

## **THE RELATIONSHIP BETWEEN PRIVATE AND STATE HEALTH CARE**

DR FRANK PORTELLI

At present there appears to be a big divide between State Medicine and Private Medicine both at Primary Care Level, for instance in the relationship between the General Practitioner and the Health Centres, as well as in the relationship between Private Hospitals and State Hospitals.

General Practitioners lament the fact that at primary care level, a simple request for a chest x ray by the patient's general practitioner requires an endorsement by a doctor from a health centre before it is performed.

General Practitioners complain that they do not receive a copy of the report of the X-ray of their patient. GPs complain that patients referred to hospital are often not referred back to their GP, but are being referred back to a health centre. Minimal ethical standards would suggest that patients should be sent back to their referring general practitioner with all the relevant medical information.

The divide between the State hospitals and private hospitals is so wide that one could well say that at present little co-operation exists between State and private hospitals. This lack of collaboration between the two sectors renders both State and private systems inefficient. It is detrimental to the patient, and ultimately costs the country money we can ill afford to waste.

### **The NHS – a victim of its own success**

The demand for medical services has increased and will continue to increase. It has been said that the NHS has paradoxically become a victim of its own success. In an open ended offer – and the NHS is an open ended offer par excellence – demand is bound to outstrip supply.

Add to this the realities of increased life expectancy, the increased medical needs of the elderly, the great expense involved in providing cardiac surgery, the demand for newer and ever more expensive drugs such as Taxol, Taxotere, and Gemcitabine (for treatment of cancer of the breast, ovary, lung and colon), and the NHS will respond in the only way possible - by rationing

## **Rationing**

An elderly person presently may have to wait up to one year for a cataract operation in order to regain his or her eyesight. He/she may have to wait another 4 or 5 years to have a knee or hip replacement. Whether we like to admit it or not, long waiting lists are in fact a form of rationing – rationing of medical treatment.

When the NHS does not have the money or the facilities or the manpower to provide the treatment demanded from it, it will respond in the only way possible by increased rationing – longer waiting lists.

Needless to say drugs like Taxotere, Gemcitabine, Ironotecan are not readily available on the NHS because of the expense.

We must stop perpetuating the myth that the State – the NHS – is able to provide for all our medical and social demands.

## **The Way Forward**

Once we recognise that the State cannot, on its own, provide for all our demands what is the best way forward? Forming a strategic partnership with the private sector – finding areas of collaboration between the NHS and the Private Sector could be one solution. However, we must first dismantle the barriers that exist between the Medical Private Sector and the NHS.

## **Duplication of Medical Equipment**

Modern Medical Equipment such as MRIs, CT Scan, Gamma Cameras, Cardiac Labs require a huge initial capital outlay and are expensive to run. Medical equipment depreciates heavily and soon becomes outdated, and moreover it has little or no resale value. Does it make sense to duplicate expensive equipment in a small country like ours with a population of less than 400,000 inhabitants? We have to ask, does it make sense to have two MRIs and three CT scanners competing against each other in such a small population?

Would it not make more sense to establish collaboration between State and private hospitals so that investment in expensive medical equipment is co-ordinated? When duplicate medical equipment is placed in a small country with a limited population the market fragmentation that occurs renders the investment non-viable.

## **Proposals**

I would like to propose that a co-ordinating committee be set up between the State and private medical enterprise in order to review the facilities presently available on the island, and to plan future investment in order to avoid duplication of expensive equipment.

The brief of this committee would be to establish collaboration between State hospitals and private hospitals so that future investment in medical equipment could be co-ordinated, and duplication of expensive equipment would be avoided, thereby reducing capital outflow from the country, and avoiding further fragmentation of the market.

## **Leasing of Facilities**

State Hospital and Private Hospital should start to lease their facilities to each other. For instance the newly installed MRI at St Luke's Hospital

could be leased on a sessional basis to the private sector. The MRI could be leased at advantageous rates for use after hours or at weekends. This would ensure that such a piece of expensive equipment is utilised to its maximum potential, it would be run more cost efficiently, and it would generate revenue for the government – revenue which State hospitals could well utilise.

### **State Hospitals should in turn lease facilities from private hospitals**

The State could lease operating theatre time from private hospitals, it could also lease a number of beds from private hospitals. In the private sector there are a number of operating theatres that are standing idle at least 50% of the time – whilst there is a lack of operating theatre availability in state hospitals.

Recently in Britain a concordat between the NHS and the Private Sector has been signed by Alan Milburn, Britain's Labour Health Secretary. The agreement aims to lease the spare capacity in the private sector for the benefit of NHS patients. The UK Government has realised that an agreement that ensures co-operation between the NHS and the private sector will certainly benefit patients and will solve a number of problems for the NHS.

