<u>ADDENDUM</u>

Late Item for the Midsummer Meeting of Chief Pleas – 6 July 2022

Under the Provisions of Rule 13(11) of the Rules of Procedure of the Chief Pleas of Sark, the Speaker of Chief Pleas has waived the notice required under Rule 1(4) and allowed, by request of the Policy and Finance Committee, the following Item to be added to the Agenda:

Item 12. To CONSIDER a Report with Propositions from the POLICY and FINANCE COMMITTEE entitled "Reciprocal Health Agreement" (copy enclosed).

21 June 2022

Lt. Col. RJ Guille MBE Speaker of Chief Pleas

POLICY & FINANCE COMMITTEE

Report with Propositions to Midsummer Chief Pleas, 6th July 2022

RECIPROCAL HEALTH AGREEMENT

In June 2019, the States of Deliberation resolved that the Policy & Resources Committee ('the Committee') should seek a new Reciprocal Health Arrangement ('RHA') with the United Kingdom ('UK'). The RHA was to cover unplanned (medically necessary) treatment. During negotiations with the UK, the possibility of securing more favourable terms for planned (off-island referrals) treatment has arisen, which will provide financial certainty for the wider healthcare relationship with the UK.

An option is also available for the RHA to be extended to Alderney and Sark, subject to the approval of their parliaments and provided that any potential new liabilities to the States of Guernsey for healthcare services provided in those islands are acceptable.

This Policy Letter asks the States of Guernsey (and, to the extent necessary, the States of Alderney and the Chief Pleas of Sark) to consider and agree the principles of the proposed RHA between the Bailiwick of Guernsey ('the Bailiwick') and the UK. The RHA would mean that eligible Guernsey (and, if so approved, Bailiwick) residents would receive medically necessary treatment when they were visiting the UK on the same basis as someone who is ordinarily resident in the UK, which will largely be free (costs paid for by the UK) except for some small charges (e.g. prescriptions). In return, eligible UK visitors would receive medically necessary treatment whilst in Guernsey/the Bailiwick, which will largely be free (costs paid for by the governments of Guernsey, Alderney and Sark) except for some small charges (e.g. prescriptions). The RHA would also resolve a pre-existing issue regarding NHS charging rates for planned off-island treatment for Guernsey and Alderney residents.

It is intended that the Committee would conclude negotiations on the text of the RHA (intended to be a political arrangement probably in the format of a Memorandum of Understanding) and any other related documents before the end of 2022. The Propositions also direct the Committee to enter into that RHA on behalf of Guernsey (and, if authorised, the wider Bailiwick) as long as the text fulfils the high-level objectives/principles agreed by the relevant parliaments. Implementation of the RHA is anticipated to be in early 2023 (though this will be confirmed in due course) and will be the responsibility of the Committee for Health & Social Care ('CfHSC') (for Guernsey) and of the relevant authorities in Alderney/Sark.

Background

A reciprocal health (or healthcare) agreement/arrangement is an agreement between the governments of two (or more) jurisdictions which aims to provide necessary treatment to visitors during their temporary stay in the other jurisdiction(s) which is party to the RHA. It is not intended to cover someone who chooses to move their residence to that other country/jurisdiction.

An RHA sets out the treatments/services that will be provided, the extent to which it is free to the individuals concerned, the arrangements for covering the costs by each party and the conditions which apply for the residents of each of the participating countries/jurisdictions.

Until its termination on 31st March, 2009, there was an RHA between the governments of the Bailiwick and the UK, which had been in force in various forms since 1948 when the National Health Service (NHS) was established in the UK. Appendix 1 provides further detail on the previous RHA, the reasons for its termination and the RHAs which Jersey and the Isle of Man each have with the UK.

Current situation for Bailiwick residents requiring medical treatment while visiting the UK.

