

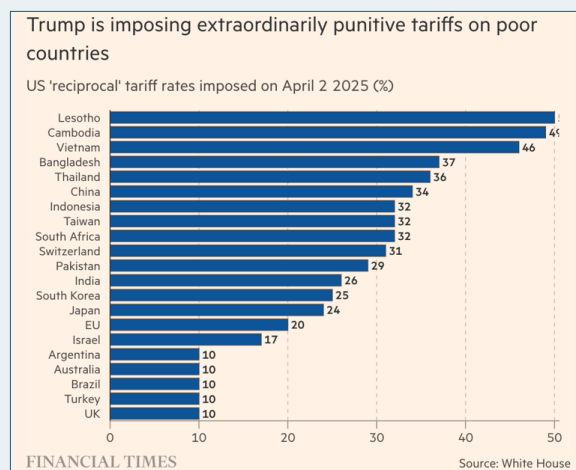
Alternative European Healthcare Perspective May 2025

[Roger Steer](#)

[April is the cruellest month](#). It came in the sweetest way possible with the weather the best it's ever been. But it soon turned sour. What follows is my account of how this came about plus a round up of healthcare news from across Europe.

Trump sours the World

Tump launched a massive destabilisation of the World economy on 2 April, so-called 'Liberation Day', with the shock waves to markets and the uncertainty for everyone the greatest since Covid.



In the words of the FT's Martin Wolf, '*it is not just lunacy, it's wicked*'. [Simon Tisdall in his remarkable last column as the Observer foreign correspondent](#) left us in no doubt that the US is a strategic liability for the UK. Not least, Trump's nonsense will blow Rachel Reeves' calculations out of the water and cut the legs from under Wes Streeting's 10 Year plan.

But a truce has been declared (except for China where a trade war was escalating before Trump realised the price of i-phones would be affected) with Trump granting himself a ceasefire while he seeks to pick off countries in one-to-one discussions. We'll see how that

goes in the next three months: probably as well as the peace plan for Ukraine and the Middle East.

What are the options for the UK?

1. Get closer to the US and Trump.
2. Build alliances with others including Canada, the Far East and the EU.
3. Pivot to act as an intermediary between China and the USA.
4. Develop piracy (arbitrage skills) as a strategy to avoid tariffs and profit by it.

The first option has been Starmer's first response and the traditional stance of the UK since WW1.

Whether it will do any more for the UK than strip the country of assets and develop it as a cash cow to help finance US consumption habits (see my review of Vassal State by Angus Heaton in the [September 2024 edition of this newsletter](#)) is up for debate.

The only problem is that the contents of the US/UK trade deal are secret and unlikely to be good for agriculture, the NHS, or consumers, making debate difficult. It is of concern that the [share price of United Healthcare is rising](#). This is likely to mean that an accountable care organisation will be appearing near you soon as the price of a US trade deal.

The second option of developing already existing links with neighbours and allies would be the obvious one. The US is the most powerful economy in the world but is only

about 25% of Global GDP. [Our neighbours and allies would easily top this](#). In a negotiation the more friends you have to stand with you the better. Surely the UK has more in common with the Commonwealth, South East Asia ([ASEAN](#)) and Europe than a Trump-led USA. As always, the most obvious option often gets discarded.

The third option of developing a role as an intermediary between China and the US is the most intriguing.

Game theorists have long advocated the role of intermediary for the UK in relations with Europe and the US. That didn't really go anywhere with the UK appearing as a Trojan Horse for the US.

China is the rising power in the world while the US is in relative decline. It may be better bet for the UK's long-term future to ally with China and its allies (BRICs) than the US. At the very least there should be some hesitation about going all-in with the US. It would be in both the US and [Chinese interests](#) to build bridges, and the UK is well positioned as an intermediary.

There were over 228,000 east Asian and Chinese students in the UK in 2021/22. It's quite a bridgehead.

The final option of engaging in arbitrage between markets to make a profit from the rapidly changing and volatile world is a role the City of London is well equipped to take on.

