

Opportunity in Adversity – Strategies for the UK Health Sector

Insiders' View of the UK Health Sector



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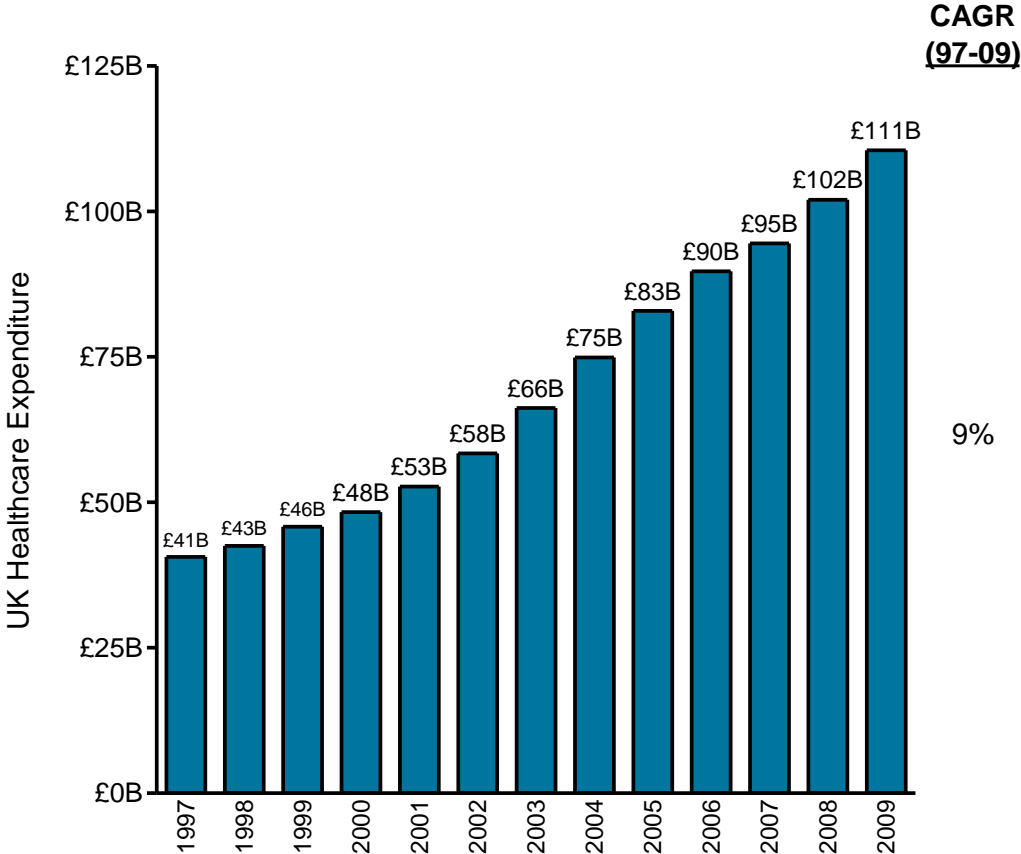
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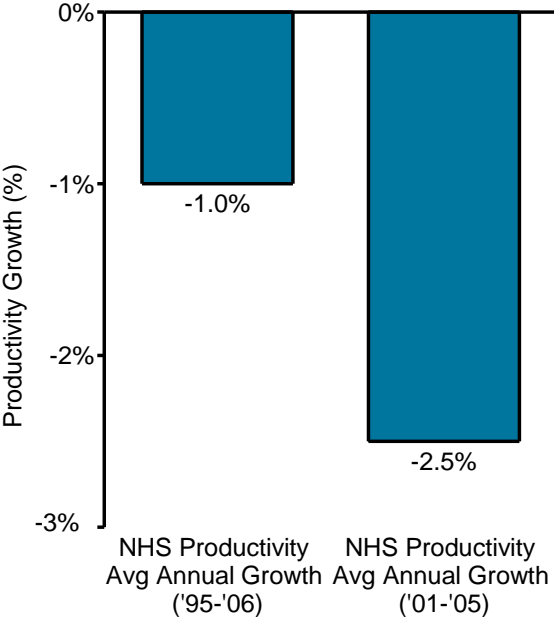
In the Past Decade, NHS Funding Has Grown at a Nominal 9% Per Year, While Productivity Has Declined



UK Healthcare Expenditure (1997-2009)



NHS Productivity Growth



The Coalition's Healthcare Policies Are Now Becoming Clearer and Represent a Radical Change in Direction



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- **0% real growth in funding**
- **Dismantling of overhead superstructure (SHAs, PCTs)**
- **Devolution of operational authority to the front line**
 - **GP commissioning**
 - **Independent Trust hospitals**
 - **Increased local accountability**
- **Elimination of top-down process targets**
- **Strengthening of regulatory authorities (Monitor, NICE)**
- **Extension of patient choice**
- **Opening up provider sector to competition**

