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CABINET.

ROYAL COMMISSION ON NATIONAL HEALTH INSURANCE.

272

MEMORANDUM BY THE MINISTER OF HEALTH.

Copy No. 29

SECRET.
P.248(24).

It is necessary to decide the terms of reference and the composition of the promised Royal Commission on National Health Insurance, so that the Commission may be set up as soon as possible after the Insurance Bill now before Parliament becomes law.

I request approval of the following terms of reference -

"To inquire into the scheme of National Health Insurance established by the National Health Insurance Acts, 1911-1922, and to report what, if any, alterations, extensions or developments should be made in regard to the scope of that scheme and the administrative, financial and medical arrangements set up under it."

These terms of reference accord with the undertakings given by our predecessors to the doctors in the course of the negotiations as to the capitation fee and seem to me to cover the whole of the ground appropriate to this particular Commission. The terms are acceptable to the doctors and to the Committee of the Approved Societies Consultative Council appointed to deal with the question.

As regards composition, the Commission - (1) can be entirely composed of impartial persons, or (2) can contain representation of the interests concerned plus an impartial element.

The late Government included a promise of an impartial Commission in the final offer as to the capitation fee made to the doctors by the late Minister of Health on the 31st of October, 1923. In concurring with the draft terms of reference to the Royal Commission, the doctors refer to this promise and press for an impartial Commission.

On the other hand, the Committee of the Approved Societies' Consultative Council take the view that there should be included in the Commission persons whom they define as persons having knowledge of the subject but who would in fact be interested persons.

If the first view is adopted, it would be possible to have a Commission of say 6 - 8 persons, who would require to be very carefully selected people of such high standing as to command public confidence. Expert knowledge would be afforded by a secretarial staff appointed

from this Ministry and all interests concerned would make their case in evidence, being assisted with facts by the Department as far as necessary.

If the second view is adopted, the numbers of the Commission would probably rise to at least 20, as follows:-

Approved Societies, England and Wales.....	3
" " Scotland	1
Doctors	4
Insurance Committees	1
Officials (England, Scotland & Northern Ireland).	5
	<u>14</u>

Some of these numbers are minimum numbers and we should need to add an element of impartial persons amounting to at least 6, which number again might in fact have to be increased to provide for female representation and possibly for representation of dentistry and of those branches of medicine and of general insurance which are not at present concerned with the specific problem of National Health Insurance.

The particulars in the last paragraph illustrate the strength of the case for an impartial Commission of the type first mentioned above, so far as efficiency and ease of working is concerned. If a Commission of the second type is appointed, the proceedings will consist to a material extent of disputes between interested parties, they will be protracted by a series of needless and tendencious questions, more than one report may be expected and the carrying into effect of recommendations will be delayed by the mobilisation against them of the interests whose views have been given the publicity of a minority report but are not accepted by the Government of the day. It is further to be remembered that the bargain with the Consultative Council as to finding money for the increased capitation fee is a three years bargain, i.e. the Commission should report in time for its recommendations to be considered and legislation carried before the 1st January, 1927. The bigger the Commission and the more it represents interests the longer time it is likely to take over its work.

The merits of the case seem to me decisively in favour of the small and impartial Commission and this would implement the pledges given to the doctors by our predecessors. But politics enter so largely into this question that I must ask my colleagues definitely to pronounce upon it, as well as on the suggested terms of reference to the Commission.

(Intld.) J.W.

Ministry of Health.

~~9th March, 1924.~~

9 APR 1924