

UK healthcare funding and provision

Summary

AXA supports the UK government's continuing commitment to the National Health Service – a largely tax funded service that plays a leading role in meeting the nation's healthcare needs.

AXA further supports the presence of an independent healthcare sector that enables individuals and employers to complement NHS provision with privately funded care – a choice that enables them to secure treatment by an experienced, senior doctor (generally of NHS consultant grade) in privacy and comfort at a time that suits them.

New drugs and treatments, alongside a rapidly ageing population mean health inflation will continue to grow at levels of 5% to 6% pa as in any developed country. Innovative treatments are often expensive and health spending, as a percentage of GDP, will go on growing with the state being asked to contribute an ever larger share. A future government will need to choose between a defined level of healthcare provided by the NHS and the extra that will be funded by patients through 'top ups' or some other mechanism. Historic nervousness with private sector partnerships need to be cast aside

The care made available by the independent healthcare sector* plays an important role in helping to meet people's increasing demand for healthcare services – demand that is driven by an increasingly elderly population, the increasing availability of new – and often costly – medical technologies and treatments and an increasing patient awareness of these developments and assertiveness in seeking to obtain them. Additionally it helps to relieve the pressure on the state funded service.

An area where the independent healthcare sector is especially well placed to help is in providing employers with early access to treatment of employees with psychological problems (especially stress, anxiety and depression) and with musculoskeletal conditions – two conditions with which the NHS continues to struggle to provide timely treatment and, consequently, two of the main causes of long term sickness absence in the UK. This is an important issue for Britain's productivity as the national director for health and work, Professor Dame Carol Black, estimates that economic cost of sickness absence and 'worklessness' to the UK economy is over £100bn per annum.

AXA further welcomes the government's commitment to introducing an NHS consultation in England, setting out patients' entitlement to NHS services. Greater clarity about the limits of NHS care will make it easier for patients to make better informed choices about meeting their healthcare needs, which may include 'topping up' gaps in NHS provision with privately funded care. Greater clarity of NHS entitlement will also help underwriters such as AXA to develop cost effective insurance policies to meet consumer demand for such additional cover.

**According to healthcare industry analyst Laing & Buisson, UK medical insurers spent £3.2bn on benefits on behalf of their members in 2008.*