

[The truth hurts](#)

Written by Philip Salter

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It is about time politicians and the public wake up out of their coma. Dan Hannan tells some [home truths](#) about the NHS and suddenly politicians across the country are required to swear allegiance to that great behemoth.

The NHS has always caused much controversy. Clearly all sides of the debate are guilty of taking individual cases and extrapolating general truths from them, yet the reality is that in both theory and practice the NHS is an awful system for providing healthcare.

Let us not forget that because we have the NHS:

- it is only the very wealthy who get a truly world-class healthcare as it is only they who can afford to pay twice.
- politicians are interferes in the way we choose to live ours lives – and [increasingly so](#).

- healthcare is rationed – and [increasingly so](#).
- public money is wasted on ineffective [pseudo-medicine](#).
- 250,000 people are still [waiting](#) more than 18 weeks for treatment.

Of course, the US healthcare system also needs reform, but instead of looking across the Atlantic, Obama could [learn](#) a thing or two from the Cato Institute. And as a matter fact, so could most of our politicians.

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• [Adam McGoldrick 2 days ago](#)

There seems to be a complete lack of imagination or understanding of how people could get healthcare (which is a good) without a government monopoly and government provided command system. Sigh, the British public at large seem to completely dismiss the advice of Daniel Hannan who is one of the most patriotic politicians we have and who would restore confidence and reinvigorate the Tory party if only "Mr centre on everything Cameron" would realise it.

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• *Jamika* [2 days ago](#)

The state of affairs in Britain is just so sad - especially given the way Daniel Hannan was treated for DARING to have an individual thought and different ideas as to how to do things.

Compare this to the lively and passionate debate in America, where there seems to be an abundance of people with the common sense to know that government is not the solution to our problems.

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• *sedgwicknc* [2 days ago](#)

On the issue of the NHS, there are at least two very important and entirely separate questions.

Firstly, there is the issue of whether we should have a universal welfare system for healthcare (beyond just accident and emergency). With such a welfare system, payment is made as currently in the UK, through taxation according to income, with equal benefit accruing to every resident citizen (and to many other residents beside), irrespective of income and of tax paid.

Secondly, there is the question of whether that healthcare should be provided through hospitals run entirely by central (or other) government, or whether there should be an insurance based system (as with current private healthcare) with hospitals run privately or by charities (and perhaps also by government), with patients freely choosing which hospital to use.

Personally, I favour a universal welfare system organised through health insurance. With this, all eligible people get the 'same value' transfer (perhaps better labelled a voucher scheme, and see below on age) from the taxpayers' pool to their personally selected insurance scheme, which might be a personally selected private scheme (which they can top up to give a greater level of medical cover and/or quality/luxury of hospital residence) or might be a government run scheme (with more basic cover all round). In the case of both private and government schemes, the minimum level of medical cover would be specified by parliament. This funding mechanism is somewhat different from other schemes based mainly on private insurance, such as those in France and the Netherlands, where (IIRC) those over a certain income level are obliged to subscribe to a private medical insurance scheme, and others are automatically funded by a combination of personal additional tax and from the pool of taxpayer contributions (perhaps according to a means test), and might be required to pay a proportion of the costs at the point of use.

Most significantly with the above system, and as at present, NHS cover is provided through taxation, and is hence 'free at the point of use'. It involves a strong component of wealth redistribution, from higher earners to lower (and zero) earners. However, it does not require any means testing. The avoidance of means testing is, itself, a benefit: the scope for fraud is reduced, and the administrative burden is simplified to that of (hospitals) charging the insurance schemes for services actually rendered. It can (and IMHO should) also be the case that the health voucher value should increase with age, so that the bias with age of healthcare costs is properly taken into account in the insurance-based approach. However, it should be noted that the whole wealth redistribution issue is one that increases (unavoidably) the proportion of GDP raised/spent through taxation.

The really important point of this approach is that, combined with such a welfare insurance policy,

hospitals can them be run by a multiplicity of organisations (private companies, charities and even various levels of government) which charge each patient for services actually rendered. Only with competition between hospitals (and also between GPs, which we currently have in some limited form), arising from the above revision of funding, can there be customer driven quality of care and value for money: through the action of a much better market in healthcare. The arising improvements in medical care and in value for money are the main benefits over the current centrally based monopoly operation of the NHS.

There is another (political) point. It must be accepted, and acknowledged which I think is more the issue here, that any healthcare system will lack equality. It is not practical to fund equally through taxation, the best available level of healthcare for everyone. Nor is it reasonable to prevent anyone topping up to more costly and higher level of health insurance, or paying directly for additional treatment. The welfare funded system must be accepted as a safety net, even if rather a good one, that satisfies nearly all of the needs of a substantial majority of the population.

Best regards

Nigel Sedgwick

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• *chriscook* [1 day ago](#)

I advocate going down a very similar road. I believe that the State and the private sector make inefficient health intermediaries, for different reasons.

Re the private sector, there is no need to pay returns to unproductive shareholders in Victorian vintage companies, if the necessary finance can be found from stakeholders within other frameworks, as indeed it can, as I point out here

http://www.labourlist.org/squaring_the_circle_c...

Circle Healthcare are heading down the right road, I think, which is essentially a partnership between a cooperative of health care service providers and a cooperative of health care users/funders.

Such a networked partnership of partnerships could be implemented immediately "bottom up", since there is no need for any legislation.

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• *Simon* [2 days ago](#)

It seemed to me before that people generally seem to have a religious devotion to the NHS. I've found that people complain about it and immediately after praise it. Perhaps they confuse the idea of a tax-funded monopoly with the idea of everyone having the best health care possible.

This outcry seems to back that idea up, perhaps the NHS is primarily a religion and secondly a

provider of health care :) But kidding aside, even if the debate is heavily slanted towards the NHS at least there is some noise being made now.

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• *danielcowdrill* [2 days ago](#)

"Clearly all sides of the debate are guilty of taking individual cases and extrapolating general truths from them, yet the reality is ... the NHS is an awful system."

Presumably this is some kind of joke?

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• *Cardinal del Monte* [2 days ago](#)

I think most of us understand very well what privatisation of health care would mean: either take out medical insurance, if you can get it, or if you can't, try to claim health care as means-tested benefits. This creates three classes of people: the insured, those who receive health care as means-tested benefits, and those who can't get medical insurance but don't qualify for means-tested benefits (and who would first have to impoverish themselves in order to qualify for them).

There's also the logical problem of how you could obtain means-tested benefits in advance for accidents, such as a car-crash, and emergencies, such as heart-attacks or strokes, or for a mere consultation with a GP.

Why does the ASI find it difficult to grasp why most of us regard such a prospect with horror?

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• *Ocaoihm* [1 day ago](#)

Clearly the writer of this article has never left his Ivory Tower if he thinks that the 'NHS is an awful system'. Go fall sick in a country like Russia, as I did, and see how you feel then.

I think the main argument for getting rid of the NHS would centre on teaching the spoilt ingrates of this country a lesson about how lucky they actually are. Even middle-class Americans can be ruined by their current system of healthcare, all because they got, like many human beings, got cancer for example. Stupid them. They shouldn't have got cancer in the first place!

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andyinsdca [1 day ago](#)

Obama is a statist and a monument builder. He cares little for actual results, just that the power of the state is increased and He has "fixed" healthcare.

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• *MarkWadsworth* [1 day ago](#)

Nigel Sedgwick has summed up the two very separate issues (the 'funding' side and the 'provision' side) most eloquently. I second every word of that.

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