

# STATES OF JERSEY



## INCOME SUPPORT: FREE GP ACCESS

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Lodged au Greffe on 28th May 2014  
by Deputy G.P. Southern of St. Helier

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STATES GREFFE

## **PROPOSITION**

**THE STATES are asked to decide whether they are of opinion –**

to introduce free access to GP consultations for those Income Support recipients who currently qualify for a Household Medical Account to assist with their medical costs.

DEPUTY G.P. SOUTHERN OF ST. HELIER

## REPORT

The Income Support (IS) system was designed to meet the income needs of households in a wide range of circumstances, and as such it represents the minimum needed to survive. It was set up to replace many of the benefits previously paid through a variety of States departments and the parish welfare system. It provides financial help to local residents in need towards the costs of housing, living, medical needs and child care.

I have long held reservations concerning the capacity of Income Support to deliver sufficient help towards the costs of medical needs and in particular over the effective use of Household Medical Accounts (HMA).

The numbers in receipt of assistance with medical costs, for example, have been seriously reduced over time. In November 2007, prior to the introduction of Income Support, there were a total of 2,966 households (around 4,000 individuals) who qualified for Health Insurance Exemption (HIE) and thereby were entitled to free access to GP consultations. As of March 2008, there were only 158 *individuals* who were previously in receipt of HIE who were not receiving Income Support or a Protected Payment. All the remaining households had a HMA set up to assist them with GP costs. By the end of 2011, however, the number of households with a HMA had been reduced to 1,429, and by 2012 this had fallen further to 1,099.

Faced with a choice over whether or not to continue supporting free access to GP services in designing the IS system prior to its introduction in 2008, it was argued that the list of households which qualified for HIE was an insufficiently accurate indicator of those with the greatest need. Free access to GP services was therefore abandoned, and replaced by additional support through the HMA. The need for support with medical costs was reviewed over the first 3 years of delivery, and removed as shown above from around 50% of recipients. The result is that we now have an accurate understanding of which families are in greatest need of assistance with their medical costs.

However in addition to the refining of the numbers, there has also been a change in the funding for HMAs as is shown below. The end result is that what started as *additional* sums have been replaced by the redirection of IS components to medical needs from other areas of need. This makes those with high need worse off than they should be.

### GP Costs

In answer to a question posed in April 2008, the then Minister for Social Security, Senator Paul Routier clearly laid out how these HMAs were structured and funded, when he stated:

*“For clarification, the HMA is a payment mechanism available to Income Support recipients, including those receiving Protected Payments, and not a benefit. The amount of benefit given depends upon the clinical need of the individual family members, which may include home visits.*

*The actual funding of GP visits is through monies included in the living allowances and the impairment component, specifically the clinical cost element. Therefore, all households on Income Support have received funding towards the cost of GP visits but most will not have an HMA as this facility*

has, in the initial stages of implementation, been targeted as priority to former HIE recipients.

The clinical cost element (CCE) provides additional funding for individuals who have ongoing, increased medical need. The rate of the CCE was based on the average cost of a doctor's visit and resulting prescription charges. As prescription charges have been removed, individuals have more money available to pay for GPs and other medical costs. **Further funding may be available through a special payment, for those who require higher levels of medical care in the form of home visits, which, if they have one, can be paid directly into the family's HMA.**

Individuals previously receiving support with Family Nursing & Home Care costs through the Parish Welfare system continue to receive the same level of support through Income Support. **New FNHC clients can apply for the personal care element of the impairment component to assist with the cost of personal care services provided by for Family Nursing and Home Care Services.** The personal care element is set at 3 separate levels providing more flexibility than previous disability benefits."

On another occasion he laid out further details:

*"The department recognises a G.P.'s duty to treat patients when there is a genuine medical need. The G.P. will always provide a medical service regardless of the previous number of visits that the patient has had.*

*Support for G.P. visits is provided in a number of ways, under income support. The basic living component covers up to 4 surgery visits in a year, which is the average for a healthy person. Then, on top of that, the clinical cost component provides additional support, up to a total of 12 visits a year, for individuals with chronic illness.*

*Then there is also the additional personal care component and the mobility component, which provides additional assistance for individuals who are housebound.*

*The household medical account allows individuals to save an appropriate amount from their weekly benefit to cover the costs of the visits that they require. If someone is in genuine need of home visits, the weekly amount saved can be increased to cover this cost. **Special payments can also be made to assist people who have unusually high needs or to cover the costs of a serious bout of illness.** There is no specific limit on the number of visits for which a claim can be made.*

*....As I said in my comments, the payments will be made. There is a mechanism in place that, if the person's medical account does not have sufficient in it, **there is a mechanism for special payments to be made.** It is the G.P. who will decide whether those visits are necessary and if the G.P. decides those visits are necessary then the account will be paid."*

In a more recent response given in February 2013, the current minister revealed changes in funding mechanisms in covering the costs of GP consultations within Income Support:

*“The basic IS component which covers day- to- day living costs assumes that the individual may need up to four GP visits per year. The clinical cost component is specifically designed to provide additional assistance with the cost of GP visits for individuals with medical conditions that require regular monitoring from a GP.*

*There are also other medical components contained within IS for personal care and mobility needs that individuals can claim to assist with associated costs, depending on the nature and severity of their condition. **In certain circumstances part of the mobility element** of the medical component may be used to assist with the cost of home visits by GPs, where the additional cost of the visit is due to the mobility difficulties of the individual.”*

The current provision for funding GP consultations is made clear on page 57 of the recently released IS Policy Guidelines (V3.0).