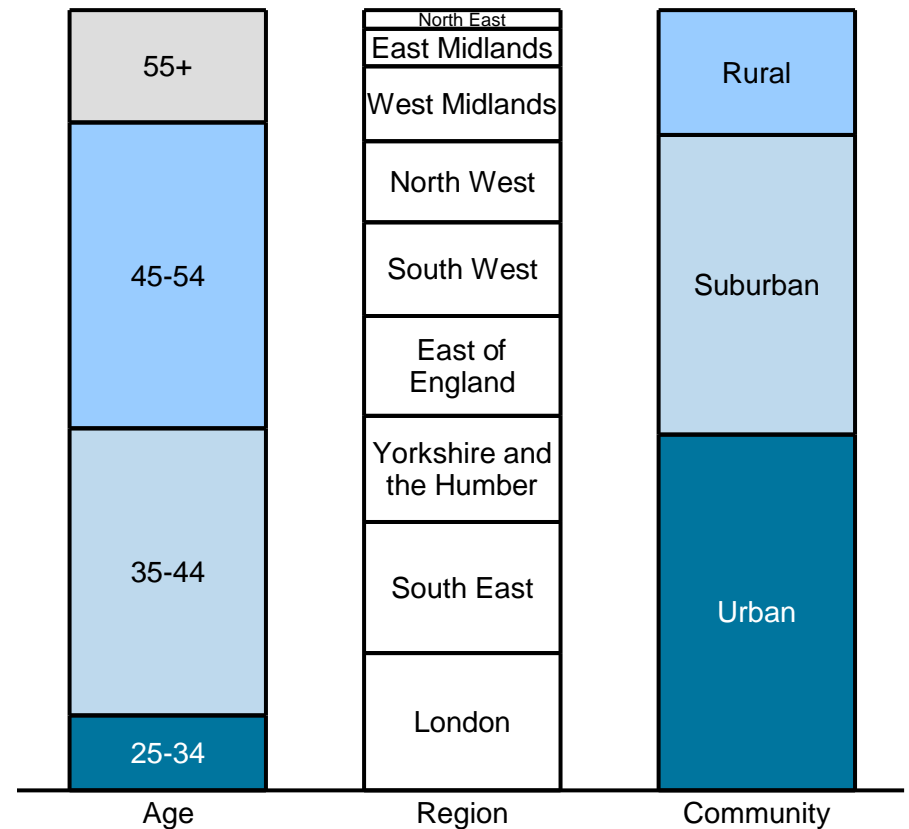
Consumer choice and competition will replace command and control as the mechanism to improve standards and increase productivity

GPs Are Central to the New Policy, so Their Attitudes and Behaviours Are Critical to its Success



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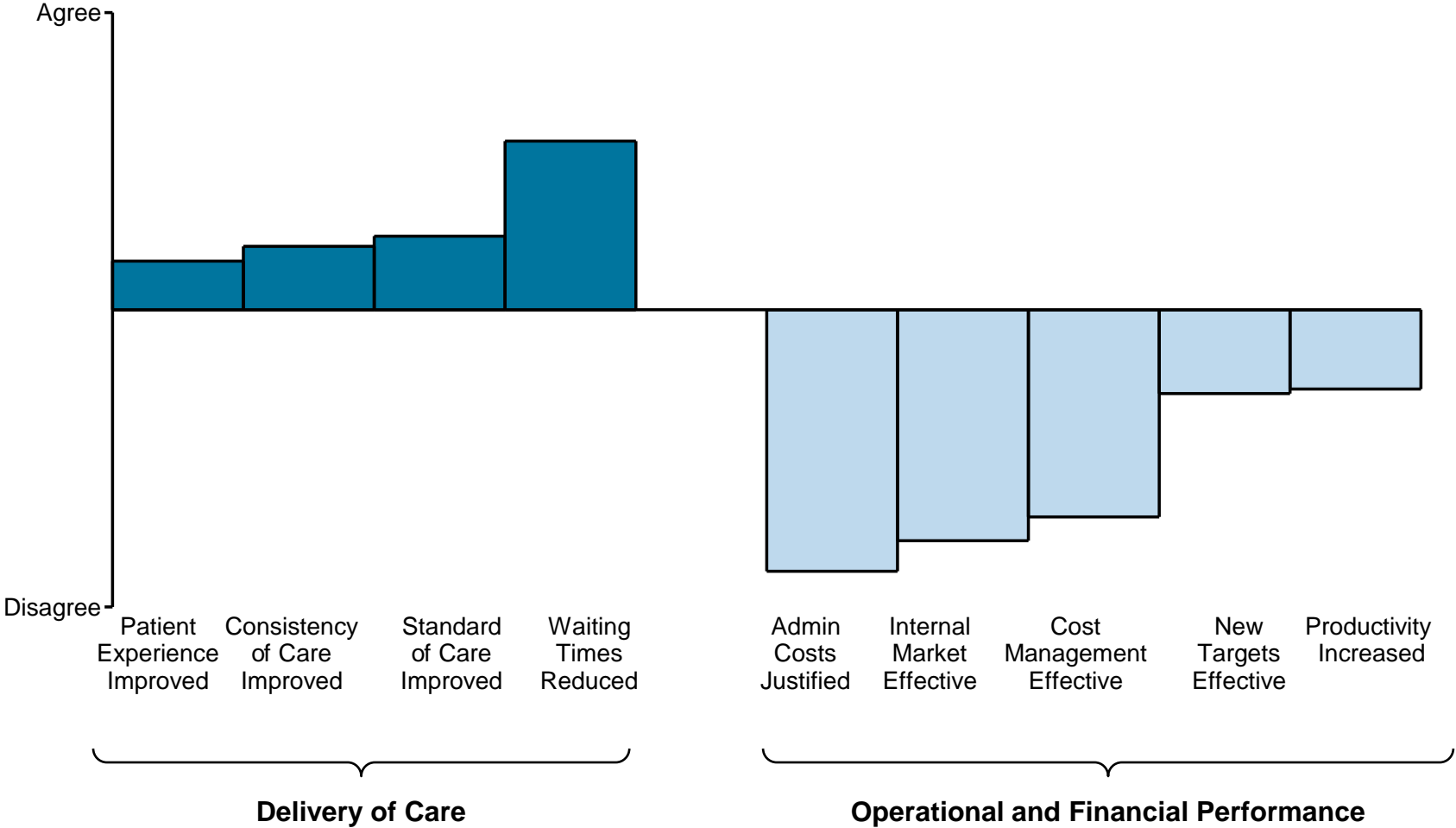
- Interviewed 125 GPs across the country
- Topics covered
 - Successes and failures of the last 13 years
 - Expectations for the next 5 years
 - Impact of patient choice
 - Attitudes to the private sector
 - Reorganisation of primary care
 - Potential for community-based care



