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To Ascertain and establish the presence and impact of competition in National Healthcare service

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Abstract:

This research report is based on the issue of the prevailing competition in the health care services. In the NHS with regard to one of its trusts that is the New castle hospital in UK. NHS is the dominant health care services provider in the UK. The private sector healthcare services although existent and growing are still the not very sort after services due to high costs and accessibility issues. Due to this there is not much external stimulating competition in the UK healthcare sector. However with decentralization of NHS structure and functioning greater deal of incentives have been introduced and more flexibility is provided to each healthcare and social care unit under NHS. The research study will be covering the various aspects of the competition.

INTRODUCTION:

In the UK NHS that is the National health care service which is funded by the government through tax revenue is the dominant organization catering to healthcare and social welfare needs of the residents through its various trusts. In the post world war period NHS was developed with the principal of making healthcare accessible to all. Over 60 years NHS has run various trusts covering hospitals, primary healthcare i.e. local surgeries, Mental and social welfare service etc. Over 350 hospitals in UK and many a local surgeries along with other social and healthcare servicing units are operated by the NHS organization. Thus NHS is the dominant health care services provider in the UK. The private sector healthcare services although existent and growing are still the not very sort after services due to high costs and accessibility issues. Due to this there is not much external stimulating competition in the UK healthcare sector. However with decentralization of NHS structure and functioning greater deal of incentives have been introduced and more flexibility is provided to each healthcare and social care unit under NHS. This has been recognized as Internal competition i.e. competition between various hospitals and surgeries which has led to improvement in the level of services provided. In 2006 a case study conducted by London School of economics was mentioned by David Cameron and since then much debate has been conducted on the benefits of giving incentives and budgeting control to practitioners rather than formal bodies to eliminate bureaucratic holdbacks and regulate the level of services provided by promoting internal competition.

n. The concerned research study would try to throw some light on the issue of the competition prevailing in the environment and its impact on Newcastle Upon Tyne Hospitals NHS Foundation Trust

NHS or the National Health Services is the organization being funded or formed by the publicly funded health care system of the UK. National Health Services is formed on the provision of the varied assortment of health care services from among the number of services being provided many of them are provided free of cost to the residents of the United Kingdom.

However this Paper would analyze such internal competition, the regulators of such competition and most importantly its impact on the services provided to patients and efficiency benefits to government and all the stakeholders. Thus it would essentially comment on the move from centralized to decentralized management approaches and the structuring of the NHS . The new castle hospital provides the number of specialist services such as Comprehensive Cancer Services, Cardiothoracic Services for the adults and children, Care of the Elderly, Children's Services, Critical Care that is through ICU (Intensive Care Unit), Dental Services, Dermatology, ENT, Genetics, General / Internal Medicine, Musculoskeletal Services, Neurosciences that is Neurology, Neurosurgery, Neurophysiology, Ophthalmology, Plastic and Reconstructive Surgery, Radiology, Renal Services (including state of the art Dialysis Suite), specialist Hematology and various Surgical Services, endocrine and thyroid, hepato-pancreato-biliary, upper gastro-intestinal and vascular), Transplant Surgery (heart, lung, liver, kidney, pancreas), Urology, Women's Services such as the Maternity Unit, Gynecology, Reproductive Medicine, Special Care Baby Unit.

Research questions:

1. What is the impact of the competition on the National Healthcare Services?
2. Is the competition has led to the efficient service provision in the hospital?
3. Is the competition has led to the reduced transaction costs?
4. What all marketing strategies should be adopted in order to face the competition?
5. Has the prevailing market conditions and competition has led to the provision of quality services?
6. With regard to facing the competition it has increased the stress level in the management and staff?
7. What is the impact of the competition on the availability and requirement of the resources?

LITERATURE REVIEW:

The review of the literature is the main segment of the entire research study. It provides the insight in to the study and better understanding of the issue. The concerned literature review will be consisting of the studies on the related studies which will be helpful for the researcher to carry out the successful and efficient research study. According to Robinson R. (1996) in the year 1990 the Conservative administration has initiated various reforms in order to encourage competition level among the various healthcare service providers also by the differentiating the role of the financier and provider of the health care services. In order to have requirement of the finance this is thus collected through the policy of general taxation and also allocated from the public agents who are involved in the receiving the healthcare services. The purchasers of the services are being differentiated as the district health authorities (DHA) and the General Practice Fund-Holders (GPFHs).

