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Dear Sir

Letter of Comment – Committee *for* Employment & Social Security – P.2020/22 Scheme for the funding of medical treatment for Guernsey and Alderney residents travelling in the UK

In view of the current global situation concerning Covid-19 and the clear advice from the Director of Public Health that no non-essential travel should be undertaken, the Policy & Resources Committee is firmly of the view that it is not the appropriate time for consideration of these proposals.

The Policy & Resources Committee confirms that it was consulted by the Committee *for* Employment & Social Security on previous draft proposals (in 2018) but it was not afforded the opportunity to consider this policy letter prior to its publication.

It is recognised that the investigation of a new reciprocal health agreement with the UK has not progressed at the rate desired which is largely due to the impact of the UK's exit from the European Union on available resources within the States of Guernsey. However, it is confirmed that political-level discussions are now underway with the UK Government (Department of Health & Social Care) concerning the establishment of a new reciprocal health agreement and, following confirmation of support to progress investigation of this matter, officers supporting the Policy & Resources Committee and the Committee *for* Health & Social Care have begun work to identify and examine potential options. It is considered that the optimal solution would be for the re-introduction of a reciprocal health agreement should these ongoing discussions result in a model which is financially and practically viable.

The Policy & Resources Committee wishes to draw States' Members attention to various features and risks of the scheme being proposed by the Committee *for* Employment & Social Security.

The proposed scheme is unfunded, the Guernsey Health Service Fund is recording operating deficits. The consequence of this will be, when the reform of health care funding is implemented (as approved by the States in June 2019: Billet d'État X, 2019) and the Guernsey Health Service Fund is closed, an increase in the funding pressure for General Revenue. This effectively means that funding for this Scheme has by-passed the normal budget setting process and will have been prioritised ahead of any other initiatives to be put forward by all other States Committees.

The cost is estimated to be £160,000 per annum which, understandably and necessarily, is based on a number of assumptions. However, there is no sensitivity analysis on potential costs based on a range of scenarios including increased demand for the scheme as it is probable that its existence will encourage more people to travel, particularly those with an underlying health condition for which there is an increased possibility that treatment could be required; or if a particular year is not 'average' – ie a large number of high value claims are made.

Whilst it is proposed that the scheme will respond to claims up to a maximum of £250,000, there is no consideration of what will happen if the claimant is unable to meet their treatment costs in excess of this limit, for example if they have low income or a recipient of income support.

It is noted that the Committee *for* Employment & Social Security believes that it will be possible to administer the scheme within its existing resources, however, this may be optimistic given that it will be necessary to: respond to queries about the scheme and individual's eligibility; assess individual's applications for the scheme and issue eligibility documentation; liaise with multiple NHS trusts to establish credit terms for the States of Guernsey; administer claims; and invoice individuals for the first £250 of each claim and manage that debt including any recovery process. It is understood the Committee *for* Health & Social Care has also expressed its concerns about the feasibility of administering the scheme in the longer-term within existing resources.

Whilst it understands that the Committee *for* Employment & Social Security is not able to charge individuals to participate in the scheme, as there is a regulatory requirement which would necessitate it to have a licence to sell insurance policies, the lack of an upfront policy premium cost will undoubtedly increase the attractiveness of the scheme to individuals.

The proposed criteria to ascertain eligibility for this scheme appear to be subjective determination of whether an insurance quote is “prohibitively high in cost” and what is “reasonable and affordable” which will inevitably differ due to an individual’s personal circumstances. One of the eligibility criteria included is *“does the individual have savings of less than £100,000”* – it is expected that this would apply to the overwhelming majority of the population.

As a result of these concerns, by a majority, the Policy & Resources Committee is unable to support the proposals in this Policy Letter. In the absence of a new reciprocal health agreement, Deputy Brouard supports the proposals but would favour removal of the £250,000 limit.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Gavin St Pier', with a small dot at the end.

Gavin St Pier
President, Policy & Resources Committee