Since the ending of the RHA in 2009, Bailiwick residents visiting the UK have been required to pay personally for any healthcare they receive, apart from primary care and emergency treatment which includes treatment and consultations received from General Practitioners (GPs), emergency departments and ambulance services. This is a universal provision for all UK residents as well as all visitors to the UK. Emergency treatment does not include any secondary care3. Under the National Health Service (Charges to Overseas Visitors) Regulations, 20154 ('the 2015 Regulations'), overseas visitors (including those from the Bailiwick) are liable to be charged for treatment from the NHS at a rate of 150% of the NHS charging tariff (as in Section 6). An NHS provider can refuse treatment (where it is not urgent or immediately necessary) if a patient cannot provide proof of their ability to pay for that treatment.

Since 2018, records show that the Flying Christine has been called once to Sark to transport a UK visitor to Guernsey; costs, at today's rates, including the Flying Christine and medical treatment by the Sark Doctor could include the following:

Flying Christine: £2175.00

Doctor, out of hours callout £206.00

Siting an intravenous line: £33.00

Suturing, large wound: £144.00

Injection: £19.00

Average annual cost over four years: £644.25. Under the RHA, these costs would be covered by Sark in future years.

The Chief Pleas of Sark are asked to vote on the propositions below, after consideration of this report and the Policy Letter entitled "Reciprocal Health Arrangement between the Bailiwick of Guernsey and the United Kingdom" dated 13th June, 2022 (appended to this report).

Proposition 1 -

That Chief Pleas approves the principles (set out in Section 9 of the Policy Letter) for the Chief Pleas of Sark's participation in a future Reciprocal Health Arrangement with the United Kingdom's Government for the benefit of eligible Sark residents when visiting the UK.

Proposition 2 -

That Chief Pleas requests Guernsey's Policy & Resources Committee to maintain efforts to ensure that Sark's interests (and, subject to the necessary authorisations from Guernsey and Alderney, the Bailiwick's interests) continue to be represented to the UK Government's Department of Health and Social Care during negotiations on the Reciprocal Health Arrangement and any associated arrangements/ agreements.

Proposition 3 -

That chief Pleas authorises Guernsey's Policy & Resources Committee, in consultation with the Committee for Health & Social Care, if the Committee is of the view that the provisions of the final forms of the Reciprocal Health Arrangement with the UK Government's Department of Health and Social Care and any associated arrangements/agreements give satisfactory effect to the principles (set out in Section 9 of the Policy Letter), to agree and enter into that Arrangement and any associated arrangements/agreements, on behalf of Sark, and subject to the necessary authorisations, also on behalf of Guernsey and Alderney.

Proposition 4 –

That Chief Pleas directs the Policy & Finance Committee, in consultation with the Medical & Emergency Services Committee, to agree the necessary arrangements with Guernsey's Policy & Resources Committee to implement, monitor and manage the final agreed Reciprocal Health Arrangement and any associated arrangements/agreements.

Proposition 5 –

That Chief Pleas requests Guernsey's Committee for Health & Social Care to make the necessary arrangements to implement, monitor and manage the Reciprocal Health Arrangement and any associated arrangements/agreements on behalf of the Bailiwick, based on the arrangements agreed under Proposition 4.

Conseiller John Guille Chairman, Policy & Finance Committee

THE STATES OF DELIBERATION Of the ISLAND OF GUERNSEY

POLICY & RESOURCES COMMITTEE

RECIPROCAL HEALTH ARRANGEMENT BETWEEN THE BAILIWICK OF GUERNSEY AND THE UNITED KINGDOM

The States are asked to decide :-

Whether, after consideration of the Policy Letter entitled "Reciprocal Health Arrangement between the Bailiwick of Guernsey and the United Kingdom" dated 13th June, 2022, they are of the opinion:-

