

# STATES OF JERSEY



## **PROPOSED GOVERNMENT PLAN 2022- 2025 (P.90/2021): THIRD AMENDMENT (P.90/2021) AMD.(3) – COMMENTS**

### **MAINTENANCE OF THE HEALTH INSURANCE FUND**

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**Presented to the States on 9th December 2021  
by the Council of Ministers**

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**STATES GREFFE**

## COMMENTS

### **The Council of Ministers opposes part 1 of the amendment.**

This proposed significant reduction in the Technology Fund, from £20 million to £7 million, sends exactly the wrong signal to Jersey businesses that are working hard, particularly in the aftermath of Covid-19, to modernise and increase productivity by investing in new ways of working.

The Technology Fund is intended as a strategic move that is aligned to our Future Economy Programme and recognises that Jersey must invest in the island's future economic success.

It responds to the clear call from the Economic Council to invest in supporting Jersey businesses in areas relating to digital, skills and sustainability.

The details of the operation and focus of the Fund will be developed in consultation with partners in the public and private sector early in the new year, and will be set out in a subsequent proposition.

At this stage, it is anticipated that the Fund will seek to support a limited number of programmes that drive faster adoption of existing and emerging technologies (not innovation of new technologies) in order to increase productivity in identified economic sectors, and speed up progress on social and environmental goals.

To have strategic value, the Fund needs to act as a catalyst across Jersey's new economy, leading to marked increases in the scale and pace of technology adoption. If cut back to just £7m the much smaller Fund will not have this strategic influence and will be limited to operating as a government grants pot that will serve as a one off distraction for many businesses.

The action to take money from the technology fund cannot be repeated in future years as the total amount available for allocation to the technology fund is £20 million and the transfers from the HIF total £33 million.

### **The Council of Ministers strongly opposes part 2 of the amendment.**

This amendment seeks to implement a specific action to expand the existing Health Access Scheme in 2023 and requires the introduction of a new funding mechanism to support the additional ongoing costs of that expansion.

The Council of Ministers strongly opposes this amendment.

The Government Plan provides for a major review of health costs and health access schemes during 2022 with plans to be brought forward in 2023 for implementation in 2024. Page 177 of the Government Plan report explains:

*The Health and Social Services Minister will undertake a wider health economic review during 2022 to inform funding options for increased health care costs and for any potential new health access schemes, to be brought forward in 2023 for the Government Plan 2024-27.*

*The current health system is undergoing a major transformation as part of the Jersey Care Model and the fees for accessing health care services are not equal for all Islanders. It is therefore important to include in the health economic review a range of options on health access schemes and their related costs and potential funding solutions.*

This planned review will consider the need for, and targeting of, additional access schemes for islanders who are not covered by the Health Access Scheme. This work will be done as part of the broader review of health costs and future funding mechanisms.

It would be irresponsible of the States Assembly to agree to the extension of the existing Health Access Scheme to the entire population with very little understanding of the impact of providing a universal scheme and the associated costs.

The health review that will run throughout 2022 will consider the following matters as part of its review of additional health access schemes:

- What is an appropriate range of services to be provided by any proposed health access scheme?
- Which target groups will gain the most benefit from the provision of a proposed health access scheme?
- What are the positive health outcomes associated with the provision of a proposed health access scheme?
- What are the opportunities within any proposed health access scheme to support the development of multidisciplinary teams working in primary care settings?
- At what level should a fee or fees be set within any proposed health access scheme to minimise barriers to access without putting undue demands on primary care provision?
- What contractual arrangements are appropriate to underlie any proposed health access scheme to encourage the development of primary care services and a holistic approach to patient care?
- What is the likely demand for and cost of any proposed health access scheme?
- What type of funding mechanism is appropriate to support the additional costs associated with any proposed health access scheme?
- What is the overall distributional effect of the additional revenue collected to fund the scheme versus the reduced cost of access for individuals using the scheme ?

The results will be considered in early 2023 by the new Council of Ministers, providing sufficient time to lodge detailed proposals during 2023 for inclusion in the Government Plan 2024-27.

None of these issues are addressed in the Deputy's amendment. The current Health Access Scheme was specifically designed to support income support and Pension Plus households. It has not been designed for wider use.

### **Financial and manpower implications**

The Health Access Scheme covers 11,000 people. Initial estimates of the cost of the scheme suggested an annual budget of £1.75 million.

The level of GP visits in 2021 has been temporarily depressed by Covid, and the likely cost of the scheme for 2021 is currently estimated at £1.25 million.

Extending this cost to 108,000 people in a normal year would suggest a total cost of £12 to £15 million per annum.

Additional costs of this level would require a significant new ongoing funding source. Recent advice from the Fiscal Policy Panel notes that it is inappropriate for Government to take revenue raising steps at present but that these should be planned for in the medium term.

As proposed, the Deputy's amendment would require the incoming Council of Ministers to identify and implement a major new ongoing funding stream in the second half of 2022 which would start to collect revenue in 2023 to meet significant new costs in 2023. It would be extremely difficult to complete the necessary discussions with primary care professionals, consultation, operational and legal development and political decision making in this very short period at a time when the new Council of Ministers will be developing their new strategic priorities for the next four years.

The amendment does not impact on expenditure or borrowing from the Consolidated Fund.

### **The Council of Ministers notes part 3 of the amendment.**

The Council of Ministers confirms that the role of the Health Insurance Fund in providing medical benefits and pharmaceutical benefits and contracts provided for under the Health Insurance Law will continue during the Health and Social Services Minister's review of health costs and additional health access schemes.

As such, part 3 of the amendment is unnecessary but will not be opposed by Ministers.

### **Statement under Standing Order 37A [Presentation of comment relating to a proposition]:**

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“These comments were submitted to the States Greffe after the noon deadline as set out in Standing Order 37A due to time constraints from the States Meeting being moved forward to Monday 13th December, which in turn affected the final deadline for Comments, and the requirement to undertake final due diligence and review processes.”