In view point of Rosen R, Mays N(1998) the healthcare services which were being given by the public and private suppliers who are engaged in the competition competing for the contracts from the purchase of the following services. According to Miraldo M, (2018) the contract which take place between the purchasers and the suppliers of the healthcare services which is valid for the year. In view point of Propper C, Wilson DB

(2016) the NHS trust hospitals have engaged in the competition with the other hospitals in order to have access to the contracts from the buyers for that year. Wanless D, Appleby J, et al. (2017) Provided that while initiating the contracts there have been seen the high amount of regulation from the concerned authorities with regard to the price of the contracts. Burnham, Andy. (2015) shows that it is however not necessary for the purchasers to shift such huge amount of contract on a regular basis with regard to change in the behavior to incorporate thus as it was found that even the small shift in the business can affect considerably to the healthcare providers and the fund holders. This however indicates that the purchaser means business and creating an incentive for providers to keep the cost and quality of their service for the considerable long period of time. Audit Commission and Healthcare Commission 2008 provided that in the year Department of Health issued a document to all Trusts and Health Authorities entitling the “National Responsibilities, Local Freedoms” that provided the anti-competition policy for NHS trust hospitals. Wanless D, Appleby J, et al. (2007) noted that the reforms which were being incorporated were not so successful in leveraging the competitive spirit which is required for the survival of the trusts.

In view point of Propper C, Wilson DB, Simon (2016) the experience of clinicians, managers and patients involved in the work of the NHS suggests that competition to be real. It is found that trusts that is aggressively competing with each other has articulated the major distress that the competition in the healthcare sector in the market was demonstrated that the internal knowledge with regard to the medical and the innovation of the healthcare services was not being shared among the other providers. This led to the emergence of the competition to grow more rapidly. However the competition can grow only where there is potential number of the hospital operating in the market. According to Sussex J, Farrar S. (2009) there was seen the major concern for rendering of the quality services which could be provided to the people visiting the hospitals due to the emergence of the competition. In view point of Miraldo M, Goddard M, Smith PC (2008) the hospitals that are working very hard in order to face the prevailing competition in the market assist them in taking the major and strategic decisions to face the competition pressures through the reforms which were given in the NHS reforms. According to Greener I. (2008) the competition is not always negative it provides several benefits for the organization and also the other parties being involved in it.

RESEARCH METHODOLOGY:

Research methodology includes the various tools and techniques which can be used for conducting the whole research study.

Qualitative research:

It includes in depth interviews and survey for the purpose of data collection. It is the most important research approach in order to gather the data to arrive at the desired results. It is the type of the research which includes all those methods that do not contain the quantitative analysis. In the concerned research the qualitative method include the in depth interviews and questionnaire.

Quantitative research:

In the concerned research study is the combination of both theses techniques that is qualitative and quantitative research approaches as the combination involves through qualitative approach includes the personal views and the ideas regarding the research study that has been gathered via interviews and questionnaire which can be thus put into the various quantitative tools and techniques for the analysis purpose.

Primary data collection methods:

The primary data for the following research study will mainly include the questionnaire which will be filled duly from the sample population representing the entire population who will be affected from the study. The primary data collection methods involve in depth analysis and consideration for framing the required questions to be put in the questionnaire or to be asked while conducting the interviews. Also it is required to gather the data from the various levels that are significantly affected from the undertaken research study. However the primary data is the most flexible methods of all and the data can be collected in accordance of the suitability of the study.

Questionnaire:

The questionnaire can be given or handed over to the respondents or can be send through via E- mail. It is the major source of collecting the quantitative data for the research study. The questionnaire method consists of close ended questions and will be sent to the respondents.

The questionnaire will be in the print form and collected from the respondents of the New castle hospital.

Structured interviews:

The questions so framed will be based on the study undertaken for the research. Structured interviews are prepared for one time and these questions are asked from the different people. The interviews can be conducted through two ways: personal interviews and telephonic interviews. However the researcher has decided to conduct the telephonic interviews as personal interviews requires considerable time, distance and cost of reaching to the respondents..

Secondary data collection methods:

While using the secondary data into the research study the research must carefully study the data and also should understand the aim behind such research from where it is taken. Secondary data collection sources include various sources such as government reports, journals, and various publications.

Sample size

80 respondents will be taken as sample representing the entire population. These will be from the Senior Management, general staff, and patients of the New castle hospital.

