Chapter 8: Conclusion and recommendations

This report has detailed the wide and growing inequalities in health in Wales and suggested a number of ways that these inequalities might be addressed. A novel and innovative needs-based resource allocation formula has been developed which is both more accurate and reliable than pervious methods. If the formula is implemented it will result in a fairer allocation NHS resources, with the more deprived areas of Wales receiving proportionately greater health resources than at present.

It is clear that a direct health resource allocation formula has a greater validity than the current indirect formula. It is self-evident that allocating maternity resources on the basis of the distribution of births and resources for cancer treatment on the basis the distribution of cancer patients is better than allocating these resources on the basis of the geography of death or population size. Other countries in the UK have yet to develop direct resource allocation formulas of this kind as they lack the detailed local area health statistics that are now available in Wales. In particular, the Welsh Health Survey (WHS) and the General Practice Morbidity Database (GPMD) are unique Welsh health information resources which the other countries lack. The research team is therefore proposing a 'Welsh' solution to the problem of fairly allocating Welsh NHS resources.

The direct resource allocation formula is based upon the principle:

Area resource allocation = Amount of Health needs X Costs of meeting the health needs

This provides a very flexible allocation mechanism which is both independent of geography (it works equally well at both Local Health Group and Health Authority area level) and easy to amend to include additional factors (for example, an additional rural health cost factor). This is important as, although the proposed formula is the best that is currently achievable given the available information on health needs and the costs of meeting those needs, this approach allows new health information to be easily included as it becomes available. An indirect formula would not easily allow new information to be included.

There are a number of areas where future amendments to the formula may be desirable as improved health information becomes available:

1. Additional rural costs – the current resource allocation formula does not include any allowance for the additional costs of providing health services in rural areas. There is currently a lack of information in Wales on the size of these additional costs. A number of cost adjustments are possible and these have been discussed in a separate report to the resource allocation review by the research team. If the National Assembly chooses to include additional rural health cost factors, then these can be added to the proposed formula.

2. Children's health - the information of the health needs of children and the cost of meeting those needs in Wales is currently not as complete as it is for adults. Although much health information is collected each year, it is often not available in a form that allows direct comparisons to be made between Health

Authorities or Local Health Groups. There is a need to improve this situation in future particularly given the responsibilities under the United Nations Convention on the Rights of the Child (UNCRC) which established the principal that children in the UK now have rights which are co-equal and independent of adults. This include the right to health care and it is therefore necessary that NHS resources for children's health needs are distributed as fairly as for adults health needs. The next Welsh Health Survey should include more questions on children's health.

3. The communal establishment population – the current formula does not make any additional allowances for the population resident in communal establishments, *eg* care homes, nursing homes, etc. There is currently insufficient information available on the health needs and costs of the non-household resident population. There is a need to improve the recording of the source of admission and discharge from hospital care so that residents in communal establishment can be better identified.

4. Community services – there is currently very little information available on community services. There is no central information on, for example, who District Nurses, speech or occupational therapists visit, what health condition required their service, what services they provided or how much this cost. The lack of information on Community Health Service costs and services contrasts strongly with the wealth of information about hospital services and costs. There is a need to improve community health service information in Wales.

Tackling inequalities in health

There is an urgent need to reduce the widening inequalities in health in Wales. The implementation of a needs-based health resource allocation formula will not by itself reduce these inequalities. At best, it may arrest their growth. However, providing additional monies to more deprived areas will not reduce health inequalities unless it results in improved health services for 'poorer' people. More health resources are not just needed in 'poorer' areas but, once these additional resources have been allocated, it is essential that they are used to help improve the health of those in greatest need, who are often the 'poorest' people. Ultimately, who gets the health resources is much more important than which area receives the resources.

Equity of access to health service was one of the founding principles of the NHS, however, there is little evidence of pro-active policies in Wales to ensure this access. Julian Tudor Hart noted, in the 1970s, that an inverse care law existed in Wales. He stated that *"the availability of good medical care tends to vary inversely with the need of the population served."* (Tudor Hart, 1971) This issue needs to be addressed or health inequalities will widen and the inverse care law will remain in force.