- 1. To approve the principles (set out in Section 9 of the Policy Letter) for the States of Guernsey's participation in a future Reciprocal Health Arrangement with the United Kingdom's Government for the benefit of eligible Guernsey residents when visiting the UK and in regard to the costs for the provision of planned treatment pre-authorised by the States of Guernsey.
- 2. To direct the Policy & Resources Committee to maintain efforts to ensure that Guernsey's interests (and, subject to the necessary authorisations from Alderney and Sark, the Bailiwick's interests) continue to be represented to the UK Government's Department of Health and Social Care during negotiations on the Reciprocal Health Arrangement and any associated arrangements/ agreements.
- 3. To authorise the Policy & Resources Committee, in consultation with the Committee for Health & Social Care, if the Committee is of the view that the provisions of the final forms of the Reciprocal Health Arrangement with the UK Government's Department of Health and Social Care and any associated arrangements/agreements give satisfactory effect to the principles (set out in Section 9 of the Policy Letter), to agree and enter into that Arrangement and any associated arrangements/agreements, on behalf of Guernsey, and subject to the necessary authorisations, also on behalf of Alderney and Sark.
- 4. To direct the Policy & Resources Committee, in consultation with the Committee for Health & Social Care, to agree the necessary arrangements with the Chief Pleas of Sark (or any committee operating on their behalf) and the States of Alderney (or any committee operating on their behalf and to the extent necessary in the context of transferred services under the 1948 Agreement) to implement, monitor and manage the final agreed Reciprocal Health Arrangement and any associated arrangements/agreements.

- 5. To direct the Committee *for* Health & Social Care to make the necessary arrangements to implement, monitor and manage the Reciprocal Health Arrangement and any associated arrangements/agreements on behalf of Guernsey and subject to the necessary authorisations, also on behalf of Alderney and Sark to the extent required.
- 6. To direct the Committee *for* Health & Social Care, following the implementation of the Reciprocal Health Arrangement and any associated arrangements/agreements with the UK, to review whether to recommend that the States should rescind the Resolutions about introducing a scheme for funding of medical treatment for Guernsey and Alderney residents travelling in the UK (Billet d'État VII Volume 3, Resolutions 1 & 2 dated 19th March, 2020).

THE STATES OF DELIBERATION Of the ISLAND OF GUERNSEY

POLICY & RESOURCES COMMITTEE

RECIPROCAL HEALTH ARRANGEMENT BETWEEN THE BAILIWICK OF GUERNSEY AND THE UNITED KINGDOM

The Presiding Officer States of Guernsey Royal Court House St Peter Port Guernsey

13th June, 2022

Dear Sir

1 Executive Summary

- 1.1 In June 2019, the States of Deliberation resolved that the Policy & Resources Committee ('the Committee') should seek a new reciprocal health arrangement ('RHA') with the United Kingdom ('UK'). The RHA was to cover unplanned (medically necessary) treatment. During negotiations with the UK, the possibility of securing more favourable terms for planned (off-island referrals) treatment has arisen, which will provide financial certainty for the wider healthcare relationship with the UK. An option is also available for the RHA to be extended to Alderney and Sark, subject to the approval of their parliaments and provided that any potential new liabilities to the States of Guernsey for healthcare services provided in those islands are acceptable.
- 1.2 This Policy Letter asks the States of Guernsey (and, to the extent necessary, the States of Alderney and the Chief Pleas of Sark) to consider and agree the principles of the proposed RHA between the Bailiwick of Guernsey ('the Bailiwick') and the UK. The RHA would mean that eligible Guernsey (and, if so approved, Bailiwick) residents would receive medically necessary treatment when they were visiting the UK on the same basis as someone who is ordinarily resident in the UK, which will largely be free (costs paid for by the UK) except for some small charges (e.g. prescriptions). In return, eligible UK visitors would receive medically necessary treatment whilst in Guernsey/the Bailiwick, which will largely be free (costs paid for by the governments of Guernsey, Alderney and Sark) except for some small charges (e.g. prescriptions). The RHA would also resolve a pre-existing issue regarding NHS charging rates for planned off-island

treatment for Guernsey and Alderney residents.