Sampling Type

For the research study, the researcher will employ probable sampling. And the judgmental sampling will not be used in the concerned research study because the concerned issue is broad in scope.

Target population

The target group for primary research will include Senior Management, general staff, and patients of the New castle hospital.

Assumptions of the study:

- The time and money constraints will not affect the research study.
- The sample of the respondents so selected will be representing the entire population.
- The responses so received from the data collection methods will be error free.
- Level of reliability and accuracy of the data is sufficient for the study.

Questionnaire: questionnaire is the most significant tool which comprises of various questions which are based on the concerned research study so undertaken. These questions were being asked from the people who are affected by the concerned subject, the respondents were randomly selected. There were number of the questions being asked from the respondents with respect to the research issue that consist of the following questions which were asked are as follows:

- What is the impact of the competition on the National Healthcare Services?
- Is the competition has led to the efficient service provision in the hospital?
- Is the competition has led to the reduced transaction costs?
- What all marketing strategies should be adopted in order to face the competition?
- Has the prevailing market conditions and competition has led to the provision of quality services?
- With regard to facing the competition it has increased the stress level in the management and staff?
- What is the impact of the competition on the availability and requirement of the resources?
- Is there internal competition between the hospitals operated under the NHS foundation?
- How the impact of the competition can be regulated by New castle hospital that operates within the NHS?
- Is the competition has led to the change in the culture of the hospital?

Findings and the analysis:

In order to bring the study at the significant end the various questions were framed with regard to better understand the impact of the competition on the NHS with regard to one of its major unit that is the Newcastle Upon Tyne Hospitals NHS Foundation Trust. For the purpose of gathering the views on the subject matter the questionnaire was formulated and the study was performed by the potential respondents so received from this selected sample under study. The analysis of the questionnaire is being presented:

Level of competition:

The business environment is now days becoming highly competitive. So it is very important to have the clear understanding of the impact on the working of the organization. As the competition is the inseparable element of the business and measures are being taken accordingly.

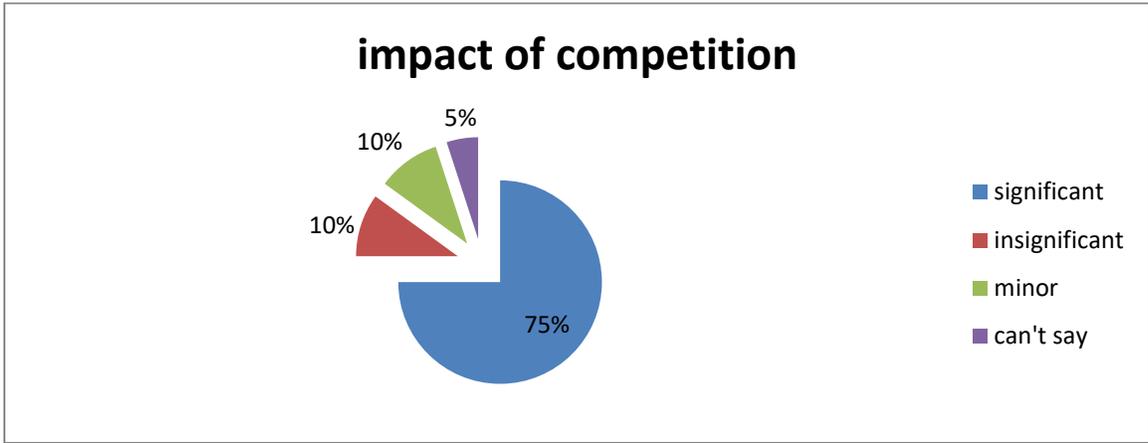
Q. What is the level of the competition being prevailing in the hospital?

