

I've seen the future of a privatised NHS, and its fraud...

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The Economist published a story on Saturday on the cost of fraud in the US healthcare system. [As they noted](#):

In America the scale of medical embezzlement is extraordinary. According to Donald Berwick, the ex-boss of Medicare and Medicaid (the public health schemes for the old and poor), America lost between \$82 billion and \$272 billion in 2011 to medical fraud and abuse (see [article](#)). The higher figure is 10% of medical spending and a whopping 1.7% of GDP-as if robbers had made off with the entire output of Tennessee or nearly twice the budget of Britain's National Health Service (NHS).

I have to say that whoever wrote this article clearly did not know the cost of the NHS, which now amounts to £140 billion a year, but that aside this is a staggering story.

The first thing to always ask is whether it is credible. In my opinion, it is. A fraud rate of 10% [already exists, in my opinion](#), within the entire private sector in the UK so I can see no reason why, if health care was privatised, that error rate could not occur within that system. And the fact US healthcare costs almost twice as much as UK healthcare as a proportion of GDP with, overall, little better outcome for the population as a whole, must in part be explained by this fraud rate (and the enormous costs of administration and inefficiency that its market system creates).

The second thing to ask is whether or not this error rate could be replicated within the NHS. Again, the obvious answer appears to be that this is entirely foreseeable. We have, after all, already seen serious cases of fraudulent misrepresentation of activities undertaken and of misinvoicing by outsourcing companies within the UK, which would appear to be the basis for much of this US fraud.

In that case if you want to see the future of a substantially privatised NHS just look at what is happening in the USA and you will see exactly what we will get. It won't be better health care, but there will be massive fraud.