Great Expectations

Achieving a sustainable health system

Jennifer Rankin and Jessica Allen with Richard Brooks

Executive summary

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Executive summary

It has long been understood that rising public expectations are one of the main cost pressures on the health service. This study set out to assess how policymakers can reconcile high and rising public expectations with the need for a health system that is financially and politically sustainable.

Public expectations

Aneurin Bevan, architect of the NHS, stated in 1948, that: 'We shall never have all we need…expectations will always exceed capacity.' Since then, people's expectations have risen dramatically and the pressures have intensified over the last two decades as people have become more sophisticated consumers and richer, better educated and less deferential to expert opinion.

High expectations are not a bad thing. Both as taxpayers and service users, it is right and necessary that the public has high expectations about what public services can deliver. The public's expectations play a vital role in holding politicians and providers to account and maintaining momentum for progress and improvement.

However, when expectations become unrealistic, this creates problems for the service. This is because expectations, often refracted though the media, can drive the health system in inappropriate ways. For example, people are often attached to their local hospital even when that does not represent the best, or even the safest, use of resources. Only one in four people sees value for money as an important factor to take into account when deciding what drugs and treatments should be provided. Without public awareness of the choices that must be made in any resource-constrained health system, unreasonable expectations can create pressures on government to intervene in decisions that are not necessarily in the best interests of the system in the long run: for instance, in decisions about local hospital configurations or promising universal and freely available drugs despite cost constraints. The focus of people's expectations also reinforces an unhealthy emphasis on the acute health sector at the expense of improving health more broadly, which undermines the financial sustainability of the NHS in the medium to long term.

In this report we assess expectations as one of a number of cost pressures on the NHS. We describe the interrelationships between expectations and health policy since 1948. Particularly, we assess how, since 1997, the Labour Government has attempted to meet expectations through reform and increased funding but has simultaneously raised people's expectations. We assess what influences people's expectations about the health system and present original research showing how expectations of access to health care and treatments are running ahead of government targets. We examine how expectations vary across groups of the population, particularly between patients and the wider public, and we assess whether governments can ever meet expectations within the current structure of the health system.

High expectations and the political value attached to satisfying them can be particularly damaging because of the way the English NHS is organised. Strong central control and accountability have led to political interference in decisions that should be made by local bodies or independent organisations. We propose distancing national politicians from day-to-day decision-making, without losing crucial national political accountability. We argue for more local legitimacy for health system decisions through stronger

local accountability and public engagement and through the introduction of Primary Care Trust (PCT) foundations. All of these ideas should be explored further as part of the NHS Next Stage Review, being conducted by Professor Ara Darzi, and be reflected in a new NHS constitution.

The pressures on spending

Since the beginning of the NHS, professionals and pundits have claimed it is unaffordable. We have just seen the fastest ever increases in the rate of growth in health spending. In the UK the percentage of GDP spent on health has risen markedly from 6 per cent in 1990 to 9.2 per cent in 2007-08. This has been funded through increased National Insurance contributions since 2001, something that previous administrations probably would have regarded as both unaffordable and unacceptable. But the appropriate level of spending changes over time. Ultimately, affordability is something we choose.

The combination of ageing populations, rising concerns about public health, the increasing costs of drugs, technology, and workforce, heightened demand for health care and rising public expectations all put pressure on health spending to grow. Politicians are acutely aware that support for public services also depends on the effectiveness and efficiency of spending. In 2000, the Government was concerned that declining public confidence in the health system might threaten the viability of the NHS. Policymakers realised that if the NHS was going to survive as a universal service, rather than as a residualist service for the poor, there needed to be a way to prevent the middle classes from buying their way out. This meant that the gap between public expectation and performance had to narrow. The Government had to meet expectations to guarantee the sustainability of a universal health system.

What shapes expectations?

Government and policymakers play a significant role in shaping public expectations. Clinicians have accused ministers of a tendency to promise more than can be delivered and raise public expectations to levels that cannot be met (Ham and Alberti 2002). Politicians shape expectations not only through what they say, but also through what they do not say. Politicians have not started a public debate on the limits of healthcare. Both government and opposition politicians have contributed to the impression that the NHS can do everything. This is not a party political issue. Politicians of all parties collude in the idea that everything is possible and that the limits to improvement only exist in the plans of their opponents.

Media reports also influence public expectations about the health system. The media sometimes encourages people to believe the state of public services to be worse than they are. There is evidence that NHS staff influence patient dissatisfaction and negative opinions from some staff are a key driver of overall satisfaction. It is sometimes claimed by government policymakers that changes in the private sector are shaping people's expectations of public services. Just as people have greater choice and flexibility over where and when they shop and what they buy, they expect similar flexibility in the delivery of public services. They also expect the experience of care, not just the outcomes, to be of high quality.

Rising expectations

Since the NHS was founded, there have been changes in how politicians have managed public expectations. During the early phase of the NHS public expectations were dampened by cost constraints. By the 1980s this approach disintegrated, amid increasing anxiety about underfunding and a growing sense that the NHS was failing to meet public expectations. Since 2000, the Government has actively sought to raise expectations, first about the quality and responsiveness of the NHS, and second about how the NHS can improve services for those groups it has served the least well.

Since 1997 the Government has tried to meet rising expectations through increased funding and system reform and through ensuring minimum quality services, through regulation, national frameworks and

improved access. However, despite improvements in many areas there is still a strong public perception that the health system is inadequate and failing to meet expectations.