#### **Household Medical Account (HMA)**

If an Income Support Household is prevented from being able to budget for the cost of GP visits, a Household Medical Account (HMA) may be available to assist them. This could be due to complex medical need or specific illnesses that affect a person's ability to budget. The HMA is not an additional benefit, but a means to assist households in this position with budgeting for GP visits.

Each week, part of the Income Support benefit is set aside in the HMA. The basic personal component of Income Support contains provision for each person to visit their GP 4 times a year, and so an equivalent deduction is made on a weekly basis towards the HMA. For individuals receiving clinical cost components, the full value of that component is also included in the amount to be saved.

***In cases where members of the household visit the GP more frequently, additional savings may be made from impairment awards. These additional savings will typically be up to 50% of the personal care level 1 award and up to 50% of the mobility component,*** depending on the needs of the household.

When a member of the Income Support Household with a HMA visits the doctor –

1. The doctor will be notified that the household has a HMA.
2. The Department provides a medical benefit (£20.28 as of June 2012) towards the cost of the visit. This payment is made under the Health Insurance Law, which is not part of the Income Support system.
3. The remainder of the cost is deducted from the HMA.

The HMA allows the Income Support Household to budget for GP visits steadily, throughout the year, regardless of when the visits actually take place. The HMA account is designed to be able to go into debt from time to time. In normal

circumstances, the account will build up again and return to credit. *If it remains in debt, additional savings will be made from impairment awards.*

In summary, the cost of 4 visits per year to a GP is built into Income Support, currently £3.15 weekly, or £163.80 per year. If Income Support recipients have need of a greater number of visits, then they must apply for clinical component (level 1) which provides additional funds for a further 4 consultations (up to 8 in total). A further level of clinical care exists to provide up to 12 (monthly) consultations annually. These sums may be put into a household medical account, and set aside by the department to allow Income Support households to cover its GP bills.

If at any time an individual requires more than 12 consultations in a year, or needs home visits from the GP, then these costs can be claimed through special payments.

The full range of components available to those on IS in medical need is as follows:

Personal Care level 1 (PCC1)	£22.96
Personal Care level 2 (PCC2)	£101.15
Personal Care level 3 (PCC3)	£145.25
Mobility (non-earner)	£22.96
Mobility (earner)	£45.92
Clinical Cost (CC) 5+ consultations	£3.15
Clinical Cost (CC) 9+ consultations	£6.30

### **Personal care**

The personal care component is available for people who need assistance with their own personal care. This includes activities such as housework, shopping, cooking, washing and dressing. There are 3 levels of personal care component, and they can be awarded for physical, sensory and mental impairments.

### **Mobility**

The mobility component is available for those who have an impairment which seriously affects their mobility outside their home environment. There is a higher rate paid to people who work to assist with additional costs incurred travelling to and from work. This rate is paid as long as the net earned income from the work exceeds the value of the higher rate.

### **Clinical cost**

The clinical cost component is designed to help people who need to visit their GP regularly because of a chronic or progressive condition. It is also available for individuals receiving palliative care.

Members should note that –

- (a) there is nothing built into the IS Law or Regulations to bring the Household Medical Account into existence. The HMA is simply an administrative aid to permit IS recipients to budget for GP consultations. It is a scheme designed by social security officers; and
- (b) the source of funding for the HMA has become more flexible as the years have gone by.

In 2008 “*extra needs would be met from special payments*”. By 2013 “*part of the mobility payment may be used to pay the cost of home visits by the GP.*” or, in other words, “*additional savings will be made from impairment awards*”.

This gradual shift of funding from special payments to using other components to cover medical bills runs the danger of affecting the quality of life of some IS recipients. This section takes a number of cases where medical costs are being met from other components, in some cases, removing significant sums from and putting additional stresses on household budgets.

- A. Single Parent, 2 children, no impairment or mobility, HMA: £15.26 per week (£800 annually).
- B. Family with 3 children, child impairment, HMA: £47.60 per week (£2,500 annually).
- C. Single female, no impairment, HMA: £35 per week (£1,800 annually). This award left her to find over £70 weekly towards her rent.
- D. Elderly single female, PC2 and mobility, HMA: £28 per week (annual £1,400).
- E. Elderly couple, Multiple disability, HMA: £47.95 per week.
- F. Elderly couple, PC2, M1, CC2: HMA: £39.62 (£2,060 annually).

I believe that one of the factors involved in persuading the States to accept the abandonment of the parish welfare system and the removal of free access to GPs for some (those on HIE) was the guarantee given to members that those on income support with high medical needs would have their medical costs met, if necessary, through special payments. It was never envisaged that other components of income support awards should be swallowed up in medical costs and thus be unavailable for other needs.

After 6 years of the delivery of benefits through Income Support, I believe that the time has come to assess how the system might be improved. In particular, the examples given above reveal deficiencies in the support delivered for those needing a high level of GP care. This proposition goes some way to addressing this need.

### **Financial and manpower implications**

We are informed that 35% of IS claims (2,300) have at least one medical component but without further detail of the distribution, an estimate of financial costs cannot be

made. By way of example, if all of those on HMA were on Clinical Component 2 and were to get free GP visits, the financial cost of this would be some £360,000 annually. It is worth noting that since IS is tax funded, this would be a transfer of funding from the tax payer to the medical benefit element of the Health Insurance Fund.