

The Quality of UK Healthcare: Comparison to Europe

A Policy Brief from The Bow Group, by Chris Philp and Aaron Smith

January 2005

Summary

UK Healthcare continues to be much worse than in Europe. 323 lives are lost per day because we are not matching the best European standards in the three main killers – heart disease, respiratory disease and cancer. That's 117,743 per year. 85 lives per day (or 30,965 per year) are being lost because we are not even matching EU average standards. Looking at trends over time, there has been no significant improvement over the last 7 years.

Another good measure of the quality of healthcare is the survival rate once a disease has been diagnosed. On this measure, the UK is bottom of the league table of Western European countries for cancer survival rates. In fact, you have more chance of surviving lung cancer in Poland, Estonia or Slovakia than you do in the UK. In France, patients are twice as likely to survive lung cancer as they are in the UK.

Significantly more money has recently been put into the NHS in the last seven years. But standards are still much lower than in Europe and activity (e.g. number of operations) has not increased. Besides maintaining funding levels, fundamental, structural reform is needed. The principles that guide this should be choice for patients and their GPs between hospitals and freedom for hospitals to manage their affairs as they see fit. This may begin to solve the UK's health service crisis. Money alone has not worked.

1. Mortality Rates

Mortality rates in the UK are much higher than those in Europe. For the 3 major causes of death (Heart Disease, Cancer and Respiratory Disease), the UK lags behind the best European countries and is also generally below the European Average.

The table below illustrates how many lives are being lost per year as a result of this underperformance. By matching Best EU standards, 323 lives per day would be saved. Even by matching EU average standards, 85 lives per day would be saved.

Lives Saved if UK matched Best EU Standards¹

Disease	Per Year	Per Month	Per Week	Per Day
Respiratory Disease	52,898	4,408	1,017	145
Heart Disease	41,220	3,435	793	113
Cancer	23,625	1,969	454	65
Total	117,743	9,812	2,264	323

Lives Saved if UK Matched Average EU Standards²

Disease	Per Year	Per Month	Per Week	Per Day
Respiratory Disease	30,965	2,580	595	85
Heart Disease	N/A – Already Ahead			
Cancer				
Total	30,965	2,580	595	85

These figures are generated by looking at population-weighted average and best mortality rates in the EU compared to the UK. These are given below.

UK Compared to EU Mortality rates³

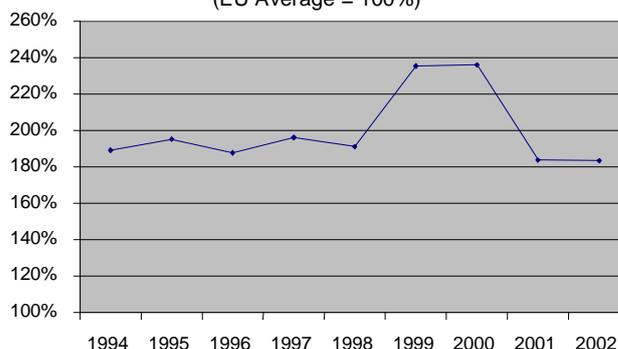
Disease	UK Rate	EU Best Rate	EU Average
Respiratory Disease	126.1	36.4	73.6
Heart Disease	344.8	274.9	421.9
Cancer	233.8	193.8	250.3

Trends Over Time

Looking at the trends of UK Mortality rates over time does not suggest that there is any material improvement compared to other EU countries.

The Respiratory mortality rate is worse than the European Average by about 80%-90% (and was 140% worse in 1999 and 2000). Even in 2001 and 2002, the relative performance was no better than in the early and mid 1990s. There has been no improvement at all since 1997 on this measure – which looks at performance relative to other EU countries.

Respiratory Mortality Rate Compared to EU
(EU Average = 100%)