This may indeed have been the plot all along. How else do you explain Brexit and the free ports strategy? Rebadging Chinese imports to the UK and selling them to the US could be a very lucrative trade indeed. If you want to know

how to plan to limit the impact of tariffs see this [link](#).

Most people however will simply stop buying and stop investing and hence trigger a recession which will only be avoided by restoring order and certainty in world affairs. This seems a long way off.

How has it come to this?

In this newsletter I seek to offer explanations for events as well as comment on healthcare issues in Europe. So why is the world seemingly heading for such a mess.

The answer is two -fold:

- The antipathy of the US to other countries succeeding in the world. This includes the EU and China in particular.
- The rise in inequality fostered by [neo-liberalism](#) and its cult of maximising shareholder value at all costs. This creates poverty even in the richest country in the world and a decline in living standards for ordinary people.

Scapegoating is an old tactic referring to biblical times when God asked Abraham to sacrifice his son Isaac, seemingly for loving his son more than God. Eventually Isaac was saved and the goat got it instead.

In our case Trump is preparing to sacrifice the benefits of world trade because the world doesn't love the US enough. He may change his mind at the last minute, but the innocent goats are set to suffer. Don't be a goat is the moral of the story. Whether China, Europe or the UK is a goat has yet to be settled.

In a world beset by rising inequality, with the population of the US supporting someone purporting to do something about lower living standards in the US for ordinary people while reducing tax for the rich, all supposedly paid for by foreigners through tariffs, and where after fomenting wars in the Ukraine and the Middle East the US plans to pass on the costs of such

policies to others to pay for; the context for going back to a cosy social democratic embrace involving high standards of health and social care for everyone is not ideal.

I recommend [the Unaccountability Machine -Why Big Systems make Terrible Mistakes by Dan Davies](#), an ex-Bank of England economist and a financial journalist, for further clues on what has led to this state of affairs. He roots his explanations in his interpretation of cybernetic theory, as promoted by Stafford Beer and others in the 50's and 60's. This looks at organisations and information flows to decision-makers in the abstract.

It takes out the politics and examines organisations as black boxes responding to their environments.

What the author sees is that systems have broken down. Information flows have been simplified in the service of maximising shareholder value; decision-makers have created accountability sinks where they successfully evade responsibility for their decisions; and most managers have had their autonomy reduced, meaning that even if they know what to do, they are prohibited from responding appropriately by the rules of the game they are part of.

This includes politicians who have been persuaded that all is for the best in the neo-liberal world where the private sector is best placed to deliver solutions; and managers themselves have been bribed with stock options and high salaries to accept these chains.

Where once the managerial revolution and professional managers, assisted by new technology and the ability to master information flows and complexity beyond the scope of previous generations, promised to transform the welfare of the peoples of the world, we now have a theory promoted by economists that reduces decision-making to creating opportunities for the private sector to magica a solution to all problems simply through

maximising shareholder value and sitting back to watch the magic of the market in operation.

The apotheosis being the venture capital industry, the destructive features of which are well described in the book.

By now however the magic is wearing thin; but not for the small minority who gain from this.

Hence the attraction of both AI and the neutron bomb.

It eliminates people but leaves the capital order standing. The beauty of the book is not necessarily in the following of the trajectory of the story described (the vocabulary of cybernetics can be difficult to follow) but, in the aphorisms, deployed in its telling.

Examples of which are,

- *By reducing their ability to make decisions as individuals, the professional and managerial class cemented their control of the overall system. It all worked perfectly, except when it didn't.*
- *The political system has used the market as an 'accountability shield' since the early 1980's.*
- *The market has encroached on areas which were previously the normal business of government.*
- *Reference to 'the deep state' caught on when Donald Trump began to use it to refer to anyone who stopped him doing what he wanted.*
- *The purpose of a system is what it does*
- *Complex system cannot be treated as an interlaced set of more or less*

independent feedback circuits, but only as a whole.

