

BMJ investigation sheds light on alleged NHS privatisation since government reforms

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One-third of NHS contracts have been awarded to private sector providers since the Health and Social Care Act came into force, finds an investigation by *The BMJ* today.

The analysis of 3,494 contracts awarded by 182 Clinical Commissioning Groups (CCGs) in England between April 2013 and August 2014 - disclosed to the *BMJ* under the Freedom of Information (FOI) Act - showed that in total, non NHS providers have secured 45% of contracts awarded since April 2013.

A total of 1,149 contracts (33%) were awarded to private sector providers, 335 contracts (10%) were awarded to voluntary and social enterprise sector providers, while 100 contracts (2%) were awarded to other providers, such as joint ventures or local authorities.

A further 1,910 contracts (55%) were awarded to NHS providers, including NHS hospitals, community and mental [health](#) providers and general practices.

The analysis examined different types of contract to provide NHS clinical services, including those awarded to a single provider without an open tender, those awarded via a competitive tendering process, and those awarded to multiple providers under Any Qualified Provider (AQP), a government policy that opened up a wide range of community based NHS services to different providers from outside the NHS.

Private sector providers were most successful at winning contracts awarded via competitive tender - 80 (41%), compared to 59 (30%) won by NHS providers. Private firms were also more likely to win smaller contracts on an AQP basis, for services such as diagnostics, audiology, and podiatry in the community.

The BMJ also found concerns among health professionals about fragmentation of care and a lack of transparency over where NHS funds were being spent.

The BMJ requested financial details for all contracts to see where NHS funds are being distributed. In many cases CCGs were unable or unwilling to provide figures.

CCGs did disclose the full value of 1349 contracts worth £10bn in total. Of these, NHS providers were awarded £8.5bn (85%), voluntary and social enterprise providers were awarded £690m (7%), private sector providers were awarded £490m (5%), while other providers were awarded £330m (3%).

The figures reflect the fact that many of the most high value contracts in this sample were awarded to NHS providers to provide acute care.

While NHS leaders said that the proportion of care being provided by private companies remains at the margins, campaigners said the findings provided further evidence that the government's reforms are gradually accelerating the privatisation of the NHS.

Simon Stevens, chief executive of NHS England, recently told *The BMJ* that the proportion of NHS care being provided by the private sector was "at the margins" and unlikely to increase much in the next few years. But Clive Peedell, a consultant oncologist and co-leader of the National Health Action Party, a political party set up to oppose the health

reforms, warned that if the private sector continues to win a third of the contracts awarded long term, "then the NHS gets diluted as you'll get more and more private sector involvement over time."

David Hare, chief executive of the NHS Partners Network, which represents private sector companies that provide NHS services, said *The BMJ's* analysis suggested that commissioners were increasingly placing trust in the private sector.

Meanwhile, Rachael Addicott of healthcare think tank the King's Fund said political support for integrated care may create further opportunities for the private sector due to its strengths in areas such as IT, informatics and back office efficiencies. But she also suggested that some CCGs were "anxious" about the potential bad publicity of awarding large NHS contracts to private companies.

In the face of these competing pressures, joint ventures and alliances between the NHS, the [private sector](#) and others may become more commonplace as CCGs look at new methods of care delivery that retain an NHS ethos.

Steve Kell, GP and co chair of the NHS Clinical Commissioners representative group, said: "CCGs are trying to develop a sense of joint responsibility for populations, so people in the hospital are thinking beyond their hospital walls to look at nursing home quality, and anything that affects our patients. It's about working together."

More information: *The BMJ*,
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