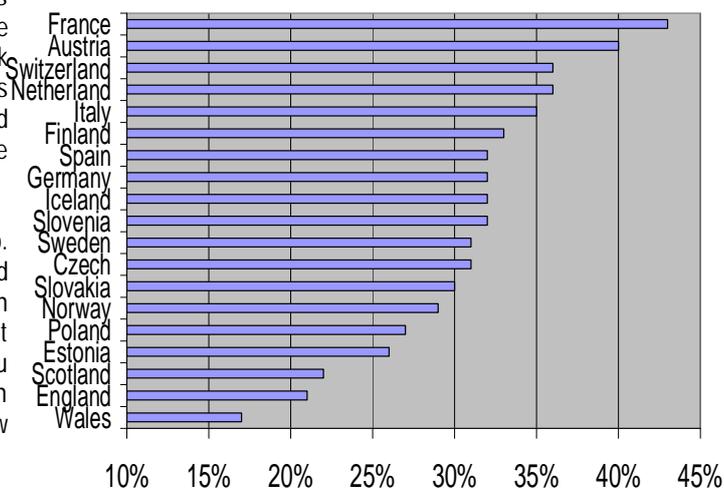


2. Survival Rates⁴

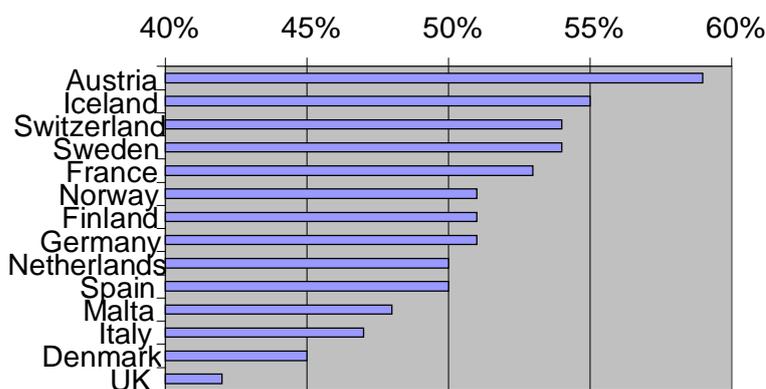
Some people argue that mortality rates reflect lifestyle, as well as the quality of healthcare in a country. This is of course in part true. Survival rates after a disease has been diagnosed are a much better way of measuring the quality of a healthcare system in itself. Survival rates look at what proportion of patients are still alive 1, 3 or 5 years after being diagnosed with a disease. This is a good measure of the quality of healthcare that they have received after diagnosis.

Unfortunately, the UK does badly on these measures too. Taking cancer as an example, England, Wales and Scotland are bottom of all western European Countries in terms of cancer survival rates after diagnosis. That means that if you are diagnosed as having cancer, you have a better chance of surviving in any other Western European country than the UK, as the table below shows.

1 Year Observed Lung Cancer Survival Rates



5 Year Relative Survival rates - All Cancers



Looking at some specific cancers yields even more worrying results. In the UK survival rates for Lung Cancer, one of the most common cancers, are appallingly low. In fact, you have more chance of surviving lung cancer in Estonia, Poland and Slovakia than in the UK. In France, patients have twice the chance of surviving lung cancer as they do in the UK.

This suggests that there is a fundamental flaw in the way that healthcare is delivered.

3. Funding and Activity

One of the problems that the NHS has historically suffered from is low levels of funding compared to other European countries. That was often offered as an explanation as to why standards were lower than in other European countries.

However, over the last seven years NHS spending has increased massively – and rightly so.

Staff and spending in the NHS⁵

Year End	1997	2002	Change
Spending	£42.3 b	£58.0 b	+ 37% / 25%*
NHS Staff	1,058,686	1,224,934	+16%
Non-clinical staff	538,792	621,857	+15%
% Clinically Qualified	49.1%	49.2%	+0.1%
Doctors in NHS (FTE)	89,619	104,460	+17%
Nurses	300,000	346,537	+16%

* Nominal increase / Real increase (RPI deflated)

Spending has increased by 37% between 1997 and 2002 in nominal terms and about 25% in real terms. Staff numbers have increased by about 15%-16% over the same period, although a lot of the increase (about half) has been on non-clinical staff. Although the increase in the number of doctors between these dates was also significant at 16.6%, this represents only a modest increase in growth rate above the 13.3% increase achieved between 1991/2 and 1996/7 when overall NHS spending rose more slowly.

Increases in NHS staff resources have been smaller than increases in expenditure. This implies extra public sector inflation, above normal inflation in the economy. Expenditure has increased by 25% in real terms, but inputs (staff) has only increased by about 15%. This would imply that over the period there has been health service input cost inflation of 10% over and above general inflation.

This suspicion is confirmed by the fact that 30.77% of increased expenditure in 02/03 went on pay inflation.⁶ It is worth noting that approximately two thirds of health spending goes on salaries.

Health Output

What about productivity? Are all these extra staff delivering anything extra? It would seem not. Activity rates have only seen very small increases compared to the increased real resources – i.e. more doctors, nurses and administrators. Waiting times have actually worsened overall. This implies that productivity has actually declined – more people are doing about the same amount of work.

NHS Activity Statistics

Year End	1992	1997	2002	Chge
	('000)	('000)	('000)	97-02
Ward Attendances ⁷		1,026	1,078	+5%
A&E Attendances ⁸	13,717	14,126	14,044	-1%
1st Outpatient Attendances ⁹	8,942	11,294	12,714	+13%
Total		26,446	27,836	+5 %

Year ¹⁰	1998/9	2001/2	Chge
	('000)	('000)	
Ordinary Admissions	8,563	8,764	+2%
Ordinary Operations	3,434	3,269	-5%
Day Cases	3,421	3,593	+5%
Day Case Operations	3,031	3,173	+5%

Overall, activity in the NHS since Labour came to power has increased by 5%. However, over the same period spending has increased by 37.1% (24.6% real terms) and staff numbers by 15.7%. Activity has stayed about the same while there has been a big increase (c. 16%) in the number of staff. Productivity has gone down – each person is doing less useful work than previously.

Similarly, the figures for operations in the second table show either a decline in activity from 1998/9 (the earliest comparable figure) or a modest increase. The total of 'ordinary' and day case operations combined was in fact marginally lower in 2001/2 than three years earlier.