- *It is a sobering thought that despite employing some of the best and brightest analysts in the world, the advice of the US State Department over the last 50 years have been outperformed by a parrot that had been trained to repeat the phrase, 'Don't start a war'.*
- *Everyone assumed that someone else would make sure nothing too bad had happened.*
- *Decision-making systems break down if the variety of their environment is not matched by the variety of their means of regulation.*
- *If the control model is missing important sources of variety in the environment, overestimating the variety of part of the regulatory system, or assuming that information is being transmitted when it isn't, the system will gradually drift out of control without anyone necessarily understanding why.*
- *The trick to understanding control systems "is to always have sight of the basic underlying structure, which has five components, you have the part that does things. There is the part that stops things getting in each other's way. You have the part that decides what to do today. There is the part that's responsible for looking at how the environment is changing and finally there is the part that deals with the philosophy or identity of the system.*
- *You often see a decerebrated organisation, which survives but only as long as the environment doesn't change. In a crisis if it doesn't find resources from somewhere to re-establish itself it will simply collapse.*

- *Proving things in the model and then acting as if they're true in real life is a terrible habit of economists.*
- *Every decision about what to measure is implicitly a decision about what not to measure, effectively deciding what aspects of environmental variety are going to be ignored or attenuated.*
- *If you consistently demand the impossible, you will inevitably get the unethical.*
- *Any system which is set up to maximise a single objective has the potential to go bonkers.*

What the book offers is justification for 'taking back control' of the system.

The Brexit vote was in retrospect not a vote for Brexit but for taking back control of the system.

Dominic Cummings wanted to reintroduce high performance professionalism into government management but was defeated by the old order who were quite happy to accept the old rules of thumb of leave it to the market and maintain the status quo.

He was not to survive but the recent re-nationalisation (in a manner of speaking) of British Steel and calls for re-nationalisation of Water, Rail and Energy shows that 'Taking back Control' and restoring professional management to key national resources may yet happen. But not without a fight.

The book in my opinion, and [others](#), [here](#) and [here](#) is an entertaining and subtle dig at the pretences of economists, and the willingness to

accept convenient solutions which enrich the elite, all the time while evidence is accumulating of its negative effects.

Lessons for the NHS

Using Davies's thought processes, we can provide an interpretation of recent events in the NHS.

Trump and Streeting have lost patience with the staid ways of traditional due process and good governance. It doesn't deliver results quick enough to meet the tax/government spending cutting promises required to stay in power.

Indeed, it is probably the case that a good number of the managers within the NHS are opposed to neoliberal reforms (the Dan Davies book points to the battle between professionalism and neoliberalism as the key battle of the last forty years).

The complications of the management of complex systems are of no interest and the magic of the market and the creation of accountability sinks where blame for errors is sub-contracted to well rewarded scapegoats is becoming the preferred way forward.

A [Big Con](#) is underway, led by senior figures with backgrounds in McKinsey (Dash, Kibasi), and abetted by figures such as Jim Mackey, associated with ideas for sub-contracting support services to arms-length service companies ([Sub-cos](#)), a restoration of simpler targets and terror regimes and of promoting cutting back jobs at the centre:

It's a turn away from managerialism and professionalism towards the simplicities of neoliberalism. While Trump has declared a

national emergency and taken executive powers to avoid scrutiny and resistance (and to appoint his own people), so Streeting has unilaterally abolished NHS England and installed a new regime with no prior parliamentary discussion. Tiers of managers with their hands on commissioning decisions will be eliminated.

Am I being paranoid in speculating that it will not be too long before this task will be sub-contracted to US-linked accountable care organisations who can more reliably perform the necessary sub-contracting of other services?

The appointment of [Sam Jones](#) as Department of Health and Social Care Permanent Secretary – she is a former employee of Operose, part of [Centene](#), one of the largest accountable care organisations in the US – does nothing to quell such fears.

At the recent 8 April Health Select Committee meeting, Streeting defended evidence-based decision-making but he doesn't seem to have cottoned on yet that the evidence for accountable care in the US is of profiteering, double-billing and denial of services to high risk patients.

He obviously doesn't read the Wall Street Journal which in a series of articles last year showed that Medicare paid United Health billions of dollars for questionable diagnoses and in more recent articles raises serious questions about the healthcare industry in the US.

