

## The United Kingdom: The Health Care System

The UK operates the world's largest publicly funded health care system, known as the National Health Service (NHS). The NHS provides the majority of services for England, Scotland, Wales, and Northern Ireland but each country is managed separately. A central tax completely funds the NHS, which equates to an annual contribution of roughly \$2,950 for every British citizen. Health care makes up 9.4% of the GDP in the UK, where 82% comes from the general tax and the remainder from private insurance and user fees. The Department of Health operates the public system, which contains 10 Strategic Health Advisories across the UK.

The NHS provides universal coverage and is based on equity, comprehensiveness and clinical need. There is no fee at the point of service, with the exception of some prescription, dental, and vision charges. The NHS directly employs health care professionals, and is the fourth largest employer in the world. Nearly all hospital doctors and nurses are employed through the NHS, while the majority of General Practitioners (GPs), dentists, and other self-employed providers contract their services with the NHS. Hospital and physician budgets are set at a level based on population and local needs and are expected to break even. GPs act as gatekeepers in the community and are paid a salary as opposed to fee-for-service. About 90% of the population is registered with a local GP. Private insurance is available in the UK, though citizens cannot opt out of the public system. Those who choose to purchase privately will in essence be paying the system twice. Nevertheless, about 11% of the population chooses to purchase insurance privately.

An increasing demand on the system has put a strain on the budget, and political pressure has intensified to increase spending. Health care expenditure in the UK falls below international GDP averages, and there is public demand on politicians to expand services and widen the range of available treatments.<sup>1</sup> As delivery of care is based on clinical need, significant wait times exist for less pressing procedures. One recent action has been the NHS subcontracting of private hospitals to expand provider availability and services. The government also hopes to reduce wait

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<sup>1</sup> <http://news.bbc.co.uk/2/hi/health/4684852.stm>, Q&A: The Herceptin Judgment, BBC News, April 2006

lists with the 18 Week Delivery Program. This campaign aims to set a national target of a maximum 18 weeks between GP referral and treatment initiation by December 2008. In April 2008 a general prescription drug charge of about \$14 was instituted to bolster revenue, though this charge is exempted for those with special conditions, under 16, over 59, or low-income.

Cost control measures are mainly conducted through the National Institute for Health and Clinical Excellence (NICE), a Special Health Authority of the NHS. NICE publishes guidelines for practitioners as to how conditions and treatments should be addressed, and recommends what should be funded through NHS. NICE operates free of government and lobbying power, basing all decisions on a proper balance of clinical outcome and cost effectiveness. This controversial body has been blamed for apparent rationing of care across the UK and criticized for withholding expensive but potentially helpful treatments based on their cost/benefit ratios.<sup>2</sup>

The UK enjoys universal health care provided through the NHS. The unified system has limited administrative overhead, which accounts for only 6-7% of total budget expenditure (US: approaching 30%). The central system has also allowed for implementation of the National Program for IT and is believed to be the largest HIT undertaking in the world, though the project is significantly over budget. There is widespread support for the NHS despite controversy regarding access control measures. Due to in-house funding and delivery, the potential for politicized healthcare also raises concerns. Quality and cost focus groups separate from government may help to alleviate these problems.

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#### References:

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About the NHS, <http://www.nhs.uk/aboutnhs/pages/about.aspx>

18 Weeks, <http://www.18weeks.nhs.uk>

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<sup>2</sup> Appleby, J. Searching for local NHS cost effectiveness thresholds: A feasibility study, NICE Conference, Manchester, UK, Dec. 2007