More recent statistics do not suggest that increased spending is having an effect. In 2002/3, health spending increased by 21.5% while the NHS's assessment of its activity was up only 1.6% and admissions to hospitals actually declined by 0.5%.¹¹

Waiting Times

The NHS's recent record in reducing waiting times for operations and treatments is mixed. Whereas waiting times for cataract operations and some heart operations have declined considerably, waiting times for many other operations have gone up. There has been little change in the average times taken to treat injuries and diagnosed diseases.

Median Waiting Times (Days)¹²

	1998/9	2001/2	Change
Operations			
Cataract	204	153	-25%
Upper Digestive Tract	33	34	+3%
Heart CABG	170	153	-10%
Heart PCTA	48	58	+21%
Hip	198	220	+11%
Kidney Transplant	13	15	+15%
Treatment for Diagnoses			
Cancer	18	19	+6%
Heart Disease	70	75	+7%
Influenza	121	121	-
Hernia	82	80	-2%
Head Injuries	4	4	-

Across the NHS as a whole, the average waiting time for an operation increased from 90 days in 1997 to 96 days in 2003.¹³ The number of inpatients and outpatients seen within three months also declined.

Year	1996-7 ¹⁴	March 2003 ¹⁵
Inpatients seen within 3 months	72%	54%
Outpatients seen within 13 weeks (of going on outpatient list)	81%	77%

Waiting Lists

The Labour government's much trumpeted success in reducing waiting lists is in fact based on inpatient waiting lists only. Since Labour came to power, inpatient waiting lists have fallen from 1.16m¹⁶ to 0.99m¹⁷. This represents

a 14.7% decline, steeper if it is considered that inpatient waiting lists initially rose under Labour, by 55,000 from March 1997 to September 1998.¹⁸

Outpatient waiting lists however have risen from 1.3m¹⁹ in March 1997 to 2.4m in March 2003.²⁰ This 1.1m increase means that, taking inpatient and outpatient waiting lists together, 930,000 more people are waiting for treatment in March 2003 than in March 1997, an increase of 21% in six years.

4. Conclusion

As the table below shows, the 25% real increase in health spending in the first 5 years under Labour has only resulted in a 16% increase in resources and staff. The remaining 10% has gone on excess health service inflation.

However, even the 16% increase in resources has not resulted in improved activity – attendances are only up 5% and overall waiting times have actually increased by 6%. Productivity – the activity that each person achieves – has actually gone down.

founded in 2003. Prior to that, Chris started a distribution business which he floated on the stock market for £50 million in July 2004. Chris has also worked at McKinsey, and read Physics at Oxford.

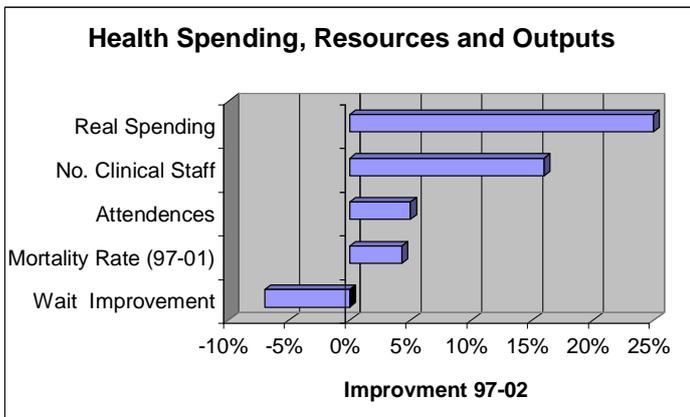
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- ¹ Bow Group Calculation – derived from mortality rates available on Eurostat
- ² Bow Group Calculation – derived from mortality rates available on Eurostat
- ³ Eurostat
- ⁴ Source: Eurocare-3 international comparative study of cancer
- ⁵ All statistics from Statistics Sub-Site of NHS Website, October 2003
- ⁶ Statistics Sub-Site of NHS Website, October 2003
- ⁷ Form KH14, NHS Statistics, October 2003
- ⁸ Form KH09, NHS Statistics, October 2003
- ⁹ Form KH09, NHS Statistics, October 2003
- ¹⁰ NHS Hospital Admitted Patient Data, NHS Website, September 2003
- ¹¹ NHS Website, November 2003
- ¹² Statistics Sub-Site of NHS Website, October 2003
- ¹³ The Times. 27 September 2003
- ¹⁴ NHS Red and Green Books for 1996/7
- ¹⁵ NHS Red and Green Books for 2003/4
- ¹⁶ NHS Green Book, March 1999
- ¹⁷ NHS Green Book, March 2003
- ¹⁸ NHS Green Book, March 1999 and September 2000
- ¹⁹ NHS Performance Book, 1996/7
- ²⁰ NHS Red Book, March 2003



Significantly more money has been put onto the NHS in the last seven years. But standards are still much lower than in Europe and activity has not increased.

Besides maintaining funding levels, fundamental, structural reform is needed. The principles that guide this should be choice for patients and their GPs between hospitals and freedom for hospitals to manage their affairs as they see fit. This may begin to solve the UK's health service crisis. Money alone has not worked.



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