GPs Believe Care Improved Over Last 13 Years but Mechanisms to Control Costs Have Failed



Performance of NHS in the Last 13 Years



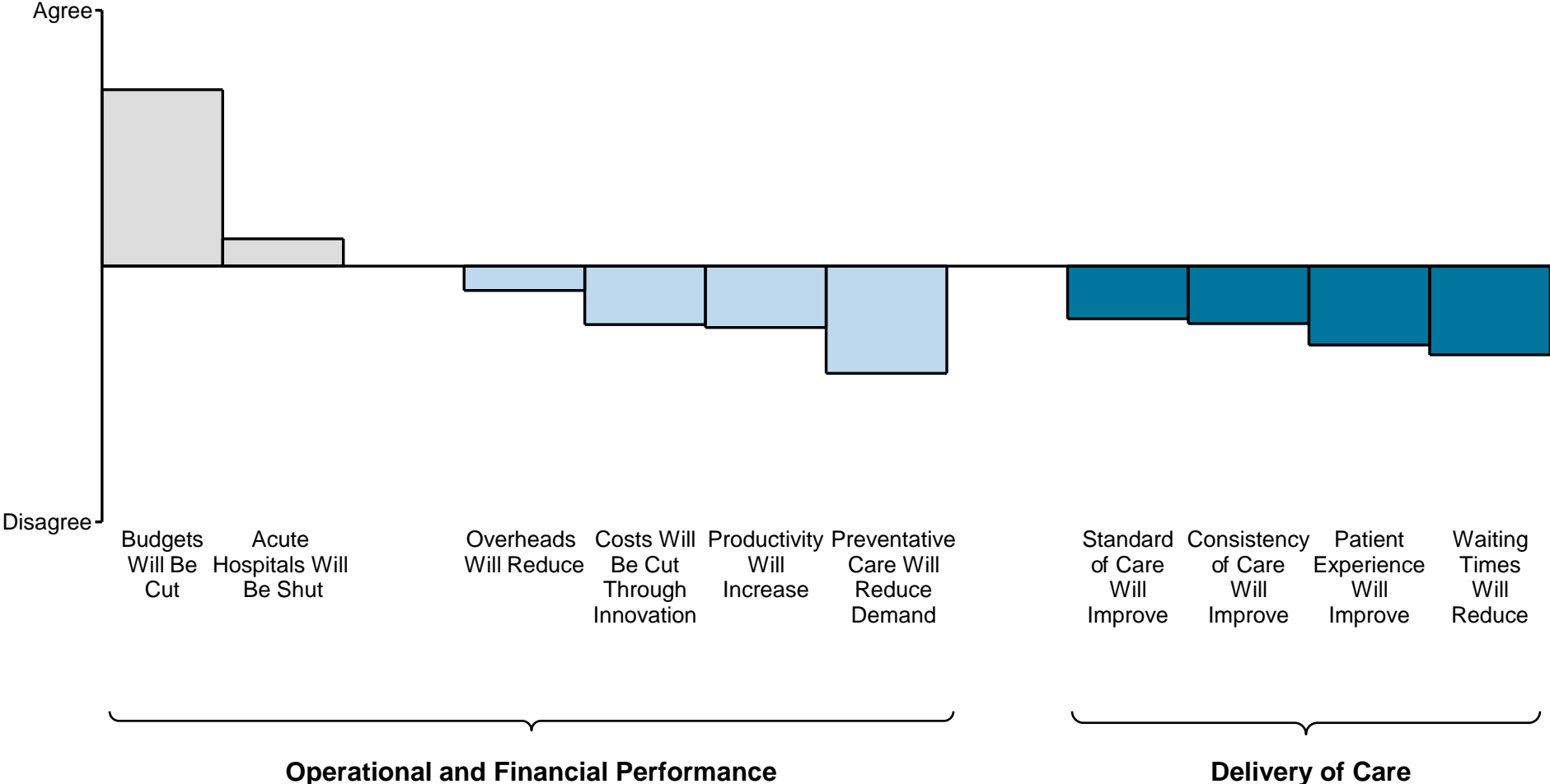
Source: Parthenon GP Survey (n=125)