The biggest Medicaid insurer, Centene, received \$620 million in duplicative payments between 2019 and 2021, the three years analysed by the Journal.

Elevance Health collected \$346 million, followed by UnitedHealth Group, at \$298 million, the analysis showed. Those companies, the three largest Medicaid insurers, together received more than \$200 billion in Medicaid premiums last year.

The latest figures for 2023 show US health spending growing to 17.6% of GDP.

Accountable care was meant to control costs: instead, it has consolidated the high costs and inequities of the American system. It is of concern that the share price of United Healthcare has risen over the last month as the prospect of a US/UK trade deal, including the NHS, reaches a conclusion.

Buy Centene is my share tip!

As readers of this newsletter will recognise by now the UK has more to learn from Europe than the US as far as delivering healthcare is concerned.

Europeans deliver far more at lower unit costs. Remarkably there is little interest in this. Why you may ask.

Well... the UK government is only interested in controlling aggregate costs, and it is simpler and easier to cap these costs and pay staff to perform less efficiently than they would if instead output was maximised.

In turn the medical profession is complicit in a system that maintains high levels of demand for private healthcare via the mechanism of long waiting lists, the traditional regulator of NHS resource inputs and outputs.

Other sensible people are expressing concerns at Streeting's actions: see these links.

<https://www.taxresearch.org.uk/Blog/2025/04/14/streetings-nhs-madness/>

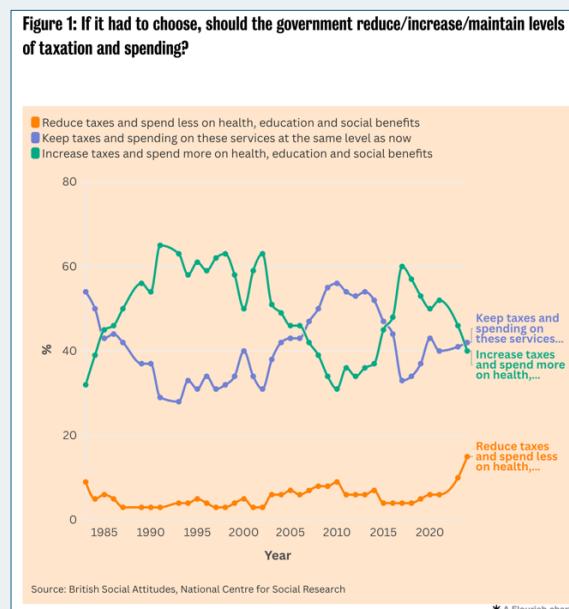
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But for now, the debate is being stifled in the run-up to local elections in early May and the new 10-year plan has yet to be revealed. But it will not be long before it becomes apparent what is really going on.

Public attitudes to healthcare spending

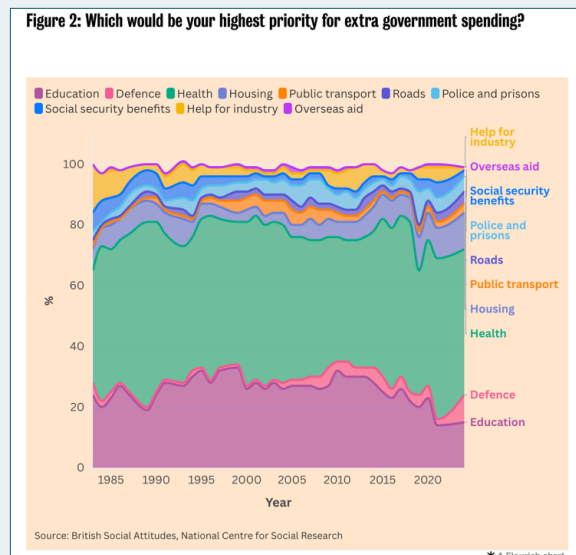
The public on the other hand both in the UK and Europe, are consistent in expressing their support both for increased health and social care spending and if necessary, funding this out of increased taxation. This is not very surprising as the predominant users of health services are the very young, very old, the disabled and those suffering chronic diseases, none of whom are major taxpayers. An effective democracy is meant to smooth out these issues, but the interests of the users are not well represented in the corridors of power.