1.3 It is intended that the Committee would conclude negotiations on the text of the RHA (intended to be a political arrangement probably in the format of a Memorandum of Understanding) and any other related documents before the end of 2022. The Propositions also direct the Committee to enter into that RHA on behalf of Guernsey (and, if authorised, the wider Bailiwick) as long as the text fulfils the high-level objectives/principles agreed by the relevant parliaments. Implementation of the RHA is anticipated to be in early 2023 (though this will be confirmed in due course) and will be the responsibility of the Committee for Health & Social Care ('CfHSC') (for Guernsey) and of the relevant authorities in Alderney/Sark.

2 Background

- 2.1 A reciprocal health (or healthcare) agreement/arrangement is an agreement between the governments of two (or more) jurisdictions which aims to provide necessary treatment¹ to visitors during their temporary stay in the other jurisdiction(s) which is party to the RHA. It is not intended to cover someone who chooses to move their residence to that other country/jurisdiction². A RHA sets out the treatments/services that will be provided, the extent to which it is free to the individuals concerned, the arrangements for covering the costs by each party and the conditions which apply for the residents of each of the participating countries/jurisdictions.
- 2.2 Until its termination on 31st March, 2009, there was a RHA between the governments of the Bailiwick and the UK, which had been in force in various forms since 1948 when the National Health Service (NHS) was established in the UK. Appendix 1 provides further detail on the previous RHA, the reasons for its termination and the RHAs which Jersey and the Isle of Man each have with the UK.

3 Current situation for Bailiwick residents requiring medical treatment while visiting the UK

3.1 Since the ending of the RHA in 2009, Bailiwick residents visiting the UK have been required to pay personally for any healthcare they receive, apart from primary care and emergency treatment which includes treatment and consultations received from General Practitioners (GPs), emergency departments and

¹ This means any treatment that is necessary to enable a person to continue their stay in the other jurisdiction for its full duration. It is not restricted to 'emergencies' only but could include a medical need such as treatment for an ear infection by a GP.

² Persons who become ordinarily resident in the UK will be covered under the UK's health legislation in the same manner as other UK residents. This is likely to include students who live in the UK during their period of study, for example undergraduate and post-graduate courses.

ambulance services. This is a universal provision for all UK residents as well as all visitors to the UK. Emergency treatment does not include any secondary care³. Under the National Health Service (Charges to Overseas Visitors) Regulations, 2015⁴ ('the 2015 Regulations'), overseas visitors (including those from the Bailiwick) are liable to be charged for treatment from the NHS at a rate of 150% of the NHS charging tariff (as in Section 6). An NHS provider can refuse treatment (where it is not urgent or immediately necessary) if a patient cannot provide proof of their ability to pay for that treatment.

3.2 UK visitors to the Bailiwick requiring any medical treatment (emergency or otherwise) are charged by the relevant healthcare provider.

4 Interest in a new RHA with the UK

- 4.1 While the rejection of an offer from the UK in 2009 was considered prudent, investigating a new RHA with the UK has remained an area of interest in Guernsey, both politically and in the community. The reasons include social and economic links and relate to travel in both directions between the islands and the UK.
- 4.2 The absence of a Bailiwick-UK RHA since 2009 has been a concern to many islanders, particularly those on lower incomes, those who are retired, the elderly and those with pre-existing medical conditions, who may struggle to secure and/or afford travel insurance for any trip. Having a RHA would remove that concern and facilitate travel to the UK for Bailiwick residents; although travel insurance would still be strongly recommended.
- Visit Guernsey has advised that the existence of a RHA is a regular question, consideration and concern from potential visitors from the UK. It is likely to have an impact on a UK visitor's decision on whether to book to visit the Bailiwick, versus other destinations (such as Jersey which has a UK RHA in place). Guernsey, Alderney and Sark's tourism offerings complement each other and are marketed together by Visit Guernsey, with their consent, under the brand "the Islands of Guernsey". Consequently, a Bailiwick-UK RHA which covers all islands of the Bailiwick, providing free necessary healthcare to UK visitors, would bring benefits for the islands' tourist sector.
- 4.4 There have been a number of States' Resolutions related to investigating the options for a new RHA since 2009 (summary in Appendix 2). In the absence of a Bailiwick-UK RHA, there have also been States' Resolutions relating to a potential 'insurance' scheme to cover the costs of medical treatment required by

