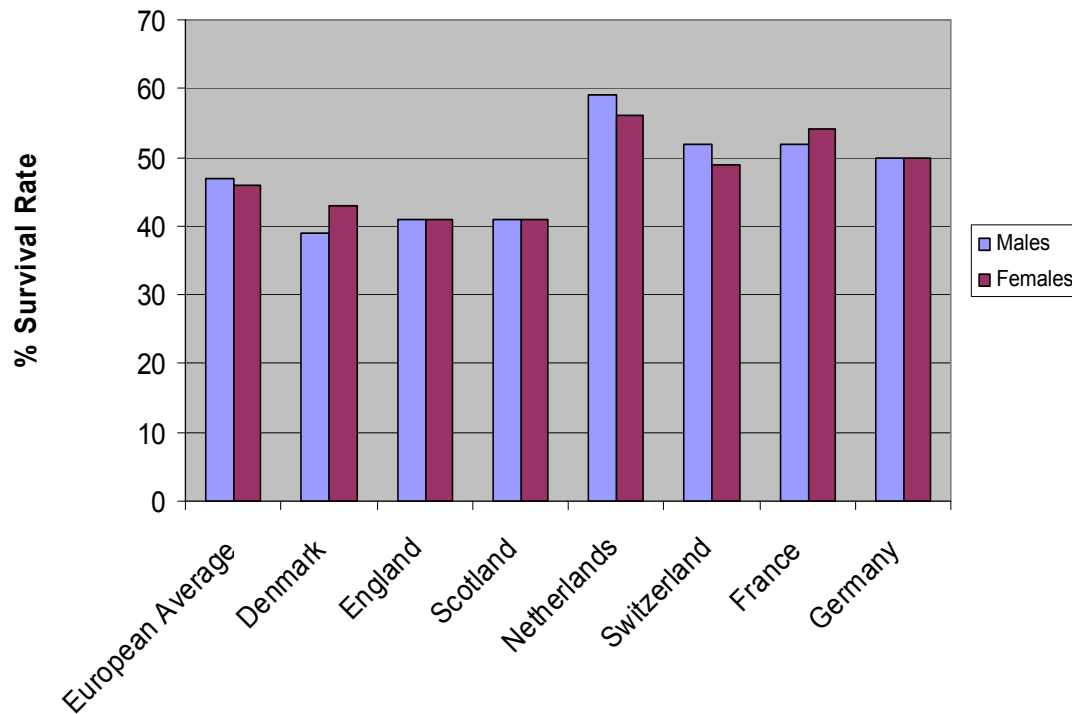
Results: Healthcare Outcomes

Outcome	Scotland	England
Life expectancy	Lower for male + female	Higher
Infant mortality	Identical	Identical
Alcohol related mortality	Higher	Lower
Cancer Incidence	Higher	Lower
CHD Prevalence	Higher	Lower
Stroke Incidence	Higher	Lower
Mortality from CHD, Stroke, and major Cancers	Higher	Lower
Cancer Survival	Improving, but serious data concerns	Improving, but serious data concerns
Geographical variation	Significant	Significant
International comparisons	Generally poor	Generally poor