In the UK the National Centre for Social Research has published the latest set of public opinion figures at the end of March:



While the opinions of the small minority have hardened in wanting to spend less on

healthcare the vast majority wish either to increase or maintain real levels of spending on health, education and social spending. And in the chart below health remains by far the biggest priority for extra spending for the British people.

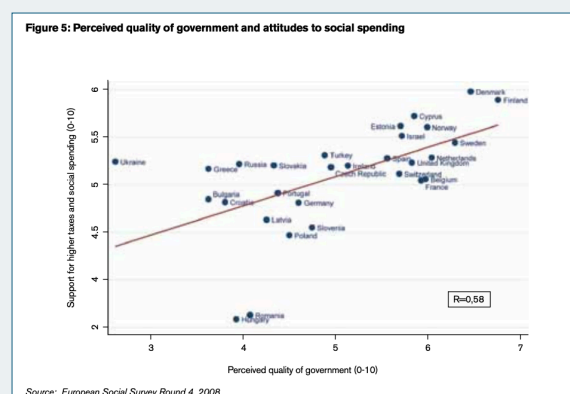


There couldn't be a clearer indication of core attitudes than this. For further discussion the Nuffield Trust has published [Public Satisfaction with Health and Social Care 2024](#) based on this report, and conclude,

This year's results show that the startling collapse in public satisfaction with both the NHS and social care has continued. Satisfaction with the health service is now 39 percentage points lower than it was before the Covid-19 pandemic in 2019. Dissatisfaction with the NHS has climbed further to 59%, a record level never seen before in this survey's 41-year history. Meanwhile, satisfaction with social care appears to have plateaued at a low of 13%. The BSA tells us nothing of the individual stories that sit behind these results, but everything about how the public is feeling about the NHS and social care, offering fascinating insights into their views on priorities for the NHS and the principles that underpin it.

For the first time this year, we also provide insight into how the public feels about different aspects of the health service: the quality of care provided, the numbers of staff providing it, efficiency and funding, and how it communicates with patients. This allows us to see beyond headline dismay to the complex, nuanced views that lie behind it. Deep dissatisfaction with the length of time it is taking for people to access care, and real concern about levels of funding and staffing sit alongside enduring support for the NHS and its core principles, and strong belief in the quality of care.

In Europe it's less clear cut. Despite Europe investing in a complex [Social Survey](#) process the results seem long in coming and ambiguous in their interpretation. The most pertinent information I could find is contained in this graph of 2008.



Responses are different on support for higher social spending and taxes according to how well government is perceived to perform within each country, and whether the country is relatively rich. The Nordic countries fare well. The latest round of findings from the 2023 survey are to be released shortly, but apparently social attitudes are slow to change, and it is expected that the degree to which a country's population supports extra taxation in order to fund extra spending will remain linked to the perception of the quality of government in each country.

I might add the tax and spend trope is an oversimplification of the public financing process which can use borrowing, investment spending, and user charging in all kinds of creative ways to smooth spending over time.

To conclude

Trump may be creating uncertainty and wiping out [healthcare research posts in the US](#), but it may be good for Europe, which has a chance to benefit from [attracting scientists to Europe](#).

They may have to suffer a [pay cut](#) however; the UK will not be an attractive home for US scientists at 25th in the league table of pay.

Round up across Europe

Somewhat bizarrely given the current UK Government's fawning over all things American, in the latest Regulatory Review, [Angus Corbett](#) argues that the US can learn a lot from the UK, German and Brazilian ways of providing universal healthcare (or primary care in the case of Brazil) rather than the US managed care approach.

He concludes,

The fragmentation of the governance of health care is the main threat to any fundamental change in health care.

Managed care may thwart fundamental change because it fragments the governance of health care as it fulfils its responsibilities for managing and administering health plans for defined populations. It operates on a small scale, and its authority to manage health care arises out of the consent of an individual to join a health plan.

