

STATES OF JERSEY



DRAFT HEALTH INSURANCE FUND (MISCELLANEOUS PROVISIONS) (AMENDMENT) (JERSEY) LAW 201-

**Lodged au Greffe on 25th September 2012
by the Minister for Social Security**

STATES GREFFE



Jersey

**DRAFT HEALTH INSURANCE FUND
(MISCELLANEOUS PROVISIONS) (AMENDMENT)
(JERSEY) LAW 201-**

European Convention on Human Rights

In accordance with the provisions of Article 16 of the Human Rights (Jersey) Law 2000 the Minister for Social Security has made the following statement –

In the view of the Minister for Social Security the provisions of the Draft Health Insurance Fund (Miscellaneous Provisions) (Amendment) (Jersey) Law 201- are compatible with the Convention Rights.

(Signed) **Senator F. du H. Le Gresley**

REPORT

Background

The Health Insurance Fund (“the Fund”) was established when the Health Insurance (Jersey) Law 1967 (“the Law”) came into force on 4th December 1967. The Fund receives a set proportion (currently 2%) of all social security contributions collected (12.5%) under the Social Security (Jersey) Law 1974. This 2% rate is made up of a 0.8% contribution from employees and a 1.2% contribution from employers.

Since 1967, the scope of primary care elsewhere in the British Isles has expanded greatly, and many different healthcare professions are now involved in first-line medical and healthcare treatment and care. Typically, primary care is provided in a community setting, such as a General Practitioner (G.P.) surgery or a health centre. In Jersey, some primary care services are delivered from the General Hospital. The Health and Social Services Department (HSSD) funds a range of primary care services, some of which are provided directly and some through third-party organisations, in particular Family Nursing and Home Care.

The Law provides for medical and pharmaceutical benefits. The medical benefit subsidises the cost of G.P. consultations. In 2010, the value of the benefit was substantially increased to assist in establishing G.P. governance arrangements. Currently the Fund subsidises patients at £20.28 for each G.P. visit. The Fund also covers the cost of prescriptions dispensed by Community Pharmacists.

Previous transfers

In November 2010, the States approved the Health Insurance Fund (Miscellaneous Provisions) (Jersey) Law 2011. This Law provided for 2 transfers to be made, one in 2011 and one in 2012, from the Health Insurance Fund to the Consolidated Fund, to meet the cost of various primary care services which are provided directly by HSSD. This funding was provided as part of the 2011 States Business Plan, which allowed for growth in HSSD expenditure, and removed various user-pays proposals from the HSSD CSR proposals.

These transfers were made under strict conditions and were tightly controlled by the Minister for Treasury and Resources. Treasury officials confirmed that each transfer was made in accordance with the agreed conditions, and the funds transferred were fully utilised in the provision of primary care services.

Recent progress

Since November 2010, substantial progress has been made in the strategic direction for future health services, the governance of local G.P.s and the legislative framework to fund primary care. In summary:

Strategic direction

- November 2010 – April 2011: analysis, benchmarking, stakeholder interviews and discussions, reviewing best practice and workshops. KPMG produced a detailed ‘Technical Document’ containing 3 scenarios for the future of health and social care.
- May 2011: the Green Paper ‘*Caring for each other, Caring for ourselves*’ published.
- May – August 2011: Green Paper public consultation.

- September 2011 – April 2012: Eight service areas identified, with priority areas (for the first 3 years) identified within these. Eight ‘cross-cutting’ enablers identified, one of which is primary care. Seven outline business cases produced, working with stakeholders from across health and social care, including primary care and third sector.
- May 2012: the White Paper ‘*Caring for each other, Caring for ourselves*’ published.
- May – July 2012: White Paper consultation.
- 11th September 2012: Proposition and Report: ‘*Health and Social Services: A New Way Forward*’ lodged au Greffe (P.82/2012). The Proposition includes primary care as a key area upon which significant further work is required, in order to outline and propose a sustainable system by December 2014. This primary care strategy work will be ongoing throughout 2013 and 2014.
- 23rd October 2012: Proposition and Report to be debated.

Governance and legislative framework

Medical Practitioners Law

- July 2011: Medical Practitioners Law amended by the States to enable the establishment of ‘fitness to practise’ procedures, including Responsible Officers (ROs), and also to enable the transfer of responsibility for the Jersey Medical Register from the Judicial Greffe (on behalf of the Royal Court) to the Minister for Health and Social Services, allowing an active register of doctors registered to practise in Jersey to be established.
- October 2011: Privy Council approval.
- Work now underway to draft the Orders necessary to bring these amendments into force.

Health Insurance Law

- November 2011: Amendment No. 14 to the Health Insurance Law debated by the States (P.136/2011). This amendment extended the scope of the Health Insurance Law to provide for the funding of governance arrangements and to allow the Minister for Social Security to enter into contracts for the provision of health services.
- P.136/2011 also created the main structure of local governance for G.P.s through a “performers list”, under the control of the Minister for Health and Social Services.

Jersey Quality Improvement Framework (JQIF)

- March – April 2012: G.P. engagement meetings held at each practice, and baseline information collated to inform development of the Jersey Quality Improvement Framework (JQIF) and understanding of variance across primary medical care of readiness for forthcoming changes.
- April – September 2012: negotiations with the primary care body (PCB) of clinical indicator set for JQIF and pre-entry requirements.
- July – September 2012: development of payment mechanisms for JQIF.
- G.P. Central Server programme underway.