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³ Secondary care is the treatment received after an initial consultation (such as a referral by a GP) or a patient is admitted to a hospital, such as operations and specialist consultations and treatment.

⁴ More information in Section 6.

Guernsey and Alderney visitors in the UK (as in Appendix 3).

4.5 In June 2019⁵, the Policy & Resources Committee was directed by the States of Deliberation:

"to investigate the opportunities to enter into and, if possible, to negotiate a Reciprocal Health Agreement with Her Majesty's Government, similar to those in place with the Isle of Man and Jersey, consulting as necessary with appropriate States Committees..."

5 Progress on investigating options for a new RHA

- 5.1 Negotiations for a prospective Bailiwick-UK RHA have been led by the Policy & Resources Committee. It is one of a number of agreements (including international ones) being negotiated, considered or entered into by the States of Guernsey, led by the Committee. The Committee has consulted with, and will continue to consult with, other relevant Committees during the negotiations and the development of this Policy Letter.
- 5.2 The implementation and delivery of Guernsey's part of the RHA will be a matter for CfHSC. The CfHSC has been regularly engaged on the discussions given the responsibility of that committee for healthcare (its mandate includes protecting, promoting and improving the health and well-being of individuals and the community). In addition, its officers have been an integral part of the team engaging with DHSC.
- In September 2018, the UK's DHSC indicated that it would be open to negotiating a new RHA with Guernsey in the future, in light of potential arrangements between the UK and EU countries as a result of the UK's withdrawal from the EU. Discussions progressed over the past few years but were interrupted by the main preparations for Brexit and the onset of the Covid-19 pandemic (which by necessity have taken priority).
- As part of the negotiations, various policy options were considered using baseline data on potential costs for both the UK and Guernsey. The options included: (a) continuing with the existing position; (b) equal treatment (the same provision of healthcare for visitors as for local residents); (c) a waiver agreement (an arrangement where each jurisdiction covers the costs of medically necessary treatment delivered in its own jurisdiction for eligible visitors who are from the other jurisdiction(s)); and (d) a reimbursement model (an arrangement where each jurisdiction covers the healthcare costs incurred by its own residents when they are in the other jurisdiction(s) by transfer of funds).

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⁵ <u>States' Resolutions</u> concerning <u>Billet d'État IX of 2019</u>

5.5 As a result of the discussions, DHSC provided an offer for a new RHA in late 2021. Following consideration, CfHSC and the Committee each approved 'in principle' the participation of the States of Guernsey (subject to securing the necessary approvals from the States of Deliberation) and directed officials to negotiate on the details. The principles for the proposed RHA are set out in Section 9.

