

Free choice at the point of referral

'Free choice' – allowing patients being referred for non-urgent treatment to choose a hospital anywhere in England – begins in the NHS in England in April 2008. It is another milestone in a policy that aims, among other things, to use consumer pressure to improve the quality of hospital services provided by the NHS. How significant a development is this for the NHS in England? Will patients choose and will those choices have an impact on hospital trusts? This briefing summarises the most recent official data relating to choice of hospital at the point of GP referral. (A fuller briefing on patient choice is also available (King's Fund 2007a).)

Patients being referred by a GP for a first non-urgent outpatient appointment should now be able to choose a hospital or clinic anywhere in England. This includes 'all foundation trusts, NHS acute trusts and a large number of independent sector providers and their hospitals' according to the latest guidance on choice released by the Department of Health (Department of Health 2008a). This guidance makes clear that primary care trusts cannot restrict patients' choices, and hospitals cannot refuse 'clinically appropriate referrals'. Maternity and mental health referrals and urgent referrals for cancer and chest pain are currently exempt from choice.

According to the Choose and Book website, there are 64 foundation trusts and 110 acute trusts listed on the 'directory of services' as of December 2007 (Choose and Book 2008). It is slightly less clear how many independent sector providers there will be to choose from: the website shows 86 listed in December. Speaking in November 2007 the Health Secretary Alan Johnson stated that more than 100 private hospitals were already on the 'extended choice network', the precursor to free choice. 'There has been rapid growth in patients choosing to be referred to the 129 independent sector hospitals currently registered under the Extended Choice scheme. The value of activity has doubled in the last month alone.' (Department of Health 2007).

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In theory, the size and value of the 'market' in non-urgent procedures is large. Payment by Results (King's Fund 2007b) means that each outpatient attendance and subsequent procedure attracts a national price, allowing money to follow patients' choices.

Table 1 lists four common elective surgical procedures, their volume (2005/6 data), their current tariff value and an indicative total 'value' based on the volume from those years.

TABLE 1

Procedure	Number of procedures (2005/6)	Tariff price 2007/8	Total 'value'
Extraction of cataract	271,118	£720	£195,204,960
Arthroscopies	114,784	£1,063	£122,015,392
Knee replacement	55,024	£5,613	£308,849,712
Hip replacement	33,527	£5,305	£177,860,735

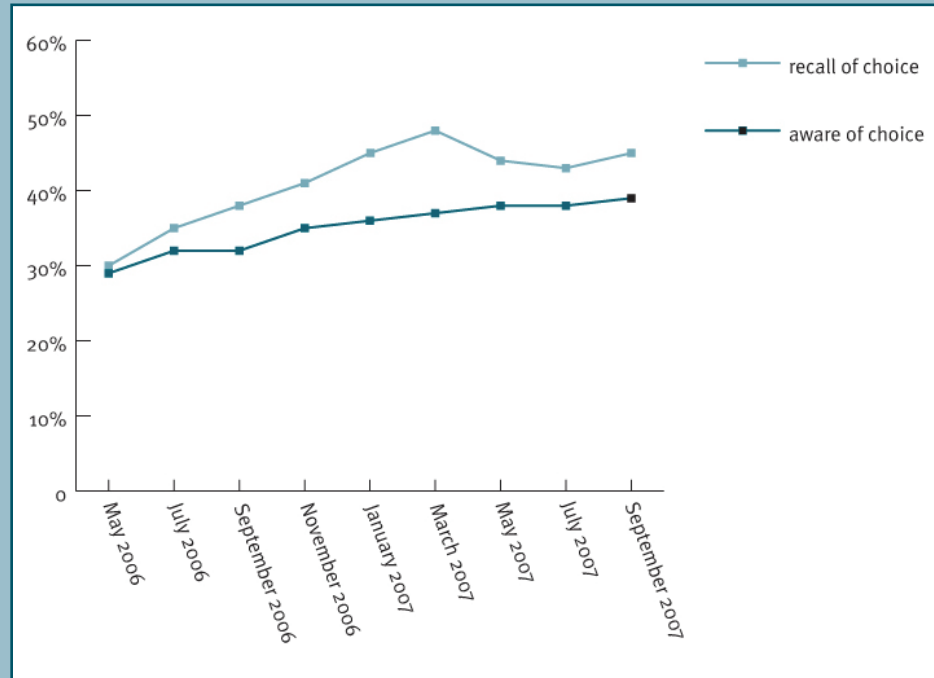
Currently, the independent sector has competed for only a small percentage of total NHS 'elective' activity and it is not known how fast this share of the market will expand. Income for NHS trusts comes partly from procedures covered by choice and partly from emergency, maternity and other services not covered by choice. In theory a significant proportion of trusts' income could be affected if some patients do start to move.