Performers List Regulations

- April – September 2012: development of drafting instructions for Jersey Performers List Regulations.
- July – September 2012: dovetailing of Performers List drafting instructions with Health Insurance Law and Medical Practitioners Law.
- September 2012: Finalise drafting instructions for Performers List Regulations for development of legislations, consultation and submission for Human Rights Audit – proposed implementation date – January 2013.
- August 2012: primary care Medical Director in post. Head of primary care appointed; to commence in October 2012.

Transfer of funds

In order to ensure that the Health and Social Services Department can undertake essential preparatory work on its long-term strategy for improved health care in the Island, it is necessary to create further transfers from the Health Insurance Fund.

The Medium Term Financial Plan (MTFP) identifies contributions from the Health Insurance Fund in each year of the MTFP. This draft amending Law provides for a transfer of funds in 2013 in the total sum of £2 million, and a further £6 million in both 2014 and 2015. These transfers are to be used only to fund primary care services provided by Health and Social Services and will be subject to the strict control of the Minister for Treasury and Resources.

This proposition would bring into effect the funding arrangement set out in the MTFP for 2013, 2014 and 2015.

The ring-fencing of Social Security and Health Insurance Funds continues to be of paramount importance, and it is acknowledged that a commitment was given in 2010 to identify a sustainable solution for primary care funding. Significant progress has been made in the last 2 years towards improving the provision and governance of primary care services in Jersey and to set out a clear and practical path towards the overall improvement of health and social services in general.

Public spending over the MTFP must be carefully controlled and, without assistance from the Health Insurance Fund, the plans of the HSSD to set the new health strategy on a firm footing would need to be delayed or reduced, and the project will lose its momentum.

Contributions held within the Health Insurance Fund were collected to assist local people with the cost of their healthcare. To continue to be able to do this in the future, we must establish a modern and cost-effective health service. Providing some support with the cost of existing primary care services provided by HSSD to release funding to improve the way in which health care is provided in Jersey is an appropriate use of the Health Insurance Fund.

Financial and manpower implications

There are no manpower implications arising from the Draft Law.

The financial implications are for the years 2013, 2014 and 2015 and will be met from within the accumulated surplus within the Health Insurance Fund, which amounted to £80 million as at 31st December 2011.

The proposed transfers have been included in the Health and Social Services Department cash limits for 2013 – 2015 in the Medium Term Financial Plan.

The accumulated surplus within the Health Insurance Fund is designed to provide for the increasing cost of current medical and pharmaceutical benefits as the proportion of elderly people increases significantly over the next 20 to 30 years. Drawing funds down now will bring forward the timetable for an increase in contribution rates.

The effect of these proposals will be to place the Fund into annual deficit in 2014 and 2015.

European Convention on Human Rights

Article 16 of the Human Rights (Jersey) Law 2000 requires the Minister in charge of a Projet de Loi to make a statement about the compatibility of the provisions of the Projet with the Convention rights (as defined by Article 1 of the Law). On 24th September 2012 the Minister for Health and Social Services made the following statement before Second Reading of this Projet in the States Assembly –

In the view of the Minister for Health and Social Services the provisions of the Draft Health Insurance Fund (Miscellaneous Provisions) (Amendment) (Jersey) Law 201- are compatible with the Convention Rights.

Explanatory Note

This Law amends the Health Insurance Fund (Miscellaneous Provisions) (Jersey) Law 2011 so as to provide for further sums to be transferred from the Health Insurance Fund to the consolidated fund, and to be credited to that fund as income of the Health and Social Services Department. The transfers are to be made for the purposes of funding primary care services. The amounts to be transferred are – for 2013, £2 million, for 2014, £6 million and for 2015, £6 million.



Jersey

**DRAFT HEALTH INSURANCE FUND
(MISCELLANEOUS PROVISIONS) (AMENDMENT)
(JERSEY) LAW 201-**

A LAW to amend the Health Insurance Fund (Miscellaneous Provisions) (Jersey) Law 2011.

Adopted by the States [date to be inserted]
Sanctioned by Order of Her Majesty in Council [date to be inserted]
Registered by the Royal Court [date to be inserted]

THE STATES, subject to the sanction of Her Most Excellent Majesty in Council, have adopted the following Law –

1 Health Insurance Fund (Miscellaneous Provisions) (Jersey) Law 2011 amended

- (1) In the long title to the Health Insurance Fund (Miscellaneous Provisions) (Jersey) Law 2011¹ after the words “for 2011,” there shall be inserted the words “2013, 2014 and 2015;”.
- (2) In the Health Insurance Fund (Miscellaneous Provisions) (Jersey) Law 2011², after Article 2 there shall be inserted the following Article –

“2A Withdrawal of money from Health Insurance Fund for 2013, 2014 and 2015

- (1) Notwithstanding Article 21(1) of the Health Insurance (Jersey) Law 1967³, there shall be withdrawn from the Health Insurance Fund and credited to the consolidated fund –
 - (a) £2,000,000, for the purpose of funding primary care services in 2013;
 - (b) £6,000,000, for the purpose of funding primary care services in 2014;
 - (c) £6,000,000, for the purpose of funding primary care services in 2015.

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- (2) Money credited to the consolidated fund pursuant to paragraph (1) is, for the purposes of the Public Finances (Jersey) Law 2005⁴, to be treated as income of, and paid into the consolidated fund by, the Health and Social Services Department in the year for the purposes of which the withdrawal and credit is made.”

3 Citation and commencement

This Law may be cited as the Health Insurance Fund (Miscellaneous Provisions) (Amendment) (Jersey) Law 201- and shall come into force 7 days after it is registered.

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- ¹ *chapter 26.510*
 - ² *chapter 26.510*
 - ³ *chapter 26.500*
 - ⁴ *chapter 24.900*