

# STATES OF JERSEY



## **DRAFT HEALTH INSURANCE FUND (MISCELLANEOUS PROVISIONS) (AMENDMENT) (JERSEY) LAW 201- (P.88/2012): AMENDMENT (P.88/2012 Amd.) – COMMENTS**

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**Presented to the States on 5th November 2012  
by the Council of Ministers**

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**STATES GREFFE**

## COMMENTS

Deputy G.P. Southern of St. Helier is proposing an amendment which, because of the funding dependency in the MTFP proposals, would effectively remove spending approval for primary care health services for the Health and Social Services Department of £6 million in 2014 and £6 million in 2015.

At the last Sitting, the States Assembly voted in favour of the proposals for change set out in P.82/2012 – “Health and Social Services: A New Way Forward” (as amended) – and it is essential that the Health and Social Services Department has the right funding in place to be able to deliver the changes set out in that proposition.

This amendment would have the effect of removing funding for existing primary care services being provided by the Department in 2014 and 2015 without a way of completing the primary care funding proposal in that timescale.

The Council of Ministers opposes this amendment.

### **Joint Response of the Ministers for Social Security and Health and Social Services**

The Council of Ministers’ vision is to deliver a sustainable health and social care system which is properly funded, and in which services are delivered in the most appropriate, cost-effective manner to meet the needs of Islanders. The Minister for Health and Social Services and the Minister for Social Security are united in their intention that primary care must be integral to the new system.

However, primary care is complex, including general practitioners, dentists, pharmacists and high-street opticians. The quantum of change is unprecedented in Jersey, and needs to be extremely carefully planned and implemented. It is essential that the system remains in balance, and that Islanders continue to be able to access high-quality, appropriate services when they need them.

The new system will require additional funding, hence it is important that the timing of the proposal for a new model of primary care aligns with the timing of the proposal for a sustainable funding mechanism for Health and Social Services.

The use of the Health Insurance Fund in 2013, 2014 and 2015 provides a mechanism of temporary funding ahead of the detailed work that is required to ensure that the new model of primary care is the right one for the Island. The Council of Ministers envisages that this work could be delivered by the end of September 2014. The Council’s comments on the amendment to P.82/2012 – “Health and Social Services: A New Way Forward” set out the workplan –

- engaging with Dentists, Optometrists and Pharmacists – January to March 2013;
- agreeing a detailed work-plan, including communications and ongoing engagement – by March 2013;
- initial discussions, engagement and consultation on policy and principles for sustainable Primary Care – April to August 2013

- agreeing an overarching policy and principles for sustainable Primary Care – September 2013;
- model financial impacts and funding flows – September to December 2013;
- continuing joint working to co-produce proposals – January – June 2014;
- considering contractual mechanisms and incentive systems – February 2014;
- initial draft of proposals for a new model of Primary Care – June 2014;
- consultation with G.P.s, Dentists, Optometrists and Pharmacists on the proposed new model of Primary Care – July – August 2014;
- finalising proposals for a new model of Primary Care – September 2014.

In P.82/2012, as amended, the Council of Ministers committed to bringing forward a sustainable funding proposal for health and social care at the same time, i.e. September 2014.

From this point, the process of appropriate Law Drafting and States approval would still be required.

The States Assembly voted in favour of the proposals for change set out in P.82/2012, and it is essential that the Department has the right funding in place to be able to deliver the changes set out in that proposition.

This amendment would have the effect of removing funding for existing primary care services being provided by the Department in 2014 and 2015 without a way of completing the primary care funding proposal in that timescale.

### **Council of Ministers' Key Themes**

#### Key Themes – Affordability and Sustainability

The States Strategic Plan approved 7 resource principles to ensure that the States maintain balanced budgets, but also so that public services remain affordable and sustainable over the medium term and longer term.

These resource principles are –

*Be prudent, taking account of the uncertain economic and financial outlook.*

*Identify and implement all possible savings and efficiencies. (For 2013 and beyond we will optimize methods of service delivery and provide value for money.)*

*No additional spend unless matched by savings or income.*

*The Stabilisation Fund will only be used during an economic downturn, as advised by the Fiscal Policy Panel, to fund the effects of reductions in States revenues or increased demand for States services, and to provide appropriate stimulus to the economy.*

*Maintain balanced budgets over the medium term for current expenditure and achieve an appropriate balance between taxation and spending over the course of the economic cycle.*

*Actively manage the Balance Sheet as well as the Budget by maximising investment returns within agreed levels of risk.*

*Plan our expenditure on capital and infrastructure over the long term and consider carefully the appropriate sources of funding for major projects, including borrowing.*

Developing medium and long-term financial plans to deal with taxation and funding strategies for long-term capital and revenue expenditure is vital in meeting the challenges of the economic downturn and the ageing population. These principles should be borne in mind when considering this amendment.

#### **Financial and manpower implications**

This amendment would remove funding for existing primary care services currently provided by the Health and Social Services Department (HSSD) totalling £6 million in 2014 and £6 million in 2015. This would have the effect of reducing the expenditure approval for the HSSD within the Medium Term Financial Plan in 2014 and 2015, and would require an alternative funding source and expenditure approval to be agreed for these primary care services.

The allocation of the 2012 funding is set out below, and it is likely that the 2014 and 2015 would impact these services in this way:

	<b>Amount £m</b>
Family Nursing and Home Care	4.9
Childhood Immunisations	0.4
Smoking Cessation – Help 2 Quit	0.3
Brook Advisory Services	0.2
G.P. Out-of-hours service	0.1
Public Health clinical services and subsidised products	0.1
Ante-Natal services	0.1
<b>Total:</b>	<b>6.1</b>