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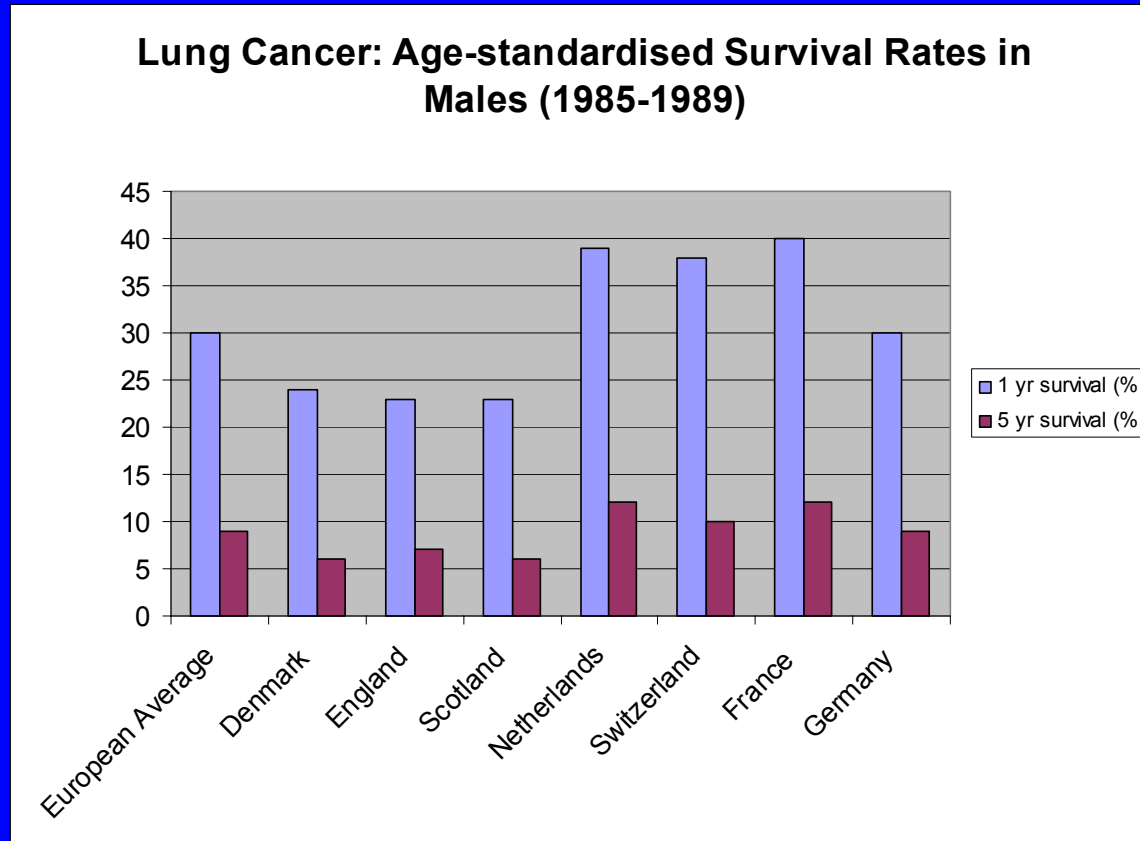
Colon Cancer Survival

Colon Cancer: Relative 5 yr Survival Rate (1985-1989)



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Lung Cancer Survival



Supply is better in Scotland, so why the differences in outcomes?

On the one hand.....

- Population and environmental inputs
- Esp diet and increased levels of social deprivation (Carstairs Dep. Index, Leon et al).
- 40% of excess of 'all age mortality'
- 60% of the observed excess of premature mortality.

Alternatively.....

- The healthcare system
- The funding system

But more likely to be both.....

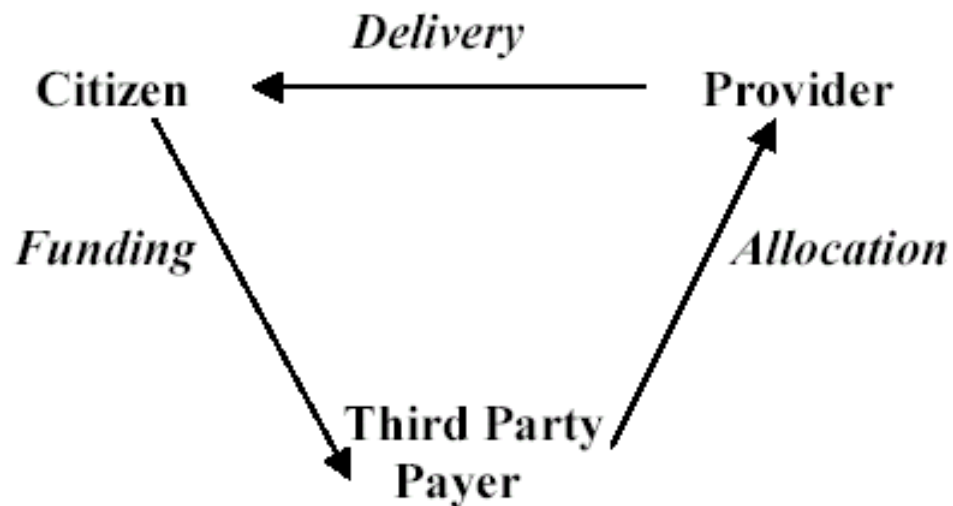
Hypothesis:

