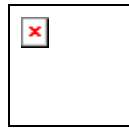


**FINANCIAL ASSISTANCE FOR THE COST OF OPHTHALMIC AND DENTAL CARE FOR PERSONS AGED  
OVER 65: PROPOSED SCHEME**

---

**Lodged au Greffe on 27th March 2001  
by the Employment and Social Security Committee**

---



**STATES OF JERSEY**

**STATES GREFFE**

180

2001

P.49

Price code: B

## **PROPOSITION**

### **THE STATES are asked to decide whether they are of opinion -**

to agree that a scheme to subsidise the cost of ophthalmic and dental care should be established in Jersey and that -

- (a) the scheme should be targeted to those people over the age of 65 who satisfy the criteria set out in paragraph 3(a) of the report of the Employment and Social Security Committee dated 15th March 2001;
- (b) the level of financial assistance available to each eligible individual should be that described in paragraph 3 (b) of the said report;
- (c) the charity Age Concern (Jersey) be asked to administer the scheme on behalf of the States for a trial period of one year, with appropriate management, accounting and audit provision;
- (d) the Finance and Economics Committee be requested to transfer the sum of £150,000 from the Health and Social Services Committee to the Employment and Social Security Committee and that the total sum of £680,000 be made available to Age Concern (Jersey) to operate the scheme for the first full year; and
- (e) the scheme should be jointly monitored by the Health and Social Services and Employment and Social Security Committees throughout the first year.

### **EMPLOYMENT AND SOCIAL SECURITY COMMITTEE**

# REPORT

## 1. Introduction

On 21st November 2000, the States decided not to subsidise television licences for old age pensioners. The view was that any money allocated to assist old age pensioners should be targeted, by need, and given for the priority of health care, primarily for dental, optical and chiropody support. Following the debate and subsequent approval of the sum of £680,000 being allocated for this purpose in the Budget proposals debated in December 2000, representatives of the Senior Citizens Association subsequently met with the Presidents of the Health and Social Services and Employment and Social Security Committees to identify target groups and formulate proposals.

## 2. Development of proposals

Some time prior to the television licence debate, the Social Policy Strategy Group and the Integrated Health Care Working Party had been considering financial hardship issues around access to healthcare, particularly during acute episodes of ill-health associated with many general practitioners' visits and also the high cost of dental and ophthalmic care. It was recognised that these difficulties spanned young and old, but in particular some old age pensioners had considerable problems in accessing or paying for some elements of primary health care and exceptional health care costs. Good progress was being made on schemes to increase service provision in these areas, based around community services. Thought had also been given to setting up a Medical Expenses Assistance Scheme, similar to that which operates in Guernsey, to provide additional financial support in times of need.

Representatives of the Senior Citizens Association expressed some concerns about these proposals, namely -

- (a) any form of means testing was seen to be invasive;
- (b) individuals in identified target groups should receive assistance as a right;
- (c) those on the lowest incomes were already receiving assistance through the Parishes or the Health Insurance Exception (HIE) Scheme;
- (d) those people above the income limits for HIE experienced most difficulty in meeting health care costs.

## 3. Basis of the Scheme

Following further discussions between the Committee Presidents and representatives of the Senior Citizens Association, and subsequently with the Comité des Connétables, it was agreed that a group of people over the age of 65 be targeted and supported as follows -

### (a) Criteria for eligibility

Income above HIE level;  
not paying Jersey Income Tax;  
resident in Jersey for five years; and  
capital/assets of less than £30,000 for a couple or £15,000 as a single person (excluding the family home).

### (b) Financial assistance

Up to £15 for an eye test and £45 for spectacles every two years, and  
up to £22 for a dental check and £150 for dental treatment each year.

## 4. Size of target group

Information from the 1996 Census, Social Security and Income Tax statistics would suggest a potential target group of around 5,500 people with a span of income of approximately between £7,000 and £12,000 a year for a single person and between £12,000 and £19,250 for a couple. These income figures are purely indications and take no account of allowances and disregards in the HIE or tax systems, but in broad terms the lower figure represents the likely HIE limit, and the higher figure represents the Income Tax threshold.

