LETTER FROM WESTMINSTER

The income generation game

JOHN WARDEN

"I can certainly promise you an interesting time," was how Mr John Moore trailed his white paper on primary care. Six weeks later his promise fulfilled, though it was bad luck on the Secretary of State for Social Services that a relapse of pneumonia put him out of action on the big day.

The white paper, *Promoting Better Health*, was duly unveiled by the Minister for Health, Mr Tony Newton, and the interesting time began. Along with the parallel Health and Medicines Bill it propels primary medical care into the running tide of parliamentary reform that already engulfs education, housing, and local government.

The generality of MPs are at the outset ill briefed on the scope of the changes entailed (not all have the advantage of reading the *BMJ*), which was why they found it easier to concentrate on the peripheral issue of charges for dental and sight testing, which even had the Tories in surprisingly hostile mood. For family doctors it will bring their first experience of a major negotiation with the Thatcher administration, which has not only seldom shirked taking on vested interests, from the miners to the City, but has seldom lost the argument. An interesting time, indeed.

The starting point was briskly defined by Mr Newton when he summed up the government's aim as being "to encourage doctors to do the sort of things which everybody agrees need to be done and which the best practices are already doing. Those who do not do them will find themselves under some pressure." He was referring to the central thrust of the white paper towards a system of payment by results. Family practitioner committees and health boards in Scotland will set performance targets for each practice in terms of immunisation, screening, and care of the old. Payment will be related to achieving the targets.

Mr Newton confirmed that the targets would be set with an eye on local conditions. Clearly, meeting a target in Surrey would be rather easier than hitting the same target in Southwark, and this could have the effect of drawing doctors away from inner cities. The answer is to be an inner city allowance and special help with practice premises and pharmacies.

The broad brush style of the white paper, however, is far removed from the hard facts required in renegotiating contracts, and it is for tactical reasons that the government has deliberately avoided filling in the details in advance. By way of a come hither, Mr Newton hinted that by 1990-1 the budget for family practitioner services would be "well over £600m" above this year's level. Current plans put the addition at only £570m. So presumably the government starts negotiating with at most only an extra £50m on the table. That is, if you ignore the expected income of £170m from introducing new charges, which mean in effect that dental and optical fees will pay for more free cervical screening.

In the new year twin dialogues will be in process on and off stage. Behind the scenes there will be the tough bargaining as both sides dispute what is value for money. Out front the Commons will be in more or less continuous debate on the legislation until at least Easter.

Of the better informed MPs last week, Dr Sam Galbraith (Labour) welcomed retirement at 70 and the information leaflets for patients, while Dr Alan Glyn (Conservative) spoke of putting extra strain on general practitioners, to which Mr Newton replied: "We are not seeking to increase the strain on GPs. We are seeking to increase the rewards of those who are already taking the

strain and making an effort, and encouraging those who are not."

The Health and Medicines Bill, which accompanied the white paper, will enact several of its proposals, including the introduction of charges for dental examination and eye tests. Compulsory retirement and the abolition of 24 hour retirement are also in the bill. It covers the winding up of the General Practice Finance Corporation, the new powers for family practitioner committees to finance practice improvements, and the payment of fees to general practitioners for training support staff. Plainly, there is some room for manoeuvre.

This is the third, and sharpest, of Mrs Thatcher's efficiency drives in the NHS. Its watchword is income generation. Nowhere is this more clearly demonstrated than in clause 4 of the new bill, which deals with making more income available for the health service through profit making enterprises such as hospital shops, health clubs, treating private patients, and hiring out services.

Indeed, no fund raising wheeze seems to be ruled out and in this respect Mr Moore is asking parliament for a blank cheque, since in some astonishing terminology the bill would empower him to: "do anything whatsoever which appears to him to be calculated to facilitate, or to be conducive or incidental to, the exercise of any power conferred by this subsection [that is, to raise more income] and to make such charge as he considers . . . to be the appropriate commercial basis."

This is the new National Health Service plc. The Secretary of State will also be specifically empowered "to develop and exploit ideas and intellectual property." A convalescent Mr Moore would no doubt welcome any money raising ideas, on a postcard please, to his non-NHS bedside.

Tories demand more money for NHS

A Commons debate the following day on financial pressures on NHS hospitals was remarkable less for the stereotyped front bench exchanges than for the hawkish mood of normally compliant Conservatives in calling for extra NHS funding. The Tory undercurrent has been noted on this page before, but now its meaning was articulated by the chairman of the Conservative backbench health committee, Dame Jill Knight.

Of income generation she was cruelly dismissive: "You can't pay billions by selling buns. We don't need a modest increase, we need hundreds of millions of pounds." Her long term suggestions included hotel charges for hospital beds, a special health insurance stamp, and a national lottery. But to meet immediate needs Dame Jill asked the government to get more money into the NHS now because, she said, it was simply not acceptable that patients should be sent home to die because there was not the money to treat them.

Other Conservative MPs, including former health ministers, echoed the demand, with Sir Barney Hayhoe remonstrating that the figures used by ministers to show real growth masked cuts in some areas and a critical shortage of nurses. This Conservative backbench disquiet, however, did not evoke noticeably more attention from the government than was accorded to the more frenzied speeches from the Labour benches—whipped into spurious emotion by the widely publicised and politically exploited case of baby Barber (28 November, p 1426).

At the end of a notable week in health politics the government finds itself forced on to the defensive as it was during the general election. It is already clear that cool heads and calm debate on health funding will be in short supply in this parliament.