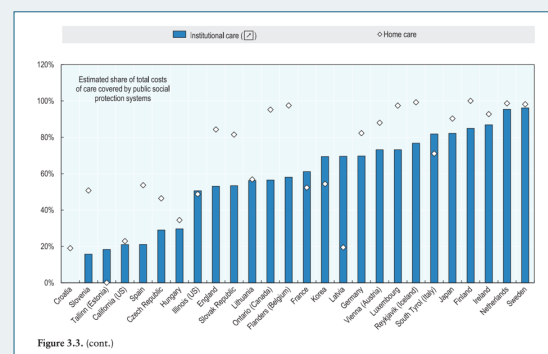
Let this be a lesson to those in the UK who see the future in neighbourhoods and place-based commissioning. The more choice and localism there is the more difficult it makes universal and comprehensive healthcare.

[The European Observatory for Health and Care Policies](#) published *The Care Dividend: Why and How Countries Should Invest in Long-Term Care* in early April. It

Aim (s) is to set out the arguments, grounded in theory and evidence, for increased public investment in high-quality, universally accessible long-term care. Strong long-term care systems benefit everyone: households, economies, health systems, and societies. Experts from around the world provide a compelling case for why and how governments can (and should) take action.

This is not the answer politicians want to hear, but it should be the gauge against which the UK government's own proposals are held, if and when they emerge.

This chart, which shows the extent of public provision of care, gives a sense of the situation in England.



It is yet another case of England leading from the rear, but on page 151 we have the potential blueprint for the future,

Key takeaways for improving long-term care systems include; *prioritising de-institutionalisation by shifting to community-based care, promoting home care services and supporting informal caregivers, all of which contribute to improved access and health system efficiency. Effective regulation and oversight are crucial when considering privatisation in long-term care to ensure quality, equity and coordination.*

Implementing IT digital solutions in long-term care can enhance communication, monitoring and care coordination, thereby streamlining access to services and increasing overall

health system efficiency, but this requires addressing digital literacy, ethical concerns and disparities. Coordination and integration of long-term care services can improve access by reducing fragmentation and it enhances quality, contributing to health system efficiency. However, challenges related to care quality, workforce training and ethics must be managed carefully to achieve these goals. Successful long-term care reform necessitates a common vision, planning, workforce preparation and stakeholder commitment to address the unique needs and challenges of each context, ultimately leading to improved access and efficiency within the entire health system.”

Given that the UK has largely privatised its long-term care, a lot hinges on “effective regulation and oversight”.

Unfortunately, the UK has the CQC, and the Prime Minister believes in deregulation, “sacking the checkers and supporting the doers”. Its going to be interesting how that conundrum is resolved. Especially as co-ordination and integration has just had the workforce halved and fragmentation is set to increase into ever smaller neighbourhoods.

Euronews provides a perspective on trade talks between the EU and the US. Trump has not spoken to Van de Leyen since his election. He is trying to isolate European leaders in one-to-one discussions, but all trade issues are centralised under the control of the Commission.

The EU has made an offer of a ‘zero-for-zero’ tariff deal on all industrial goods, which Trump previously rejected, and mentioned topics such as

semiconductors, pharmaceuticals and global overcapacity in steel and aluminium. Negotiations will continue at the technical level to further explore the ground for a mutually advantageous deal, a Commission spokesperson said. That landing zone appears remote for the time being however.

The February 2025 edition of [the Therapeutic Innovation and Regulatory Science](#) discusses and evaluates the UK’s new way of regulating Medicines. I

t’s another example of how life is so much more complicated following Brexit, particularly in Northern Ireland. The article discusses how the Windsor Framework waters down the regulatory problems for those wishing to import drugs in Northern Ireland, which under the Brexit Agreement must meet both UK and European regulations. It’s complicated and no one yet knows whether it will work satisfactorily.