‘That increasing healthcare expenditure in England may not yield improvements in patient care sufficient to raise standards to those found in other countries such as Switzerland and France.’

- Not as clear-cut as we expected
- Hypothesis ‘not proven’.....
- Is there better way of funding healthcare?

Back to Basics

Figure 1. The Healthcare Triangle



Source: adapted from Mossialos, Dixon *et al* (2002) pp2-3

Common Healthcare System Objectives

- Adequacy and equity in access to care
- Income protection
- Macro-economic efficiency
- Micro-economic efficiency
- Freedom of choice for consumers (in public and private sector)
- Appropriate autonomy for providers

Five types of healthcare financing schemes in Western Democracies

<i>Private model (Voluntary)</i>	<i>Public models (Compulsory)</i>			
	Social Insurance- based systems		Taxation-based systems	
£ Allocation Competitive insurance plans	£ Allocation Competitive insurance plans (a)	£ Allocation Employment-based insurance plans	£ Allocation Public sector devolved	£ Allocation Public sector: centralised.
USA	Netherlands	France	Denmark	UK
	Switzerland	Luxembourg	Canada	Spain
	Germany	Hungary	Italy	Portugal
	Belgium	Austria	Sweden	Ireland
		Greece	Norway	
		Finland		

Based on Table 11.1, Rice, N and Smith P., 'Strategic resource allocation and funding decisions' in Mossialos, E, Dixon *et al*, (2002).

(a) Note German, Dutch and Belgian health insurance funding is employer based, while that in Switzerland is not.

Analysing Funding Systems

Eight key features:

1. Price consciousness
2. Social solidarity
3. Consumer empowerment and patient satisfaction
4. Quality of care
5. Clinical autonomy
6. Conflicts of interest with the third party payer
7. Responsiveness
8. Fiscal viability

Spectrum of public healthcare funding arrangements: tax is not the same as social insurance.

Increasing Respect for Role of the Individual

National general taxation	Mix of national and Local / regional taxation	Local taxation. Locally managed Accounting for 75% of local expenditure (quasi-hypothecation)	Hypothecated Taxation. Degree of hypothecation varies.	Single social insurance fund	Single fund serving <i>geographically distinct</i> populations No choice.	Multiple non-competing funds serving <i>occupation-specific</i> populations. No choice.	Choice of multiple competing third party payer	Choice of multiple competing third party payer + variety of insurance options
UK	Canada Finland	Denmark and Sweden	Finland, Belgium, Austria (Sin-taxes) France (CSG)	Hungary and other CEECs	Netherlands (AWBZ)	France, Luxembourg, Austria.	Germany Netherlands (ZFW) Belgium	Switzerland

