



Whitehall blunders: the price of doctors

Alan Maynard, professor of health economics at the University of York, discusses the high pay of GPs and whether they are really needed to deliver the bulk of care

Usually, when the price of something rises, consumers demand less and when the price falls their consumption rises. The price of doctors has risen considerably as a result of Whitehall blunders over the last 5 years.

When decision makers blunder they usually seek to mitigate their errors in subsequent decisions. Thus the GPs have had no real income increases for several years as Whitehall seeks to claw back Government generosity associated with the 2004 reform that introduced the Quality Outcomes Framework (QOF).

The QOF gave the average general practitioner a very large pay increase in exchange for the improved delivery of preventive care, some of which was evidence-based and cost-effective. No such bargain was achieved with consultants. They got a pay increase with no observable productivity gains.

With an economic recession likely to lead to harsh fiscal pressures after the election, what can the NHS do to mitigate the financial burden of these expensive practitioners? Simple economic theory predicts that when prices rise, not only does demand decline, but consumers (NHS employers) look for cheaper alternatives.

Do we really need GPs to deliver the bulk of primary care? The trade union of doctors, the British Medical Association, argues that list sizes

should decline to improve the quality of patient care. They do this in an evidence-free manner, of course. There is little evidence that smaller list sizes deliver improved patient care.

John Fry, an academic GP, argued that list sizes should rise (Blythe, 2007). Thus a good GP with a list size of 1700 could manage a list of 3000 if he/she was well organised and used practice nurses to deliver routine care. That phrase 'routine care' tends to make GPs shudder as the limited literature indicates that perhaps 70–80% of what GPs deliver could be done equally well by a practice nurse.

Will 'World Class Commissioning', by PCTs abandoning their 'bank clerk' mentality, lead to the halving of employment of GPs in the NHS? Probably not, but the scope for economy in primary care is obvious. When GPs retire, their freed funding could hire two nurses to deliver good quality primary care at a lower cost.

Hospitals are challenged severely by the European Working Time Directive and the high price of consultants. Will their managers exploit the opportunities for substitution?

The demand for endoscopy has increased considerably over the last decade. Nurse endoscopists can carry out most routine procedures as effectively as physicians. Nurses are cheaper than physicians, so the scope for substitution is considerable.

Anaesthetics have become simpler to administer in recent decades. Now even the slow and reactionary Royal College of Anaesthetists has agreed that simple procedures can be carried out by suitably trained nurses. In Scandinavia, the Netherlands and the US, even more complex anaesthetic procedures are delivered by nurse practitioners. Again, nurses carrying out these procedures are cheaper than doctors and generally just as good.

Much of this has been known for decades but has been largely ignored by managers in the NHS. The great benefit of following 7 years of plenty of NHS funding with 7 years of scant funding increases, is that managers will have to economise and exploit the knowledge base by substituting cheaper inputs for overly expensive ones.

The trade union will squeal, but their success in increasing members' incomes in the short-term is less employment in the medium-term. The challenge for workforce planning will be, as ever, getting the numbers right at a time when the medical workforce is being feminised with inevitable consequences for productivity.

The recession will ensure we have 'interesting times' as we respond to funding problems and the high price of doctors. BJHCM

Blythe M (2007) *Almost a Legend: John Fry. Leading reformer of general practice*. Royal Society of Medicine Press, London