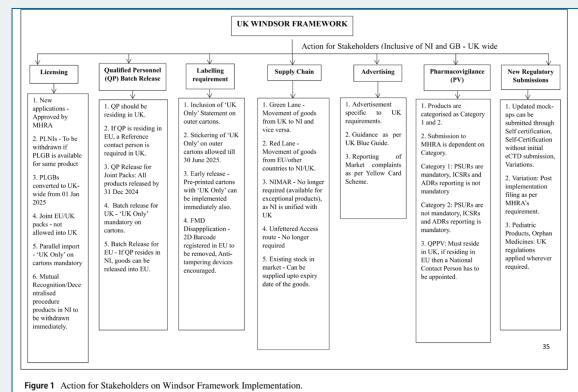


Figure 1 Action for Stakeholders on Windsor Framework Implementation.

[The Sunday Times](#) seems to have got the wrong end of the stick about the problems in having cataract operations in the UK.

They would have it that the scandal is that private operators are promoting themselves as working for the NHS when they are not; but they have increased cataract work charged to the NHS by 47%. The real scandal is that the waiting lists are so high in the NHS, that the prices historically charged in the private sector have been so high and that other European

countries neither have long waiting lists nor such high prices.

My wife was so appalled by being quoted around £5,000 per cataract in the UK after being told she would have to wait up to two years and until she was practically blind under the NHS that we moved to France where the cost was less than 1,000 euros and was mostly paid by health insurance.

John Yates wrote [Private Eye, Heart and Hip in 1995](#) which revealed that the average productivity of ophthalmic surgical teams was 508 operations per year. Bear in mind that according to the Sunday Times that 16 cataracts can be done in a single session; this was not very impressive.

I wonder what it is now.

*Perhaps Jim Mackie
might make enquiries.*

In the UK we have a [new Health Minister](#) already, Ashley Dalton. It follows the resignation of Andrew Glynne for social media comments on WhatsApp.

Dalton is a cancer sufferer and the daughter of an NHS worker. We'll see whether she can make a difference. The UK has not met its own Cancer Targets for more than a decade and [it's getting worse](#).

And, the UK [compares badly](#) against other countries who are quicker to diagnose and treat and achieve better mortality figures.

In Germany the New Merz government cannot yet decide who gets which job in the new cabinet, but it will be the CDU who fill the health post. Fortunately, we already have the script they will be reading from: [The Healthcare Agenda of Germany's New CDU/SPD Coalition Government – A Point-by-Point Analysis of Key](#)

[Policies and Their Potential Implications for Pharma and Med-Tech Companies.](#)

It seems Germany will be introducing compulsory GP referrals for specialist treatment and developing out-patient services run by for-profit organisations.

It seems more of an explicit plan than whatever has emerged from the UK to date.

The sector is witnessing the rapid emergence of new market entrants, especially IT and technology companies leveraging their digital expertise to penetrate the healthcare sector.

The plan is well worth reading in full as an insight to the winds of change blowing in German healthcare, and implicitly elsewhere.

In France there have been seven Health ministers in two and a half years. The latest team Vautrin-Neuder were appointed at Christmas.

It appears they are prioritising dealing with a Health Crisis in Mayotte for now but there is an 18bn euro deficit on the National Health Insurance Fund and Ministers are being sued for not dealing with the health crisis, causing staff to commit suicide.

Luckily for Wes Streeting, legal immunity is provided in the UK. But not in the EU where government can be sued for regulatory negligence.

See my discussion in the March 2024 newsletter. It might prompt action amongst our political class if the results of their inaction might end with them in the dock.

But wait, the 10-year plan cometh. Rumours suggest, according to Andy Cowper, that it 'centres on Tom Kibasi's advocacy of rewiring the English healthcare system so that it offers new and differentiated forms of access based on an individual's health status.'

I presume this means placing more obstacles in the way of unrestricted access.

If so, the collective groan will be heard in staff rooms everywhere. It's back to POSIWID.

In other words, the purpose of an organisation is what it does. If the purpose of the NHS is to stop access to healthcare that will be what most managers will spend most of their time doing.

And if success is stopping the NHS delivering healthcare the only winners are those that feed on the long waiting lists.

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