Whether that happens and leads to improvements in services for patients depends a number of factors. Successful implementation of the electronic booking system, known as 'Choose and Book' will be important. The government set a target for take-up of this system by PCTs of 90 per cent by March 2007. In fact only 27 per cent of referrals from GP to hospital were being made using Choose and Book in the year 2006/7 (Healthcare Commission 2007) but the proportion has now risen to 'over 50%' according to the latest official figures (Connecting for Health 2008).

It will also depend on the 'switching' behaviour of patients. That is, the extent to which patient flows change as a result of choice. Some research has suggested that a large proportion of patients in England are within reach of more than one hospital (Damiani *et al* 2005). And there is no doubt that the public is enthusiastic about choice in principle. The 2005 British Social Attitudes survey found that 65 per cent of people want to be able to choose their treatment, 63 per cent their hospital and 53 per cent the date and time of their appointment (Alvarez and Appleby 2005).

But even though choice of hospital has been on offer since January 2006, there is very little evidence available about whether patients have been actively choosing where to have their treatment. Data from the Department of Health's National Patient Choice Survey shows an upward trend in patients recalling being offered choice from their GP: 45 per cent of patients referred for treatment recalled being offered a choice by their GP in September 2007 compared to 30 per cent in May 2006 (Department of Health 2008) (see figure 1) Awareness of choice has been growing, but is still low.

FIGURE 1: PERCENTAGE OF PATIENTS WHO RECALL BEING OFFERED CHOICE
National Patient Choice Survey



(source: Department of Health 2008b)

Competitive pressure on hospitals might not, however, depend on particularly large changes in patient flows. But for the government's objective for greater quality to be met, it probably requires at least some patients to be looking for improved 'quality'. Although research into hypothetical patient choices has shown a readiness to look for improved quality (Burge *et al* 2006), the national survey data suggests that ease of access is still dominating patients' priorities (table 2). Nevertheless, a minority of patients are reporting factors such as cleanliness and freedom from infection as being important in their choice of hospital (Department of Health 2007).

TABLE 2: FACTORS MENTIONED BY PATIENTS WHEN CHOOSING A HOSPITAL

Location/transport (accessibility, easy to get to)	65%
Cleanliness (infection free, hygiene, MRSA levels)	22%
Reputation of hospital (previous experience, familiarity, confidence)	20%
Waiting times	20%
Quality of care (treatment, standards, professionalism, good service, expertise, modern)	20%

(Source: Department of Health 2008b)

Much also hinges on the information available to both GPs and patients. GPs are supposed to give patients a copy of the *Choosing your Hospital* booklet to help them make their decision but only 27 per cent of patients who recall being offered a choice say that they received it (Department of Health 2008). The booklets include information on hospital performance based on Healthcare Commission data.

The same data is available on the NHS Choices website (www.nhs.uk), which is developing as a resource to provide patients with information about hospitals. It also allows patients to leave comments about their experience for other people to read, although take-up of that facility is minimal at the moment. In early March 2007, a total of 108 comments had been left on the hospitals that make up the ten largest NHS trusts (calculated by volume of procedures). Nevertheless, an independently run website set up in 2005 has attracted more than 7000 patient opinions, suggesting that patients are potentially interested in the views of other 'consumers'. (www.patientopinion.org.uk)

However, for hospitals to respond to the 'signals' patients send as a result of their choices, they will have to understand the reasons underlying patients' switching behaviour. This will involve a deeper market research-oriented approach to understanding the local market for their services and the reasons patients may choose not to be treated at a particular hospital.

Free choice, in summary, is unlikely to result in an instant change in the quality of hospital services. But if the government is successful in publicising the scheme to patients, and sufficient patients and their GPs are willing to 'shop around' on the basis of information (in particular comparative data on hospital quality) and hospitals respond appropriately to patient-driven market signals, it might have an effect on hospital behaviour in the future.

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