



Making trouble for the NHS?

Entrepreneurs and innovators in primary care,
and the barriers they face

nhsalliance

Rick Stern

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5th June 2007



“I encourage you in primary care and the NHS Alliance to make trouble – to root out bad deals and bad services”

David Nicholson
NHS Chief Executive
at the NHS Alliance conference, 2006



What I will cover

- Context of this report
- Key issues:
 - **Cultural challenge for the NHS**
 - **Barriers faced by entrepreneurs**
 - **Pointers to opening up the market**
- A wider debate ...



NHS Alliance

- **The NHS Alliance is the independent body that represents primary care**
- **NHS Alliance Provider Network - three groups**
 - Out of hours/urgent care
 - PCT Provision
 - Entrepreneurs
- **Series of publications:**
 - *The Nuts And Bolts Of Primary Care Provision*, January 2006
 - *Providing for the future: Changing and divesting PCT provision of community services*, November 2006
 - See www.nhsalliance.org



Background to this report

- Issue increasingly raised – who are the new providers? What issues do we face?
- Group of entrepreneurs working in primary care – different motivation
- A whole day seminar at the Kings Fund in January 2007
- Follow up survey of participants and others
- Telephone interviews to develop case studies
- Individuals provided comments, input, advice and feedback



Policy context

- Highly directed, regulated & supported provider market in acute services and mental health (FTs and Monitor)
- PCTs as commissioners
- Permissive stance on primary care
 - New contractual mechanisms e.g. APMS
 - The conundrum of practice based commissioning
 - Diversity of provision with more freedom to innovate and improve services
 - Local flexibility ...but threat of legal challenge



Big Issues ... Culture

- **Control ... or letting go.** Is this counter-cultural for the NHS?
- An **entrepreneurial** culture in general practice?
- **Inertia and protectionism** amongst established NHS organisations
 - Letting APMS contracts (Lewis et al)
 - Limited support for alternative provision through PBC
 - Behaviour of some FTs



Big Issues ... Barriers

- **Need new skills** e.g. business management and marketing – where is the OD programme?
- **Good management information** still a scarce resource
- **Needing permission** from the PCT
- **Do they really mean what they say?**
“The secret of success is sincerity. Once you can fake that, you've got it made“ Jean Giradoux
- **New label, same services ... focus on what you want to do differently rather than a new organisational form**



Big Issues ... Barriers

Case study: i4vision social enterprise

- Being seen as a threat to local health economy
- Traditional referral patterns proving difficult to change
- The local eye care “market” being controlled by NHS consultants – leading to no real choice for patients
- Intimidation of healthcare workers currently working in NHS hospitals was experienced if they were seen to be keen to join an alternative provider
- Catch-22 of seeking new funding: need evidence of contracts (from Futurebuilders) but need funding to get contracts



Big Issues ... managing a market

- Balance between **good governance** and **risk taking** and potential conflicts of interest
- How much **risk** can we tolerate in healthcare? Is it a market if no-one goes out of business?
- **Regulation** ... not if, but how ... developing expertise in PCTs.
- **Recommendation**: a flexible, fast-moving 'unblocking' system to support entrepreneurs who can show that they are being obstructed



A wider debate ...

All from British Journal of
Healthcare Management 2007
Vol 13 No. 5 pages 156-9

Professor David Hunter

UKPHA president/University of Durham

- We've been rather more critical of the development of social enterprises – in particular, problems about accountability, governance, pension issues, sustainability etc. which do not seem to have been adequately debated or thought through in the rush to be seen to following the ***latest public sector reform fad***. Moreover, implicit in your report is an assumption that ***entrepreneurialism in the provision of NHS services is axiomatically a good thing. Is it?*** I would submit that this is an empirical question.



A wider debate ...

All from *British Journal of
Healthcare Management* 2007
Vol 13 No. 5 pages 156-9

Simon Stevens

President, UnitedHealth Europe

- If we genuinely want entrepreneurialism as a way of spreading improvement in primary care, the Department of Health and PCTs will have to tackle the many ways that innovative new providers are currently blocked. The system continues to be biased towards incumbents ...