GPs Believe the NHS Will Fail to Mitigate Cuts With Innovation and Standard of Care Will Suffer



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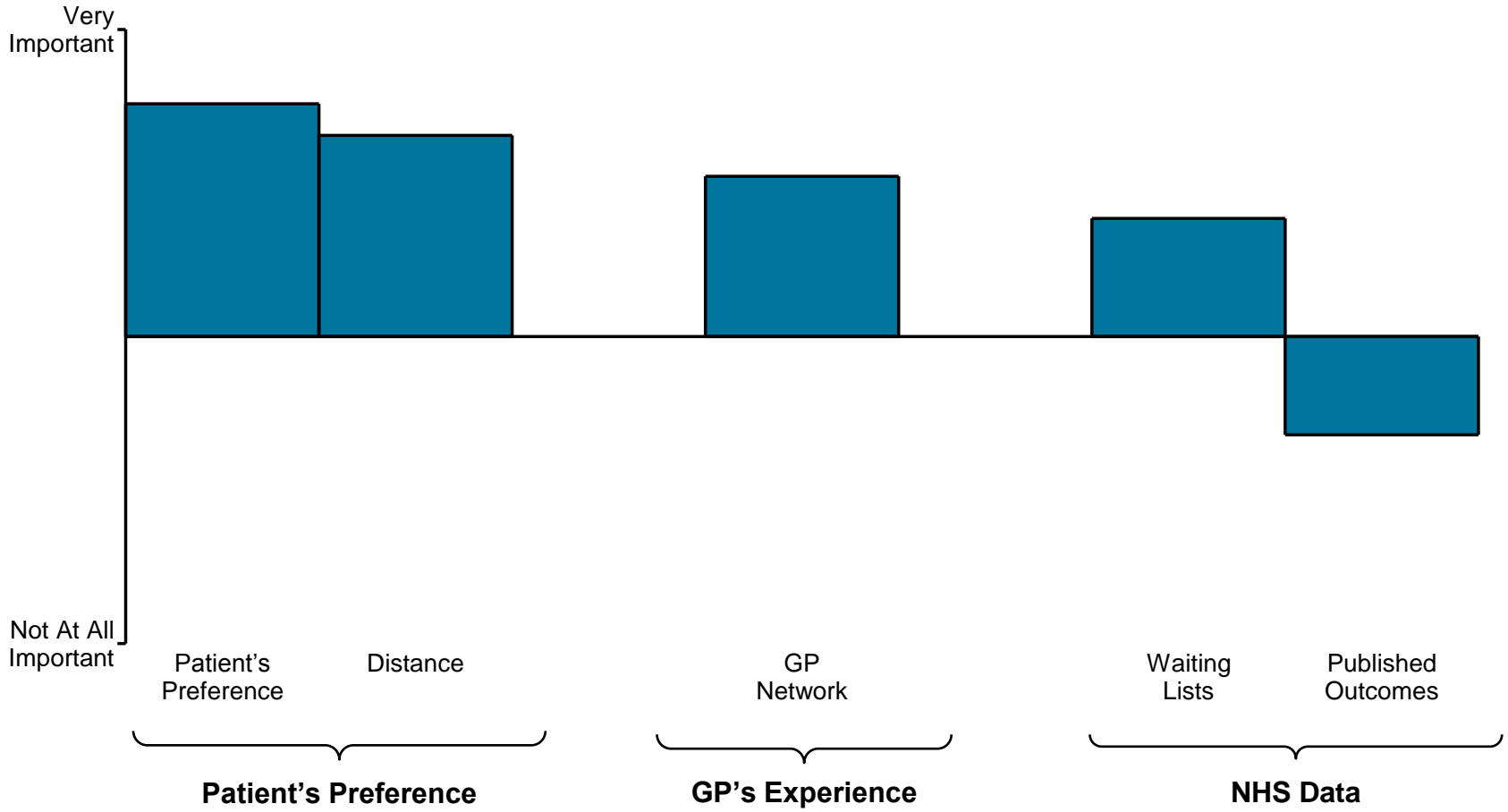
Expected Performance of NHS in the Next 5 Years