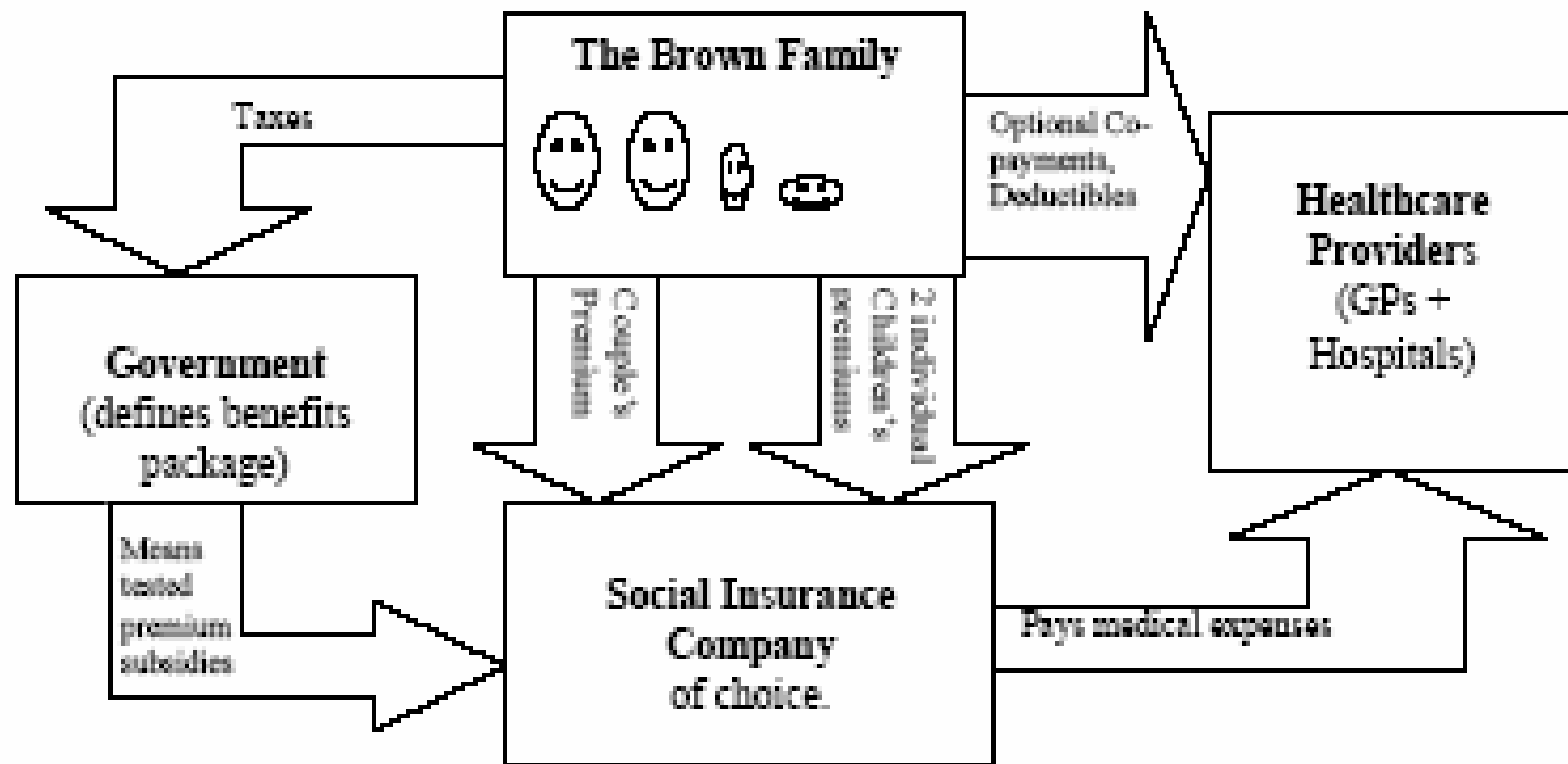
Increasing Role for the State

Does Swiss-Style Social Insurance Offer a Solution?

Key features of the Swiss system:

- Government ensures access to a high standard of care.
- Choice of competing healthcare providers.
- Health insurance compulsory.
- Choice of competing, non-profit insurers.
- Individually contracted policies – no employer contribution
- Obligation to contract
- Community-rated premiums - not based on medical history or age.
- Risk Adjustment Mechanism
- Tax-funded premium subsidies for poor

Flow chart depicting financial flows in an individual payment social insurance system.



Conclusion

**Public Service Not Public Sector:
Combining Social Solidarity with
Consumer Choice**

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