Britain's NHS will not only utilise the spare capacity in private hospitals for patients on the NHS waiting list, but the spare capacity – the unutilised beds in private hospitals will be available also for patients who require rehabilitation and convalescence, the so called intermediate care facilities, the place between hospital and home, largely for the elderly patient who is not fit to go home following an acute illness or a surgical operation .

A similar agreement would be beneficial to our patients in Malta. Such an agreement would reduce bed blocking by patients in our NHS hospitals. These patients need care and rehabilitation, but their place is not in an acute bed in an NHS hospital. It seems sensible for the NHS to lease the vacant beds in the private hospitals .

More than this, however, an agreement (concordat) between State and private sector would signal a new relationship between the two sides, a relationship which will ultimately be beneficial to both parties.

The Private sector has enough facilities – in terms of hospital beds, operating theatre time etc, that if a concordat were signed with the private hospitals, together we could rid the NHS of its waiting list in the next few years. The Government has declared in its manifesto that it “will work at finding ways of promoting co-operation between the private health sector and that of the State, to the greater satisfaction of doctors and patients” (Article 161). (Electoral Programme nationalist party, 1988) The Government had also declared that it “ will also encourage the development of private hospitals. This will ease the workload of State hospitals and reduce the pressure on their budgets.” (Article 165)

Both major political parties ultimately believe that co-operation between State and private hospitals is beneficial to the country – so that there should be no obstacles from present political philosophy.

It would be gratifying to see the Government work hand in hand in a real partnership for the good of the patient. The patient will remain an NHS patient, the doctors can be NHS doctors or private doctors, and most importantly of all, the patient will not pay for the treatment

## **Medical Insurance**

Private Medical Insurance has an important role to play in the health sector. The scope of Medical Insurance is for the patient to benefit from the advantages normally associated with private medical treatment, to avoid waiting lists, to have planned surgical treatment at his convenience etc.

Private Medical Insurance also benefits NHS patients because it relieves some of the work load of NHS hospitals, and it therefore has the potential to reduce waiting lists.

Some medical insurance companies, however, have introduced so called 'cash benefit schemes' which defeat these scopes. Cash benefit schemes are schemes that reward the insured patient who elects to receive treatment in an NHS hospital with a daily cash benefit. These schemes reward the patient with a cash benefit of up to Lm25 for every day that he lingers in an NHS hospital – a not inconsiderable sum by any account. Insured patients therefore, are being lured away from the private sector back into NHS hospitals.

The insurance company clearly benefits most from these schemes, as their liability is limited to Lm25 per day. They do not have to pay for private hospital fees, nor do they have to pay doctors professional fees, nor for any pharmaceuticals or expensive consumables.

Instead of relieving the pressure from NHS hospitals, these insurance schemes are actually riding piggy back on the NHS compounding further the problems for the NHS and milking it further. One can argue that since the patient is accepting a cash benefit then he has in fact activated his insurance policy and the NHS should treat him as an insured patient. A claim for all medical expenses incurred by the NHS would be in order. It cannot be right for insurance companies to reap profits from premiums and expect the NHS to foot the bill when medical treatment is required, treatment which is covered by the insurance policy.

### **Tourists and non-Residents**

Over the years Malta has become a popular tourist destination. Indeed over one million tourists come to visit Malta every year around 500,000 of whom are British. The majority of tourists travelling to Malta nearly always have in their holiday package medical insurance cover which costs them around Lm20 for a two-week stay – pre-existing conditions being excluded.

The medical insurance requirements of these patients are in the main managed by handlers – companies that essentially work for

commissions. These insurance handlers are now utilising the reciprocal health agreement that exists between Malta and Britain, and are admitting their insured patients to St Luke's Hospital when they require hospital treatment.

The dimension of the problem is not negligible. If half of one percent (0.5%) of these often elderly patients require hospital medical care averaging 4 days, a minimum of 25 beds daily would be required to look after their medical needs.

At present insurance companies abroad are collecting more than Lm1,000,000 in premiums from the British tourists alone - and then they enjoy a free joy ride on the backs of our State hospitals. I feel that action is required to remedy the situation.

First: The reciprocal health agreement needs to be reviewed since patients who require Cardiac Surgery and Cancer Treatment are now in the main being treated in Malta and not being referred to the UK.

Second: Non-residents and tourists covered by a medical insurance should not be treated in State hospitals but should be transferred to private hospitals – and when it is mandatory for them to be treated in a State hospital they should be charged for the treatment as private patients. Certainly they should not be allowed to milk the NHS dry.

Clearly a great deal needs to be done, and this is a good time to start. I would hope that some of my proposals are taken up so that a true and beneficial partnership can be established between the State and the private sector – a partnership that would seek to eliminate waiting lists completely, remove the indignity of putting patients in hospital corridors – a partnership that will benefit patients, State hospitals and the private sector.