Patient Preferences Are the Most Important Factor in GPs' Referrals. Published Outcomes Data are Rarely Used



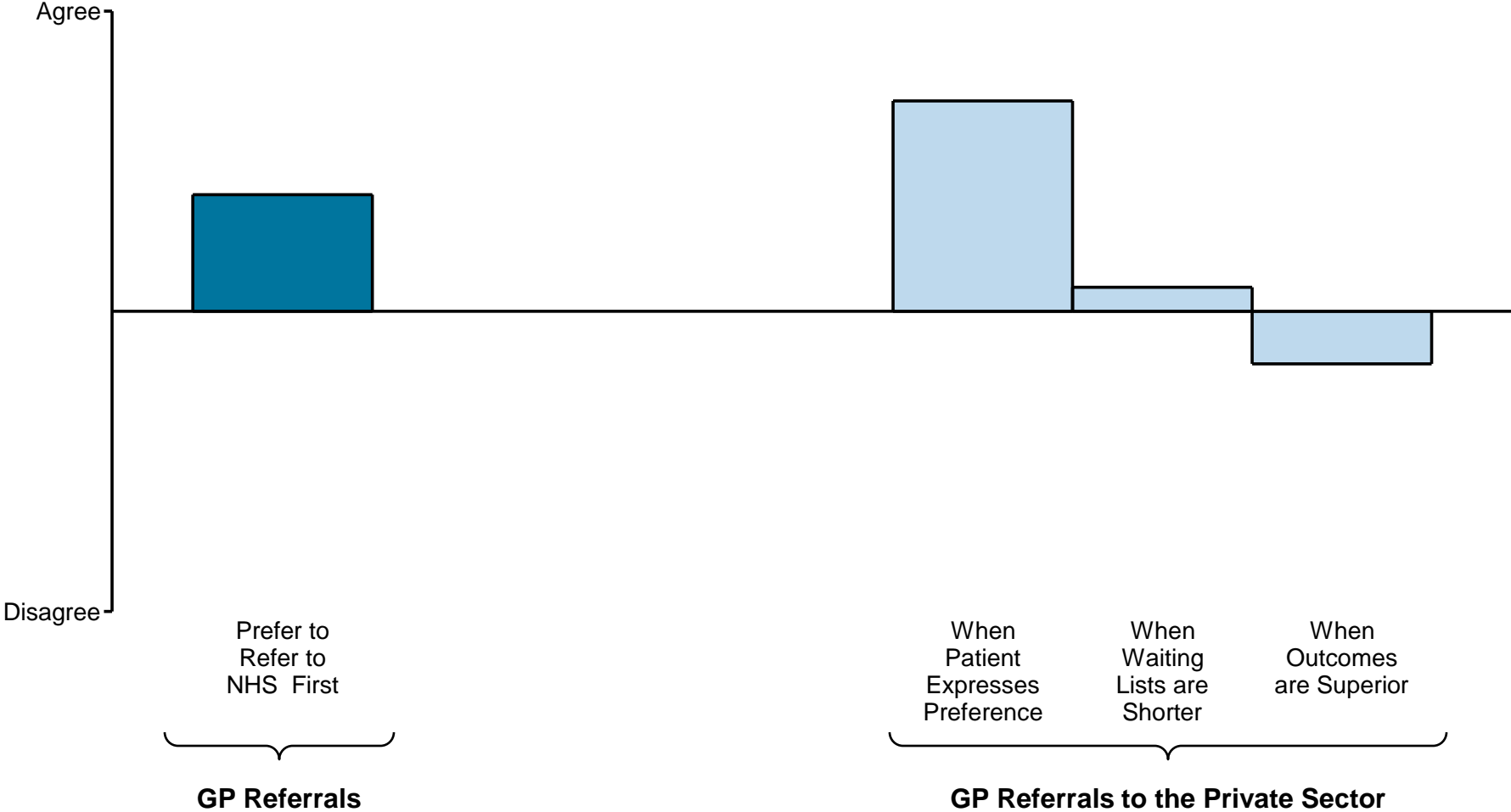
Key Factors in Referral Decisions



GPs Favour NHS Providers Even Against the Evidence. Patient Preference Drives Private Referral