There is also a perception that the public is more demanding than ever before. One of the dominant themes of the public service reform debate has become the need to ensure that public services meet the attitudes and expectations of the public. This is reflected in the new Prime Minister's assertion in 2007 that the health service is his top priority, and that it needs to 'respond to … citizens' needs and expectations'.

In 2006 ippr commissioned a survey of the public about their expectations of access to NHS services and availability of drugs and treatments. Overall, people's expectations about speed of access to services are running ahead of the current average waiting times. High expectations are not confined to any particular group in society, but are shared by men and women, people of different ages and social backgrounds. However, older people think that the effectiveness of drugs and treatments and their value for money should be important factors in determining whether they should be provided, while younger age groups are less likely to perceive limits on NHS resources.

Other studies have shown that there is significant variation in attitudes between the public and patients. The public has two relationships with the NHS. They are patients who are concerned with what happens to them when they use health services. But they are also citizens who have a broader interest in the health of the wider community and achieving a cost-effective health service. These two aspects often conflict, especially when decisions have to be made about allocating scarce resources.

In the future there will be no slackening in expectations, but there will be a fall in the rate of growth of spending after 2008. This suggests that the gap between public expectations and health system capacity will widen. It is possible to predict that debates about rationing will become prominent again. Without a clearer framework for rationing, there will be increasing pressure for conflicts to be resolved by the courts, rather than NICE (the National Institute for Health and Clinical Excellence). Dissatisfaction with health service performance may well increase and calls will be made for new funding systems, for a change of government policy, for new ministers and more resources, and central government will again feel the intense pressure of disappointed expectations.

Conclusions and recommendations

Our argument is that the appropriate way to respond to high expectations includes improving the legitimacy of health service decisions, alongside improving health service performance. These issues should be central to Professor Ara Darzi's Next Stage Review of the health service, which presents a significant opportunity for improving public understanding of the limits to the health system as well as addressing these issues of legitimacy.

Public expectations are not a one-off problem to be 'solved'. The goal of our recommendations is to understand how to develop a health system in which the public is informed and engaged in the difficult decisions that have to be made, where local organisations have power to make appropriate and accountable decisions and where the public, the workforce and national politicians understand both the limits of the NHS and where it should be performing better.

No sudden NHS independence

There is no reason to believe that more independence *per se* would solve the fundamentally political problem of reconciling people's unlimited aspirations with limited capacity. It is important to retain and clarify ministerial accountability for health services and health more broadly. Ministers should be

responsible for the overall direction of health policy, for improving health and for the outcomes of the health service. An independent board for the NHS would not clarify accountability; in fact, it may worsen it. The board of an independent NHS would still have to make what are fundamentally political decisions about allocation of resources, performance and accessibility, but without effective public accountability.

Membership of the board would be highly contentious and may risk special interest take-over. We therefore propose that more independence is introduced throughout the current system – distancing ministers from specific types of responsibility, such as decisions about reconfigurations of hospitals and about which treatments and drugs should be available on the NHS. We also suggest that clarifying central ministerial accountability is accompanied by much stronger local accountability and legitimacy.

Availability of treatments and drugs

Based on evidence from other countries we reject the idea of developing a list of core NHS treatments as part of a new NHS constitution. Such lists are relatively blunt instruments and have not proved successful in other countries. However, we argue that rationing occurs every day in every setting in the NHS. Until the basic fact of resource scarcity is more widely understood outside of the system, it will be impossible to determine any priorities for the NHS in a way that secures a decent level of public legitimacy. To ensure the sustainability of the health system, there needs to be a transparent and robust process that informs resource decisions, and then a fair and democratic means of taking decisions about priorities. We recommend that a priority for future spending plans should be to expand the remit of NICE so that it is able to review all new NHS drugs and treatments by efficacy value within a reasonable timeframe.

Public debate and deliberation

At the moment public debate about the health service is characterised by the damaging myth that certain health treatments should be available whatever the cost. Politicians of all parties have failed to dispel this myth.

We need to increase public understanding that there is rationing or targeted resource allocation (or another term deemed more acceptable) at every level of the NHS. The Next Stage Review is a good opportunity to begin this process. Among its objectives should be:

- To raise public awareness about the need for resource decisions
- To understand better what it is that the public values in the health service
- To understand what decision-making processes will gain public trust and therefore further the legitimacy of those decisions.

The NHS Next Stage Review is the right opportunity for UK citizens to deliberate on healthcare priorities. This should entail a variety of ways of consulting the public, including a series of deliberative workshops. The end result should be to produce a draft statement of values, objectives and priorities for the medium to the long term to inform a new NHS Constitution.

Improved local accountability and legitimacy

Local matters about service delivery have too often become national matters for the Secretary of State. We propose the Next Steps Review should propose the establishment of a Foundation PCT, in which local people become members of their PCT, and vote for and sit on the Board. Direct government involvement in the management of the PCT would be reduced and there would be stronger local accountability and legitimacy and ownership of the decisions made by the PCT.

In 2008 the NHS will be sixty and nearing the end of the ten-year NHS Plan and high rates of growth in spending will fall significantly. This is a timely moment to revisit the aims and objectives of the health system and how best to achieve them. The NHS Review offers an opportunity to address the issues of how to inform the public debate about our health system; how to respond to public expectations of the health service in a way that has eluded government for the past decade; and how to capture this in both institutional change and a new NHS constitution. Only by making the health system more transparent, democratic and accountable can politicians come closer to meeting people's high expectations and supporting the health of the nation effectively.