

2015.02.24

**3.7 Deputy S.Y. Mézec of St. Helier of the Minister for Social Security regarding raising the cap on Social Security contributions for high-earners to meet the cost of G.P. subsidies:**

Would the Minister be prepared to consider raising the cap on social security contributions for high earners to ensure that the department is able to continue to meet the cost of G.P. (General Practitioner) subsidies in the event of a surge in visits?

**Deputy S.J. Pinel (The Minister for Social Security):**

I would like to start by reassuring Members that there is no need for any short-term measures to support the Health Insurance Fund. My focus this year is on identifying a range of long-term options, which will provide local residents with a sustainable funding solution for both health care and pensions. The background to this is that a medical benefit of £20.28 is paid in respect of each G.P. consultation under the Health Insurance Law. This benefit is funded from the Health Insurance Fund, which receives contributions of 2 per cent of earned income up to the standard earnings limit. As Members will be aware, a review of primary care in Jersey is currently being undertaken. In parallel, proposals for the sustainable funding of health care are being investigated and my department will be drawing up options in respect of the social security old-age pension and the sustainability of the Social Security Fund during this year. The Minister for Treasury and Resources, the Minister for Health and Social Services and I are all part of the Ministerial Oversight Group in respect of the health review. All 3 departments are working closely together to produce co-ordinated plans which will seek to balance the cost of contributions against the increasing cost of health care and pensions. At present, a 2 per cent social security contribution is levied on employers on earned income between the standard earnings limit and the upper earnings limit compared to a total of 12.5 per cent social security contribution on earnings up to the standard earnings limit. Increasing the contribution rate in this higher range and adjusting the level of the upper earnings limit will both be considered within the reviews I have just mentioned. To sum up, we will be investigating a wide range of options during the year but there is no need for any immediate action.

**3.7.1 Deputy S.Y. Mézec:**

I am delighted for that answer and hearing that answer, as well as the answer to my written question 20, which confirms that in the short-term there is no problem funding a potential surge in G.P. visits, would she agree that the comments that were reported in the media - perhaps misreported; she may wish to clarify - would have appeared unnecessarily alarmist?

**Deputy S.J. Pinel:**

I am happy to be able to agree with the Deputy. The word “surge” was lifted straight from the headline in the *Evening Post* and as yet we have seen no surge in G.P. visits. A surge as such has happened before and it was containable but, as I have answered in previous questions, the amount of free visits - “free” because we still pay the £20.28 subsidy; the actual G.P. may not choose to charge himself - is quite a frequent occurrence with children and in some cases elderly people, so this has been going on for some time.

**3.7.2 Deputy A.D. Lewis:**

Also in recent media reports the Minister has been referred to as reconsidering the prescription charge. This would also make a contribution obviously to social security and perhaps assist with the funding of G.P. visits. Is that possible? What view does she have and will she be bringing forward suggestions to replace or reintroduce the prescription charge?

**Deputy S.J. Pinel:**

As I think I have made very clear in interviews over this last week, the discussion about reintroducing a prescription charge is merely that, it is a discussion. We have had to look at all

sorts of ways in order to balance the books with the Health Insurance Fund and in future with the Social Security Fund which pays the pensions. So it is really just another avenue of exploration and was mentioned at a Scrutiny meeting, not something that is concrete but purely under review.

**3.7.3 Deputy G.P. Southern:**

Since the Health Insurance Fund, in her own words, has gone into deficit over the past year, does she with hindsight regret the States' decision to remove some £12 million-plus to spend on primary care in the hospital taken over the past 2 years? Does she regret that those sums were removed from the Health Insurance Fund?

**Deputy S.J. Pinel:**

That was a States' decision so nothing I can regret or not. It was a decision made by the States to remove that money from the Health Insurance Fund, which is intentionally set up for primary care. It was just being offered from a different department. The deficit (the Deputy quite rightly mentioned) is to the tune of about £1 million. In 2013, the Health Insurance Fund on interest revenue earned £5 million. We do not think we are necessarily going to be that lucky again, which is why we are looking at the long-term view of the Health Insurance Fund and the Social Security Fund over the next year.

**3.7.4 Deputy G.P. Southern:**

Can the Minister state whether she was in the House when that decision was made and which way she voted on that particular proposition?

**Deputy S.J. Pinel:**

I think I probably was and I cannot remember.

**3.7.5 Deputy S.Y. Mézec:**

That was convenient, was it not? Is it not the case that many Islanders already struggle to afford to see a G.P. and it should be the priority of this Minister for Social Security to help sick people see their doctor when they need to? Would she agree that looking at her long-term view here, rather than cutting or threatening to cut services for vulnerable people that they rely on, it would be far better instead to ask our wealthiest residents to pay their fair share and in terms of potential options that should be towards the top?

**Deputy S.J. Pinel:**

I think that the benefit system in Jersey is incredibly generous in comparison with many other jurisdictions, and there is nobody who is totally vulnerable over here who is left to their own devices. As I said to the Deputy, we will be looking at this over the next year and investigating absolutely every angle of potential revenue.

**Deputy S.Y. Mézec:**

Could I have a final supplementary?

**The Bailiff:**

You have just had one, Deputy.

**Deputy S.Y. Mézec:**

A final, final one? It is really quick.

**The Bailiff:**

No, I am afraid you cannot because, apart from anything else, the Minister is up for Questions Without Notice, so you will get your opportunity in a moment.