Key Factors in Referral Decisions

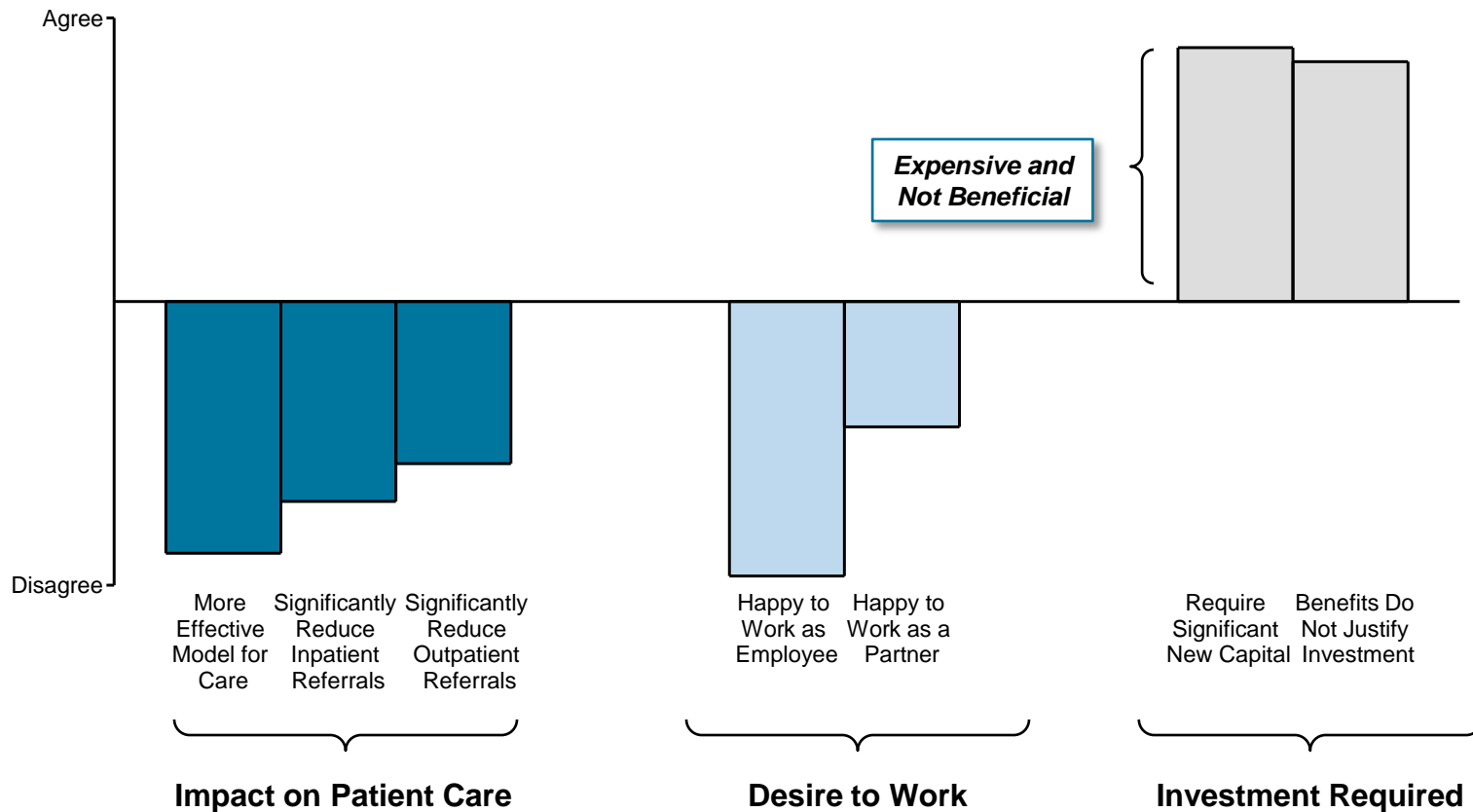


GPs do not Support the Polyclinic Model, Viewing it as a Wasted Investment

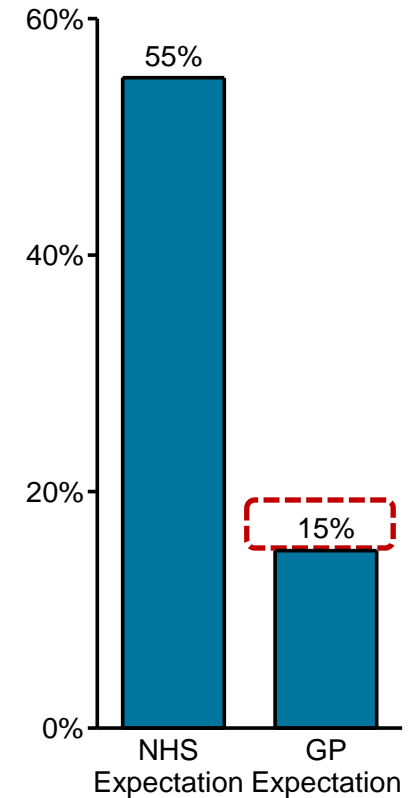


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Perspectives on Polyclinics