Professor Alan Maynard **University of York**

What are the objectives against which success or failure is to be judged?

Nowhere is there evidence (as opposed to opinion and rhetoric) that “marketisation” improves efficiency.



A wider debate ...

All from *British Journal of
Healthcare Management* 2007
Vol 13 No. 5 pages 156-9

Ted Marmor

**Professor of public policy and management,
University of Yale**

The interesting point to me, comparatively speaking, is how naïve is the faith in regulatory compensation for the market pathologies that are certain to arise in such contexts. That does not settle the matter, but it should dampen the zeal with which such innovations are discussed.



Professor David Hunter

UKPHA president/University of Durham

- ... far too little airing in wider public and practitioner discourse – which remains dominated by the Government's fantasies and naïve belief in how markets operate ...



A wider debate ...

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Healthcare Management 2007
Vol 13 No. 5 pages 156-9

Andrew Foster

Chief executive, Wrightington, Wigan and Leigh NHS Trust

- I was in Los Angeles recently, a scandal was playing out in the local newspapers where a Kaiser Permanente mini-van had been caught on CCTV apparently dumping a paraplegic homeless man in the gutter. The clear inference was that they were not going to provide post-acute care without funding. This is neither a UK case nor set in primary care, but I hope you take my point. A system that embraces entrepreneurial models of primary care must:
 - a take care to watch out for cherry-picking
 - b make sure that payment systems do not create ghettos or care vacuums, and
 - c have the ability to ensure that there is a safety net for all.



“The innovator makes enemies of all those who prospered under the old order, and only lukewarm support is forthcoming from those who would prosper under the new order.

“Their support is lukewarm partly from fear of their adversaries, who have the existing laws on their side, and partly because men are generally incredulous, never really trusting new things unless they have tested them by experience.”

Niccolo Machiavelli, ‘*The Prince*’



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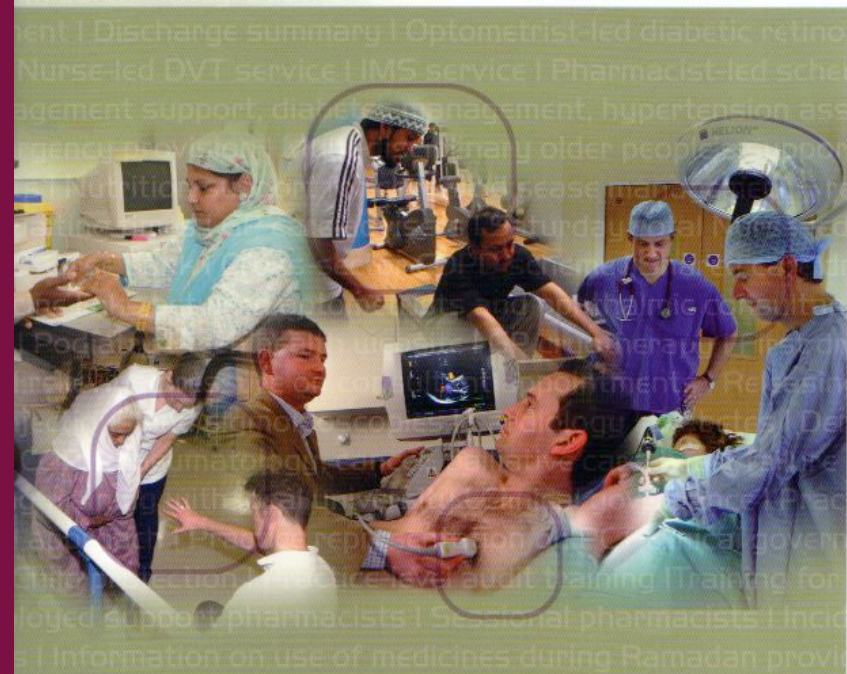
May 2007

To be involved in the Provider
Network please email me at
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Available to all members
on www.nhsalliance.org

*The nuts & bolts of
primary care provision*

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MSD