

STATES OF JERSEY



DRAFT HEALTH INSURANCE FUND (MISCELLANEOUS PROVISIONS) (AMENDMENT) (JERSEY) LAW 201- (P.88/2012): AMENDMENT

Lodged au Greffe on 23rd October 2012
by Deputy G.P. Southern of St. Helier

STATES GREFFE

DRAFT HEALTH INSURANCE FUND (MISCELLANEOUS PROVISIONS)
(AMENDMENT) (JERSEY) LAW 201- (P.88/2012): AMENDMENT

PAGE 9, ARTICLE 1 –

- (a) in paragraph (1), for the words “ ‘2013, 2014 and 2015,’ ” substitute the words “ ‘and 2013,’ ”;
- (b) in paragraph (2), in the inserted Article 2A –
 - (i) in paragraph (1), for the words beginning “credited to the consolidated fund” to the end of the paragraph substitute the words “credited to the consolidated fund £2,000,000, for the purpose of funding primary care services in 2013.”,
 - (ii) in paragraph (2), for the words “in the year for the purposes of which the withdrawal and credit is made.” substitute the words “in 2013.”.

DEPUTY G.P. SOUTHERN OF ST. HELIER

REPORT

P.88/2012 will look very familiar to many members. For those who were here in 2010, it appeared as P.125/2010. As today, it called for a transfer of funds from the Health Insurance Fund to pay for certain primary health services delivered through the Hospital. It was the subject of much suspicion that we were raiding a fund set up for one set of objectives to deliver completely different aims. The quotes here come from the debate of this issue on 18th November 2010.

The then Deputy P.J. Rondel of St. John summed up the feelings of many when he said –

“Once again I want to raise the issue of raiding these funds which were never put in place for this purpose...”

The Connétable of St. Clement also put his suspicions clearly –

“I do worry and I think it is worth pointing out again, as it was in the debate on the principles, that this is really more of a device to prop-up the Health and Social Services budget and really has got nothing to do with primary healthcare.”

The amendment only managed to be voted through on the clear understanding that this was to be a temporary measure to last only 2 years as the report within P.125/2010 clearly stated [**my emphasis is added in bold text**] –

“The draft Law provides for a transfer of funds in 2011 in the total sum of £6.131 million. Article 2 of the draft Law allows the Minister to return to the States and seek a similar transfer in 2012. The value of this transfer will be determined during 2011 and will need to be approved by the States before it can take place.

There is no provision made for any further transfers; and the Minister for Health and Social Services has made **a clear commitment to address the issue of primary care health services within this 2 year period.** Legislation to replace or substantially revise the current Health Insurance Law will be brought forward before 2013. Given the continuing pressures on health services, this is likely to include the requirement for increased contributions to fund a modern primary care health service.

The ring-fencing of Social Security and Health Insurance Funds is of paramount importance, and the agreement with the Minister for Health and Social Services to propose this draft Law has not been undertaken lightly.”

“The release of the £6.131 million to the Health and Social Services Department in 2011 will be tightly controlled by the Minister for Treasury and Resources. The Minister for Treasury and Resources will only sanction the release of funding upon receipt of evidence from the Health and Social Services Department confirming expenditure in respect of primary care services. The balance of the cost of primary care services administered through HSSD will continue to be funded directly from the HSSD revenue budget.”

“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 and extending the scope of the Law to fund a modern primary care health service will require additional contributions to be levied in coming years.**

The effect of these proposals will be to place the Fund into “in-year” deficits for 2011 and 2012. If funding for the proposed initiatives was to continue on this basis in the medium term, then the accumulated surplus would very quickly be exhausted. The primary Health Care Strategy, when presented, will include proposals for the sustainability of funding.”

Senator S.C. Ferguson focused clearly on this 2 year funding –

“I think Members should note that this is for 2 years only. Now I have complained bitterly both at the time of the Business Plan and at the time in my amendment to the Business Plan that this is quite wrong. I really do not see that we should be taking money from the Health Fund to subsidise the Health Department which cannot get its finances under control.”

The then Minister for Social Security, Deputy I.J. Gorst of St. Clement, made clear the intention to keep this scheme temporary when he summed up the debate thus –

“As I said introducing the Articles, I am aware of strongly held views on both sides of the arguments to whether the funds in the Health Insurance Fund should be used in this way.

*I recognised and I heard what Members were saying last time, that some feel we have been here too often in the past and I am convinced, I am absolutely certain that one thing is sure. **We cannot be here again in a year’s time and we certainly cannot be here in 2 years’ time** and Members would have every right, if I stand up without that sufficient evidence, to criticise me.”*

Here we are in exactly the same position as we had 2 years ago. The Ministers involved have simply not delivered. Despite a clear commitment in 2010 to identify a sustainable solution for primary care funding; there is none. Here we have another patch to slap on the creaking structure that is health care funding. £12 million last time and now a further £14 million. This cannot be allowed to pass unchallenged.

However, this amendment does not sabotage spending plans for 2013. It allows the transfer of £2 million, and thus gives a further year for the Ministers for Treasury and Resources and Health and Social Services to come up with a proper sustainable plan for primary care funding.

Financial and manpower implications

The financial consequences are as laid out in this report. There are no manpower implications arising from this amendment.