Hospital Referrals Shifted

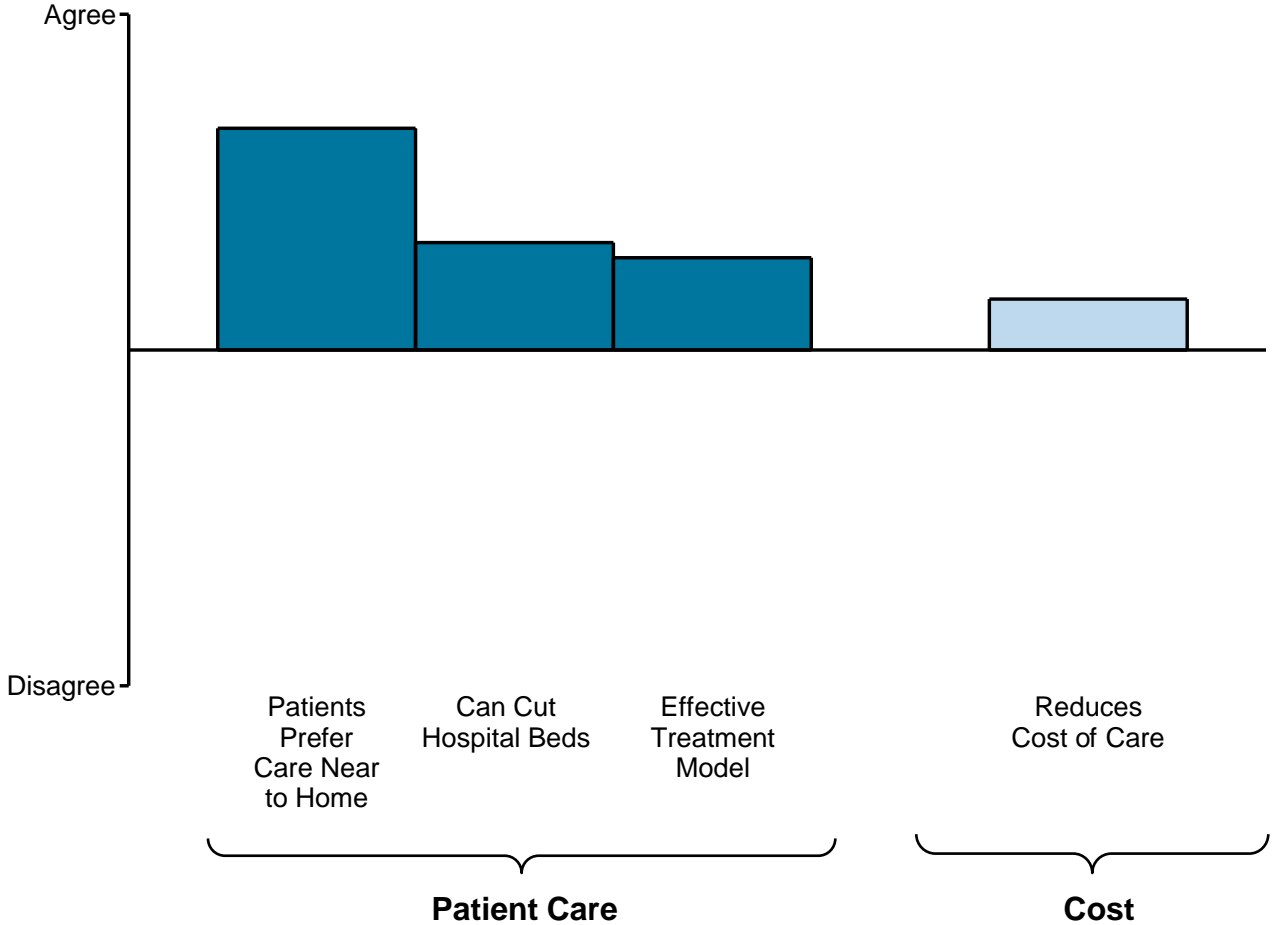


GPs are Positive About Community-Based Care and its Ability to Reduce Overall Cost of Care

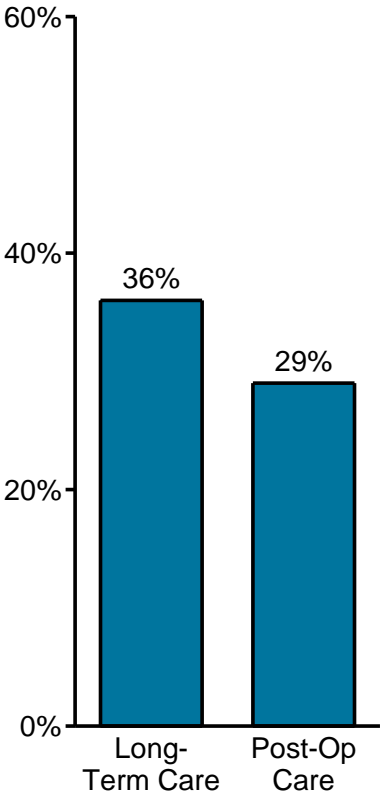


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Perspectives on Community-Based Care