Minor 10%

Significant 75%

Insignificant 10%

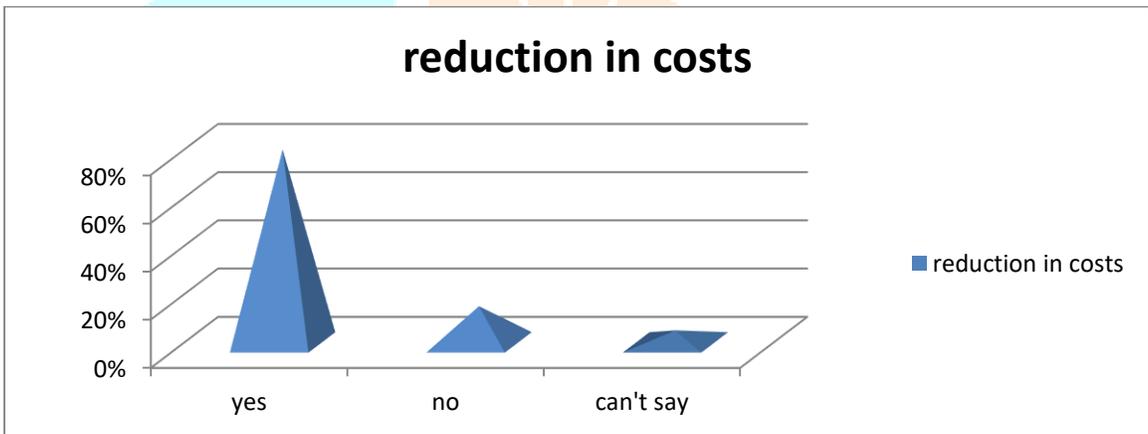
Can't say 5%



Reduction in costs: In order to face the competition effectively the organization often tries to cut down the cost in rendering the services at the considerable reduced costs. Since to remain effective for the long run and attract more of the people to receive the services it is required the provision of services at the competitive costs.

Q. Is the prevailing competition level has led the hospital to cut down its costs in the provision of services?

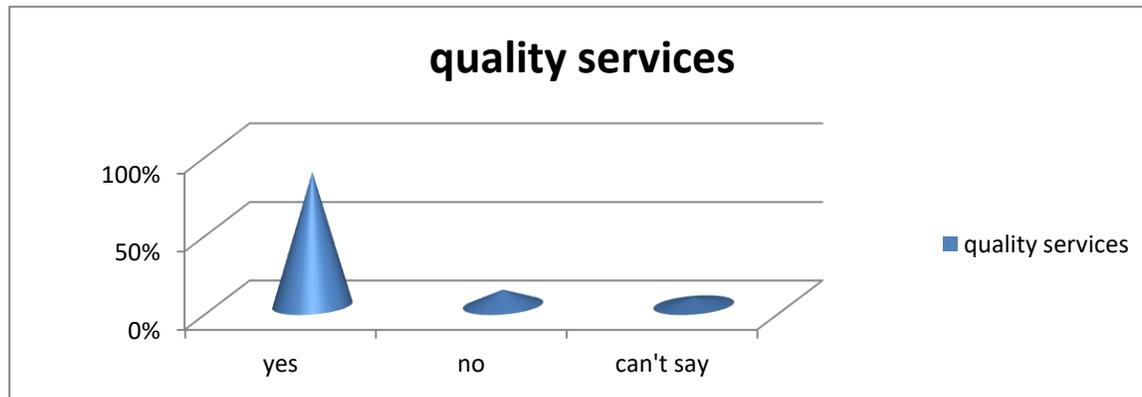
Yes 80% No 15% Can't say 5%



Quality of services In order to face the competition effectively it is required for the organization to render the quality services and in the healthcare sector the quality cannot be compensated with delivering the healthcare services. The success of the health care unit more or less is often determined by the quality provision of the health care services to the patients being visiting in the hospital. The competition can be effectively faced by the provision of the quality services.

Q. Is competition has led to the increase in the provision of the quality services?

Yes 85% No 10% Can't say 5%

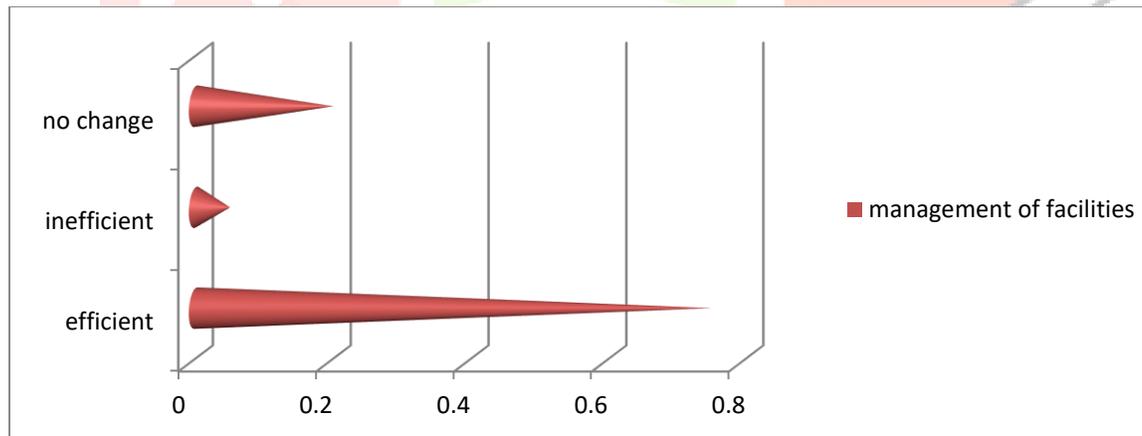


Management of the facilities:

Competition often makes the organization to focus more on the effective management of the various facilities of the health care service provider. It is very important for the hospital to have the effective organization and management of the facilities being used in providing the treatment to the patients so suffering and visiting the hospital. Thus competition can be effectively be faced and overcome through the timely availability and the effective management of the various facilities in the hospital.

Q. Is the competition has led to the effective management of the various facilities in the hospital?

Efficient 75% Inefficient 5% No change 20%

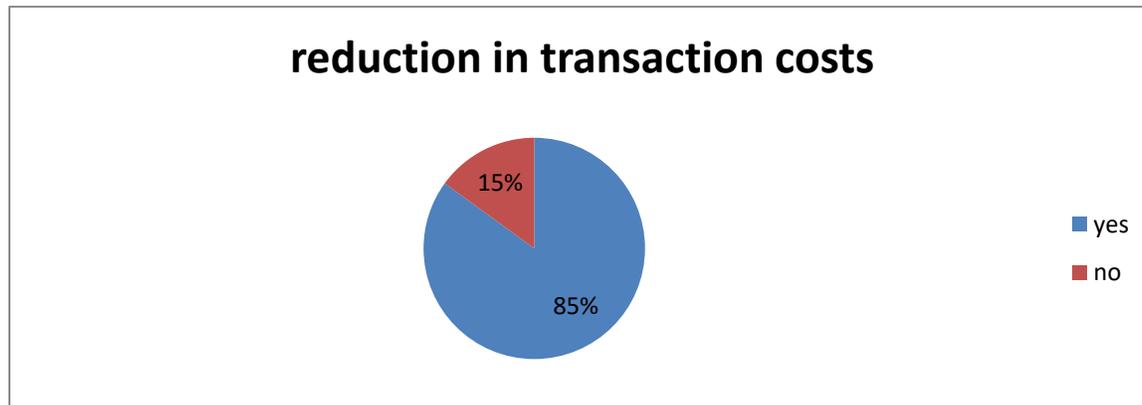


Reduction in transaction costs: In order to face the prevalent competition in the health care services it is important to render the cost effective services. There are number of transactions being taken place in the hospital and its activities and all these transactions incurred some costs. Therefore in order to become cost effective and competent enough to render the services at the reduced transaction costs. This will ultimately reduce the over costs so incurred on the health care services provision.

Q. Is competition has led to the reduction in the transaction costs in the hospital?

Yes 85%

No 15%



Increased stress level: It is often seen that in order to face the competition there is increased level of the stress on the management and the staff people working in the hospital. The provision of the effective and quality health care services to the people visiting the hospital often increase the level of stress. Also the timely delivery of health care services is also require rendering the effective treatment to the patients. All these pressures lead to the stress level among the management and staff people.

