

Interview: Lord Philip Hunt – Shadow Spokesperson for Health and Social Care, UK

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Lord Philip Hunt, a former UK health minister during the Blair and Brown governments, shares his thoughts on procurement in healthcare, structural change and its impact, and how funds may present some solution to the problems the NHS is currently facing. In a career spanning over 30 years of service to healthcare, Lord Hunt underlines that the UK will still be an attractive place to do business in the post-Brexit world, and that eliminating bureaucratic process in medicine is the way forward.

What is the Labour Party’s policy for public health and social care?

The NHS faces quite a huge challenge at the moment, not least because of financing at a time of austerity and growing demand through demographic change. It has also endured a difficult structural change, in 2012, which it is still struggling to meet.

The challenge for us, as it often is, and assuming that we will be in government in a short space of time, is to make sure we have enough money to finance the NHS properly. Secondly, whilst avoiding another huge restructuring, we need to change the architecture so that the NHS works in a more functional, integrated way. We strive for less dysfunctionality and an improved culture where people begin to feel that they are part of one NHS.

Most healthcare systems face similar dynamics, whereby they feel enormous pressure and require considerable support. And the great thing about my experience in government is that we were able to grow the health service by one third: we saw massive expansion. We dealt with a chronic underperformance of the NHS, principally waiting time for treatments. The tragedy, for me personally, is that I currently see us regressing. We want to stop that and get the NHS back on track again. That is my principal aim.

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Our relationship with pharma and innovation is vitally important because the UK is fantastically good at innovation; I am very proud of the pharma industry and what it contributes. The challenge is to use this in our health service so that patients receive the benefits more quickly than they do currently.

We know that we are a little bit slow to adopt new ideas, despite the fact we are brilliant at developing them. If there is one issue, above all else that I would tackle as a Health Minister, it would be to improve uptake of innovation and I would work in partnership with industry to do so.

We have to be certain on what costs we pay for medicine, and as part of that there is a commitment to invest in innovation; whether it is medicines, devices and other therapeutic areas.

What more can be done to coopt the industry into engaging in better conversation with government?

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We do have good dialogue between government and industry in this country although I'd like to build on it. It is particularly important in the post-Brexit environment: specifically, how do we make sure we invest sufficiently in R&D while continuing to maintain and enhance life sciences?

A big issue is the relationship between pharma and the NHS and the way it provides services. At the moment, we have a big problem in depriving NHS patients of new medicines. In comparison to France and Germany, the situation could be better.

Although the UK is a fantastic place to do business, the NHS's slow uptake of new products can be frustrating for the pharmaceutical industry. In a government funded system, value for money is a clear driver along with the assurance that resources are distributed sensibly. I am convinced that we need to do more, partly at the national level and particularly with the funding stream. The PPRS rebate scheme has been a wasted opportunity. It should have been use to re-invest in innovation in the NHS,.

It is, of course, a complex process. We know that the Cancer Drugs Fund, which despite initial successes, evolved into almost a replacement for traditional funding; and we need to be careful of the approach we take here. A combination of funding incentives, plus encouragement of the NHS to collaborate more with industry, around innovation and good practice would be a good remedy and a step forward.

We do have academic health science networks, some of which are showing positive signs although we probably need to build on that. It is not just medicines but equipment and new techniques, and if we are serious about meeting challenges in a post-Brexit environment, innovation and translation of innovation into everyday practice is the way forward.

What are your thoughts on the current NHS procurement question?

All things considered, the NHS is a modest spender. If we are able to maintain a GDP spend which is nearer to France or Germany's then it can produce a very good system. My disagreement with the current procurement and competitive tendering programme centres on the quasi-market structure we have. The system requires that government money is given to government bodies, but then competitive behavior is introduced, which is then policed by competition authorities. For me, this is a ludicrous and costly approach to managing the system. NHS England, for the most part, has given up on the process and what we see now is that much commissioning is no longer in accordance with the 2012 Act.

What would Labour do to solve some of these issues?

A population-based approach to health. Within every locality or large population, a body would receive funding from government and an allocation process would ensure people are provided with

the necessary services. The approach would do without the bureaucracy of enforced competitive tendering and would focus on more integrated health and social care. These days, it is hard to talk about health without including social care; in many ways there is lack of emphasis and funding on social care currently.

If we consider funding overall, I agree that the NHS has received some growth but not enough, although a big factor has been social care's real terms reduction in funding. Step down and rehabilitation care are critical to healthcare infrastructure, to ensure that people coming out of hospital avoid going back in, and if we lose funding here, we see the elderly ending up in accident and emergency departments, which of course exacerbates the current situation. Social care can and should help to share this burden.

What role does quality of care play in the health system?

I used the example of wound care in a recent debate in the House of Lords, to underline how skimping on the cost of bandages and wound care creates problems down the line because more patients take longer to recover which is expensive.

The constant challenge we face is procuring for value as opposed to the minimal cost arrangement. We have seen this challenge manifest itself in major government contracts such as the Carillion contract, where margins got tighter and tighter, and where SMEs have been squeezed badly. We do not get the value out of it.

What are your thoughts on changing the NHS structurally to pinpoint and tackle the problem?

For the last 30 or 40 years, there has been a constant desire by politicians to modify and play with its structure, as they believe structural change is the solution. Unfortunately, there is lots of wastage with each restructuring and indeed, the people who run these organizations immediately start to worry about their futures.

Due to legislation, the process can take anything up to two years, and the people we rely upon to help carry out the change worry about their jobs. The cost cannot be overlooked, there are always redundancy costs and startup costs for new organizations.

I would rather not waste our time organizing another mega-restructure and would prefer to set broad principles and legislation which gives more discretion locally to resolve issues.

What will be the impact of Brexit on the life sciences?

My main concerns are founded in the naïve belief that as a sovereign country standing alone, we can negotiate wonderful free trade agreements with other countries without consequence for our trading relationship with the EU.

However, from a health and pharma point of view, the UK will remain a key place to do business. It would help if we could agree mutual recognition of medicine licenses in the UK and the EU. It will also be important to replace and even increase current EU R&D investment.

The underlying strengths of the UK remain and we will continue to have a fantastic life sciences sector. We will continue to be an innovative destination post-Brexit, and in that context, pharma will be a major player.

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