Beds Released

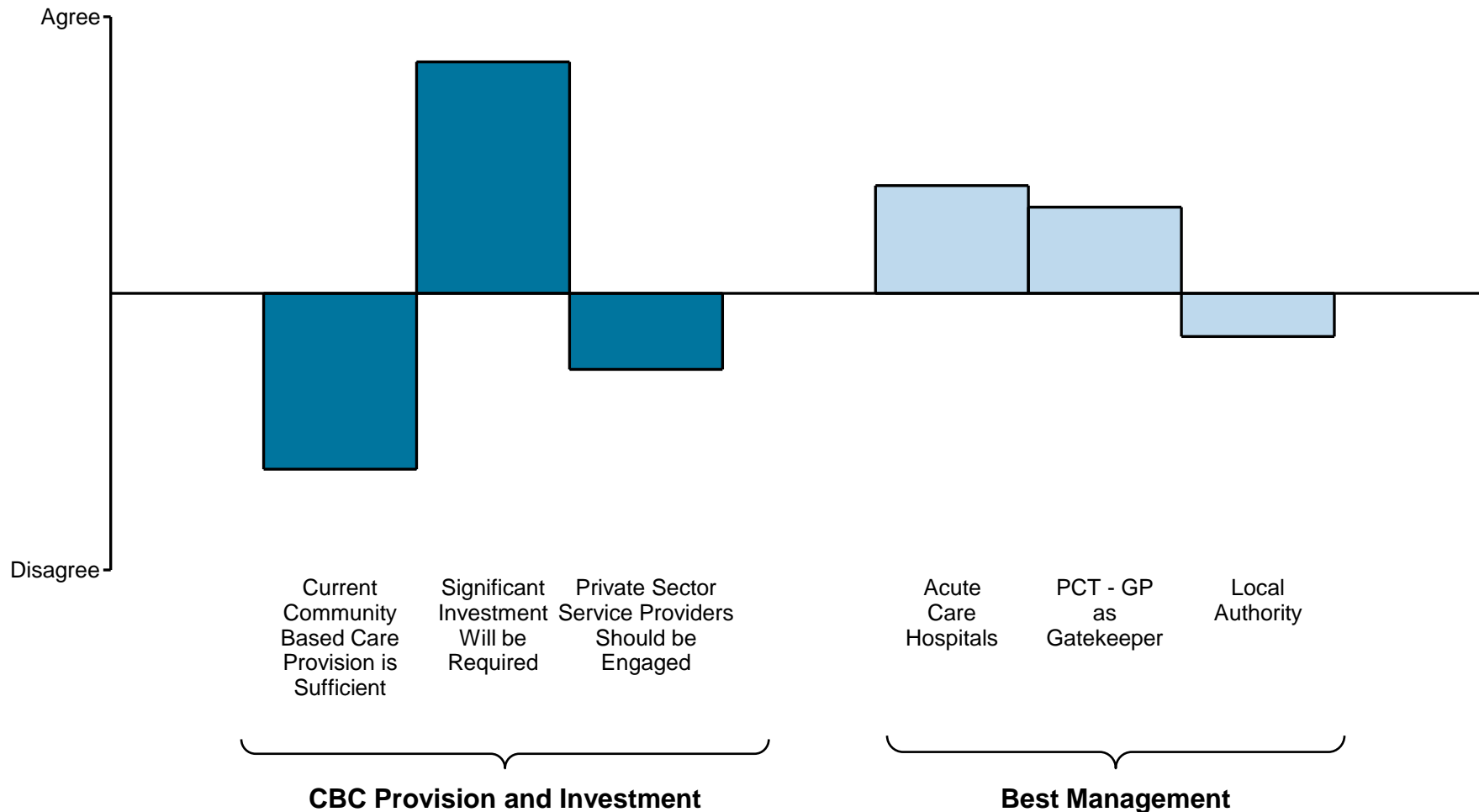


GPs Believe Significant Investment is Required to Build Effective Community-Based Care Services



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Investment in and Management of Community-Based Care



CBC Provision and Investment

Best Management

We Expect Significant Opportunities for Private Sector Investors and Operators in the Next Five Years



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NHS Productivity

Management has failed to increase productivity of the NHS and GPs remain sceptical that that will change



Services that improve NHS productivity or manage demand will be at a premium

Patient Choice

Patient Choice is becoming a real factor in referrals
GPs refer primarily on the basis of patient preference and not on published data



Private sector providers should target patients directly rather than GPs

Polyclinics

GPs strongly resist the polyclinic model



Polyclinic model is unlikely to succeed in the near to mid-term

Community-Based Care

Community-Based Care is popular and has potential to deliver significant savings but requires investment



Investments supporting the introduction and growth of Community-Based Care will be attractive