Q. Is there increased level of stress on rendering services due to competition?

Satisfied 70%

Somewhat satisfied 10%

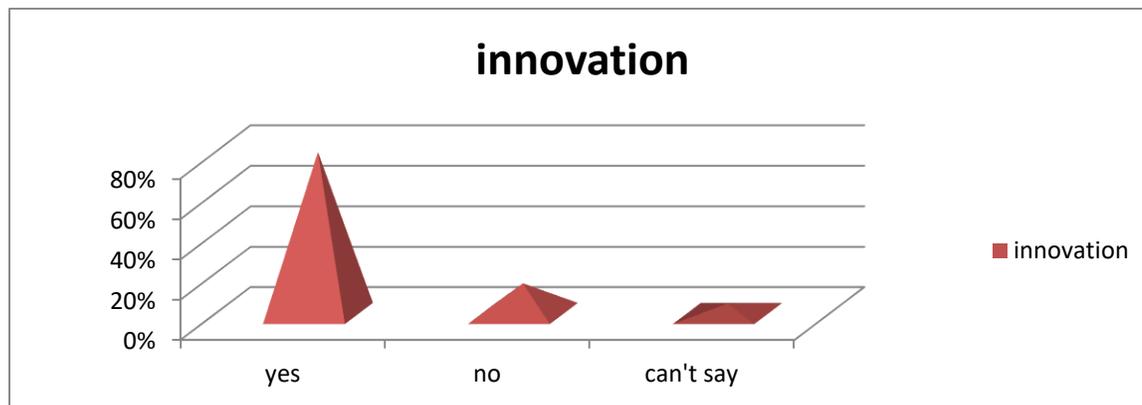
Not satisfied 20%



Innovation: In the health care segment there is immense potential for the innovation however it can be in the provision services or the new treatment or equipments in providing treatment to the patients and so on. There is continuous innovation in the concerned field of medicine and health care. Also it is very important that in order to effectively face the completion it is important to have considerable focus on the innovation and increase the core competency over the others in the market.

Q. Is competition has encouraged more of the innovation activities?

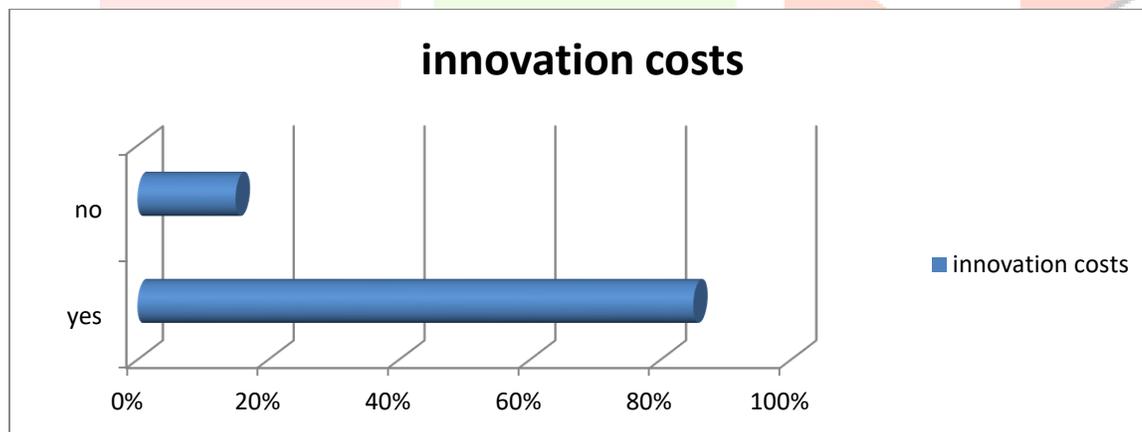
Yes 80% No 15% Can't say 5%



Increased in cost due to innovation: The R&D and innovation activities involve the considerable and huge cost. In the health care segment the R&D and innovation is continuously require to provide more of the effective treatment to the patients visiting the hospital and suffering from severe diseases. However with regard to the incorporation of the innovation and the research and development activities the management has to keep considerable cost which can be incurred on incorporating such activities.

Q. Is innovation has led to considerable increase in cost of the provision of treatment?

Yes 85% No 15%



Conclusion:

The following chapter will discuss the results so obtained from the responses. The potential data in the form of responses will be interpreted on the various points as discussed in the earlier chapter. With regard to the level of competition when the respondents were asked regarding the level of competition that is being affecting the working of the hospital. The responses so received showed that the majority of the respondents that is about 75% responded that the competition has significantly affected the working and the operations of the hospital where as there were very few 10% and 10% of the respondents responded that there is minor and insignificance of the competition prevailing in the market on the hospital where as the 5% respondents has answered can't say. Also it was found from the responses so received it was found that due the emergence of the competition in the healthcare services there was considerable amount of reduction in costs was found in rendering the health care services to the people visiting the hospital. About 80% of the respondents agreed on the fact the hospital have

