

Expert questions Lansley's claim that NHS spending will become unaffordable

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England's health secretary Andrew Lansley has said that if England keeps on spending on health at the current rate, the NHS will be unaffordable in 20 years' time. But in an article published in the *British Medical Journal* today, John Appleby, Chief Economist at the King's Fund argues that spending on health will be a matter of choice, not affordability.

In an article for the Daily Telegraph in June, Andrew Lansley said (referring to England): "If things carry on unchanged, this would mean real terms health [spending](#) more than doubling to £230 billion." He also stated that, "This is something we simply cannot afford."

Appleby acknowledges that £230bn (€260bn; \$379bn) is a lot of money. But asks in what sense is it actually unaffordable?

He points out that the £230bn Lansley referred to is not spending now, but what spending might be in 20 years' time. "It is equivalent to average real increases in spending of just over 4% a year - a bit more than the long run average for the NHS since 1948," he writes.

Crucially, however, the country's capacity to afford higher spending will change over time, he adds. Over the next 20 years it is likely that the economy will grow in value, by an average of around 2.5% a year. Assuming England's share of this remains the same (at around 84%), then £230bn as a proportion of GDP in 2030 will amount to 10.9%.

This is certainly more than is currently spent - 2.4 percentage points of GDP more – says Appleby, but is it "unaffordable"?

Adding private spending on health care to NHS spend (to enable better comparison with other countries), total spend in 2030 could be around 12.4% of GDP (up from around 10% this year).

This would make England the highest spending country in the Organisation for Economic Cooperation and Development bar the United States. But he points out that, even in 2009, seven of the EU-15 countries spent over 10% of GDP on healthcare. The highest spender - the Netherlands - devoted 12% of its GDP to healthcare.

"Spending on health will be a matter of choice, not [affordability](#)," he concludes.

"The real question to ask about [health spending](#) is what we think we might get in return as a result of forgoing the benefits of spending increasing amounts of our wealth on other things. For example, is the two year increase in life expectancy at birth we are likely to enjoy from higher health spending worth the benefits we will not get to enjoy from spending more on education, food, or housing?"

Provided by British Medical Journal

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