## 5. Pensioners with income up to and including HIE level

The Comité des Connétables have agreed, in principle, to meet the cost of optical checks and dental checks on the same basis as described above for those above the welfare limited but on HIE, with subsequent treatment being assisted at the discretion of the Connétable. Those in receipt of welfare can already seek help with dental and optical costs.

## **6. Administration**

The Employment and Social Security Committee and the Health and Social Services Committee considered three options for administration -

- (a) administration in the Employment and Social Security Department;
- (b) outsourcing the administration off Island and;
- (c) outsourcing on-Island.
- (a) In-house

The Employment and Social Security Committee has experience of benefit administration but has no experience of dental and optical subsidy schemes and all that they entail, including clinical audit and vetting the cost of medical expenses. In fact, the Jersey Dental Scheme, which provides financial assistance to certain categories of younger people, was outsourced from the very start. However, some estimates of likely manpower requirements were made using comparable workloads, recognising that the enquiry load for individuals and professionals checking account balances and the numbers of small transactions would be very high, in the order of 10,000 - 20,000 per annum. A likely two additional posts were identified which were not available in the Department, and, given current States policy on manpower, the Committee looked to outsourcing both on and off-Island.

- (b) Outsourcing off-Island

The Committee approached Westfield, a mutual, non-profit insurance organisation that administers similar systems in the United Kingdom and Jersey, tailored to individuals' needs, and has been doing so from its Sheffield base for 80 years. It has an asset base of over £40 million and provides benefits for some 300,000 people. Many of its members in the United Kingdom are over 65. For an annual premium of £109 for an individual, Westfield would operate an insurance scheme providing £60 of ophthalmic benefit every two years and up to £172 dental benefit annually. Westfield had calculated these figures from their wide experience administratively and actuarially. The premium of £109 included administration costs and contingency for two-year sustainability. Westfield conforms to United Kingdom regulatory requirements.

- (c) Outsourcing on-Island

Representatives of the Senior Citizens Association felt that they could administer the scheme on a volunteer basis so that cost savings on administration expenses could benefit local people. The Presidents of Employment and Social Security and Health and Social Services Committees expressed their requirements to the Senior Citizens Association about aspects of customer service, confidentiality, accountability, audit and administration. Of particular concern was the fact that not all people targeted for assistance would be members of the Association and may not wish become members. Furthermore, there was some disquiet about the status of the Senior Citizens Association, which was perceived as an active political pressure group.

## **7. Proposal**

Taking all aspects into account, the Employment and Social Security and Health and Social Security Committees are minded to offer the administration of the scheme to Age Concern (Jersey), rather than the Senior Citizens Association, as a means of engendering or demonstrating a sense of community and self-help amongst the population as a whole. Whilst the Committees support the work and commitment of Age Concern, they also have a duty to the taxpayer to ensure best value in respect of revenue expenditure. With this in mind, a Service Level Agreement has been discussed with Age Concern and will need to be implemented if the States agree these proposals. This service level agreement would ensure, as far as possible, that the scheme is efficient, effective and sustainable as well as highly confidential.

## **8. Financial and manpower implications**

There will be no immediate additional manpower resource implications for the Department if the States approve the proposal

to outsource the administration to Age Concern, initially for a trial period of one year. Age Concern estimate their administration costs will be no greater than five per cent. There will, however, be recurring costs, initially of around £680,000 per annum (assuming that there is not full take-up amongst the target group in the first year.) Assumptions are based on a take-up of around 3,200 people aged 65 and over. This sum will increase proportionally over the years in line with increases in dental and optical costs and the predicted rises in the pensioner population, which may mean that future increases in expenditure could be higher than the cost of living increases.

## **9. Conclusion**

It could be argued that the available money may be spread too thinly across non-tax paying pensioners and will not help with the exceptionally high costs that may be incurred from time to time, particularly by those lower down the income scale. However, it will establish a basic scheme amongst those who have traditionally missed out on any additional healthcare support, and will provide the opportunity to identify the extent of the demand and gaps in provision. By embarking on this scheme, the States must accept that it will be maintained for the future. There will be a need to adapt it in the light of experience, but it would be unacceptable to withdraw it after a period of time. In the interests of equity across the community, this type of scheme may need to be extended to other low income groups in the future, particularly families.