reduced significant cost on its services. Though interpreting the results it is found that the hospital has focused more on the rendering of the quality of health care services. The majority of the respondents revealed that there was more focus given on the rendering of the provision of the effective services about 85% of the total respondents responded that there was more provision of the quality services to the people visiting the hospital. On the other hand there were about 10% responded that there were no change in the quality level and 5% has not to say anything on the concerned subject. By analyzing the data majority of the respondents about 75% of the total respondents revealed that due to the prevailing competition the hospital have increased on the efficiency on the management of the facilities. This increased focus on the management of the facilities will be helpful in facing the competition being prevalent in the health care services. On the other side of the responses about 20% of the respondents revealed that they have not notices any change in the management of the facilities in the hospital. And about 5% of the respondents revealed that there should more of the concentration should be given on the management of the hospital facilities. With regard to the transaction costs the data so received found that the majority of the respondents revealed that due to the competition in the health care services the hospital has focused considerably reduction in the transaction costs in order to make the unit more competent enough to face the competition with other units of the health care services. About 85% of the respondents revealed that there have seen the efficiency in carrying out the various transaction of the hospital. Also there were about 15% of the respondents who responded that there was seen no reduction in costs with regard to the carrying out the transaction in the hospital. Concerning to the facing the extent of prevailing competition in the market the management often faces the problem of stress in rendering the quality health care services. When the respondents were asked regarding the stress level due to the competition. Majority of the respondents that is about 70% were contended on the fact that due to the increased competition there is significant level of rise in the stress level among the management and the staff people. And about 10% of them were some what satisfied and revealed that there is increase in the stress level but it is not so much where as on the other side 20% of the total respondents were not satisfied with the statement with regard to the increase in the stress level.

Also innovation is the core of the field of the health and medicine. With regard to the facing of the competition the respondents were asked regarding the increased innovation in the treatment and provision of the services. The results so obtained found that there were majority of the respondents about 80% of them agreed on the fact that there is increased focus on incorporating the innovation. Where as some respondents about 15% responded that the hospital was continuously involved in the innovation activities but it is not due to the competition. Where as there were some of the respondents of the total that is about 5% has not given any views on it. Thus it is obvious that the R&D and the innovation of the facilities and the treatment to cure the disease involve huge amount of costs. With regard to facing the competition the hospital has focused considerably on the innovation activities but due to incorporation of such activities the ultimate cost on providing the treatment has also resulted to increase. Thus the cost so incurred on the innovation and the R&D activities has led to the increase in the over all cost of the provision of the quality services to the patients. Due to increase in the innovation costs the treatment cost for the patients has also increased. As the ultimate effect of the cost so incurred on the innovation and research and developmental activities it would increase the cost of the treatment for the patients. When the respondents were asked with regard to the increase in cost of the treatment to their patients the majority of the respondents about 85% responded that they felt the considerable increase in the cost of treatment due to the innovation and where as about 15% respondents responded that they have not feel any increase in the cost on the treatment. However while analyzing the various aspects of the competition and its impact on the Newcastle hospital it was found that there is immense pressure of competition in the healthcare industry in UK. As with facing the competition the organizational culture provides the great assistance with regard to overcome such conditions. Culture is the dominant factor that encourages the personnel working in the organization to work more enthusiastically.

Also with regard to the studies on the NHS it was found that due to various changes being incorporated in the hospital patients were very loyal to the hospital and believed that it was part of their community. Satisfaction levels did not fall even when reported during a period of ant infestation. In the review there noticed the slight cultural shift to a more business-like ethos within the trust, they found that an externally focused, pro-market approach had not taken root within the organization, despite considerable potential for a healthcare market to develop in the trust's area—the edge of a large city. Managers were vague about what exactly patients wanted, and a view prevailed that GPs (not patients) were the real 'customers' of the hospital. Staff sensed that a new management culture was being ushered in, characterized by a need for managers to show they were prepared to close down services and make staff redundant. Managers agreed they felt they were expected to take on this attitude. The authors also noted a shift to a more risk-averse culture focused on short-term gains. The Audit Commission and Healthcare Commission noted in their 2008 review with regard to the provision of the treatment that the fear of the impact of patient choice, rather than actual choice, appeared to be driving a change in attitude among some NHS providers leading them to feel they should be advertising services to both patients and GPs. The changes with regard to the working culture of the hospital in the trust were due to the competition that has greatly affected the healthcare sector in UK. Also in the studies it has been found that there is significant role being played by the GP fund holders in the NHS hospitals in the scenario of the competition prevailing in the healthcare sector in UK. The competition has led to the more concern on the quality services to the patients, innovation and the R&D activities for providing the more advanced and effective treatment. The studies have shown the evidences that the hospital was concern with regard to the quality and innovation and provided the outcomes of the reforms so made by the NHS in order to face the competition in the health care services. These suggestions and recommendations will be directed towards the management people and the various parties being affected from the study.

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