No matter what promises are made by companies today, they can be reversed by new owners tomorrow.

The problem of divergent incentives is one that OLS / DHSC / NHS are incapable of solving, as they are not themselves the root of the problem. This could be characterised as the ‘Orkambi approach’.

Rather than focusing on speculative business models, OLS should be attempting to deliver commodity pricing for all innovations, as fast as possible.

The existing ‘goat rodeo’ of NHS bodies attempting to solve their own problems cannot (and should not) be constrained. There should, however, be an explicit and specifically-funded research strand so that clinicians can write up their discoveries to full medical standards in open access journals – as well as a small pot of money for follow-up work with others who are interested in replication and scaling up.

Some of these experiments may turn into companies, some may turn into better NHS practice, and some of them may turn out to be entirely revenue negative.¹ This is not an approach available to the ‘wet’ sciences or for novel pharmaceuticals, but it is entirely valid for innovations that are wholly digital – and for generic drugs.

A convenient fiction within DHSC is that ‘the NHS does not pick up technology innovations’. Yet where the technology is good and safe enough – the most prominent example of this being FHIR – innovations are accepted extremely rapidly. FHIR did not exist at the time of the last Comprehensive Spending Review, but it is now approaching ubiquity because it works both for each care provider, and for the system.

The primary measure of success should be net cost to the entire NHS and Social Care, rather than to any individual budgetary silo.

Some business models are incompatible with commodity pricing – most notably, those of the venture capital-backed ‘exponential growth’ companies. Companies pursuing such approaches will inevitably turn predator upon the NHS, even were they to help with OLS’s short term goals.

¹ For example, the UCLH machine learning work which found that the best way to minimise missed appointments was to send everyone a text, rather than to make predictions and only telephone some people. While there is no new business opportunity in this, there are significantly increased efficiency savings for the NHS through the appropriate use of technology to free up NHS staff time (i.e. the nurse who would have had to spend a bunch of time on the phone will be freed up to do something else).
Rather than pulling tigers by the tail, OLS / BEIS / WT should instead focus on promoting world class research and the lowest commodity pricing on derived services for the NHS – front-line solutions to real front-line problems. With both the research and the first customers being in the UK, companies will be incentivised to use this country as a base for export overseas. (OLS should also require that the NHS does not purchase commodity services from companies that route their income through tax havens – which includes Luxembourg.)

Attempts by OLS to staff a central procurement unit to guide commercial choices may not in itself be a harmful step, but staff turnover will – over time – see many gamekeepers turn poacher. When the NHS sends doctors to meetings, companies send expensive lawyers and trained negotiators. This is unlikely to change.

Every business model that OLS considers will be gamed. And there is no model that will reap meaningful financial rewards for the NHS – the commercial lawyers are paid too much, and even if the contract struck by the NHS is watertight, they’ll lobby DHSC to change the rules. By way of illustration, look at the ‘drunkard’s walk’ of features not in the NHS app...²

All uses of data controlled by NHS bodies should be made available to the patients involved, via NHS.UK

Just as the civil service cannot promise that a future Government will not reverse positions, so the same is true for the management of public and private companies. medConfidential is certain that all the good people OLS / NHSE / UPD talk to in meetings will promise not to screw over the NHS – and will do so in sincere good faith. They will, however, not necessarily be the ones making the decisions tomorrow.

Any suggestion to the contrary by OLS / HMG / WT or anyone else would be demonstrable folly. Such fictions may remain hidden for an initial period, but over time will be fully revealed through the insufficiency of benefits for the NHS.

In the most egregious cases, those perverse incentives that are blindingly obvious to everyone who did not deliberately choose to ignore them, may be claimed as some form of unpredictable ‘black swan’ event. This is patent nonsense, and will be exposed as such. Ignoring an ‘elephant in the room’ until it goes on the rampage – with all the consequent bad headlines, and further collapse in public confidence – is a recipe for disaster, even if that particular disaster will occur beyond OLS’ current horizon.

Such myopia may suit OLS’ objectives; it is not in the interests of the NHS. We note such conflicts and issues are not exclusive to the remit of OLS, and are also faced by CDEI,³ and others.

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² https://healthtech.blog.gov.uk/2019/05/31/the-nhs-app-a-platform-for-innovation/
³ Although the original Dr Foster incident pre-dates medConfidential by around a decade, the second row of the table on page Ev21 of the Dr Foster Parliamentary inquiry report may resonate contemporarily: https://publications.parliament.uk/pa/cm200607/cmpubacc/368/368.pdf
Annex: The models

[[ plus additional examples, and more international examples ]] 

Monetary

- “Temporary cheaper benefits”   e.g. DeepMind / RFH,\(^4\) Kuvan
- Equity Share                e.g. Sensyne
- Cash for access            e.g. TheySoldItAnyway

Non-monetary

- Terms and Conditions        e.g. WhatsApp / Facebook
- Data for skills / joint venture e.g. RNOH / orth.ai, Dr Foster initial deal

Future potential

- Patent / exclusivity       e.g. Orkambi
- Hedge / VC-funded          e.g. Theranos, Babylon / GPatHand, military
- Shared-IP

OR

Better long term approaches

- Equal commercial basis for all   e.g. commodity pricing for all
- Creation of open access research e.g. DeepMind / Moorfields

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\(^4\) Technically, this project would come under several of these failure models...