Zombies in the night

Although the idea of user charges has long been intellectually dead, it should now be buried by Labour’s NHS review, says Jo Lenaghan

WHEN RESOURCES for the NHS are as tight as they are now, any mechanism which could provide additional resources or reduce the strain on the health service merits investigation. Labour’s ‘no holds barred’ review should therefore be welcomed.

Last year the Institute for Public Policy Research produced a report by an independent team of health economists which included a review of the potential role of user fees in the NHS. They concluded that user charges should not be introduced into the NHS, as they reduce equity of access, fail to reduce overall costs and may undermine Labour’s stated policy goals for the future of the health service.

The evidence clearly shows that if user fees are introduced, the winners tend to be the wealthy who are also healthy, with the losers being the less healthy and wealthy.

Studies in other countries have shown that the effect of user charges is greatest among low-income families, who, once fees are introduced, tend to use the health service less. However, reductions among poorer groups do not translate into savings in total healthcare costs. This is because in order to compensate for the reduction in numbers of poorer groups of patients seeking medical help, suppliers induce demand and increase the content of consultative episodes among those who are more willing and able to pay.

A study looking at the case of dental care in the UK, for example, demonstrated that user charges led to the non-exempt being 340 times more likely to get a check up compared with those who were exempt. Moreover, the exempt category of patients were four times more likely to undergo emergency dental care. Studies reveal that user charges merely create incentives for healthcare professionals to treat those who can afford to pay, rather than those who really need it. User charges do not reduce clinical need, they merely disguise, divert and delay it.

It is also interesting to note that the country where user charges are the most widespread – the US – is also the one with the greatest problem in controlling healthcare costs. It is ingrained in US healthcare providers and institutions that a higher volume of clinical activity is rewarded by a higher income. The fee-for-service model encourages the continual adoption of new technology, because the highest fees are those for the newest technology. This in turn leads to an overspecialisation of US physicians, and a concentration on acute medical interventions with little attention paid to long-term care, rehabilitation or prevention. Labour has stated that it wishes to put public health and prevention at the heart of its health policy, but the US experience would seem to indicate that user fees and public health strategies do not sit together easily.

Some commentators have suggested introducing ‘hotel charges’ for items such as food and lodging. It is difficult to see how nutrition and bedding can be separated from health care, but even if they could, such charges are unlikely to raise much money, as any profit would be significantly reduced by the costs of administration.

More importantly, what effect would hotel charges have on the relationship between patient and professional, and what effect would they have on staff morale? Patients would no longer be confident of getting the very best service, regardless of their ability to pay, and staff would have to witness material differences in standards of care within and between NHS wards. These are subtle but important changes which could eventually erode support for the principle and practice of equity within the NHS.

We must hope that all these issues are thoroughly addressed by Labour’s review. User fees have been likened to zombies in the night by one health economist, because although such ideas are intellectually dead, they are never buried. Labour’s review offers us a welcome opportunity to slay this zombie once and for all.

Jo Lenaghan is health policy researcher, Institute for Public Policy Research

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