6 Planned treatment for Bailiwick residents

- 6.1 An integral part of the Bailiwick's healthcare model is the ability to refer residents to UK healthcare providers for treatment that cannot be provided on-island. A significant proportion of the treatment received off-island is from NHS Trust providers.
- When introduced, the 2015 Regulations included a provision to charge overseas visitors to the UK who accessed secondary care in the NHS at a rate of 150% of the NHS tariff. Under the 2015 Regulations, residents of the Crown Dependencies are treated as non-EEA nationals and therefore were liable to be charged at the 150% tariff rate.
- 6.3 The 2015 Regulations were made without direct consultation with the Crown Dependencies, which meant there was no opportunity to flag the potential impact on the islands in advance. Concerns about the impact of the 2015 Regulations have been raised with the UK Government since then, but the 150% tariff rate has not been changed.
- 6.4 The 150% tariff rate represents a significant additional cost to delivery of healthcare by the States of Guernsey (and also to individuals). Therefore, it was raised again during the discussions with DHSC about a new RHA. Guernsey officials sought for the States of Guernsey to have access to the 100% NHS tariff rate where the treatment is pre-authorised through its referral system. While this was beyond the scope of the 2019 States' Resolution to investigate options for a new RHA, the Committee considered that there was a strategic opportunity to seek to address this issue.
- 6.5 The Committee can confirm that it has been possible to secure, as part of the offer for the RHA, an at-cost charge (100%) for all referrals to the NHS by the States of Guernsey, which would apply universally to all NHS Trusts in the UK. The value of this provision in the RHA should not be underestimated, particularly given the increasing complexity of medical care and the growing demand for health and care services due to the ageing demographic of the islands.

7 Purpose of this Policy Letter

7.1 The content and timing of this Policy Letter and the corresponding parliamentary debates within the Bailiwick have been affected by the timing and nature of

decisions and actions by the UK's government. UK officials advised in late April 2022 that the RHA between Guernsey/the Bailiwick and the UK Government would need to be agreed by mid-September 2022. This is because DHSC needs to submit regulations for approval by the UK's parliament by the start of December. The regulations are required to introduce or to amend various RHAs in the UK — the proposed UK-Bailiwick RHA is one of many that the UK Government intends to place before parliament for ratification/approval at that time as part of new arrangements post-Brexit.

- 7.2 The Committee already intended to finalise the RHA as soon as possible, but not with such tight timescales for the matter to be submitted to relevant Bailiwick parliaments. Given the September 2022 deadline, there are limited opportunities to bring the matter to the Islands' parliaments before or after the summer recess.
- 7.3 If Guernsey/the Bailiwick does not meet the current deadlines for a response to the UK Government, it is likely to be some years until another opportunity might arise. Even if another opportunity arose, there could be no certainty about whether a RHA could be agreed with the UK Government at that time.
- 7.4 This Policy Letter enables the States of Deliberation to decide whether or not Guernsey (and the wider Bailiwick) should enter into a RHA with the UK again, based on high-level principles. It does not include the text of the final RHA as these negotiations are still ongoing. This ensures that negotiation and agreement of the final text can be completed in time for the deadline with the appropriate authorisations in place. The Policy Letter has been written for use in Alderney and Sark too; for consideration in July in all three Bailiwick The Propositions to be used by Alderney and Sark will be complementary to those used in Guernsey, to ensure that the decisions of each parliament are aligned and cover the necessary authorisations to achieve the desired outcome of a new RHA. The decisions to be made in Alderney are slightly different, because the provision of healthcare is one of the 'transferred services' 6 under the so-called 1948 Agreement between Guernsey and Alderney, though the States of Guernsey does not have responsibility for delivering the full range of healthcare services in Alderney.
- 7.5 It is recommended that the States of Deliberation (and, where relevant, the parliaments in Sark and Alderney) would approve the participation of Guernsey (and, as appropriate, Sark or Alderney) in the RHA with the UK. The Policy & Resources Committee would be charged with approving the final text of the RHA (between Guernsey/ the Bailiwick and the UK), as long as the text(s) fulfilled the principles which had been approved by the Bailiwick's parliaments and in close

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⁶ 'Healthcare' is a matter dealt with by Guernsey's government, in return for tax and social security contributions made by Alderney residents.

consultation with the CfHSC given that Committee's mandate. The Committee and CfHSC would also consider any necessary agreement or exchange of letters between Guernsey, Alderney and/or Sark to facilitate the Bailiwick-UK RHA.

7.6 The Bailiwick has previously used a similar process of the Bailiwick's three parliaments approving the principles for participation in an agreement(s) and delegating responsibility for the final decision to the Committee on receipt of the final legal text from the agreement partner(s)⁷.

8 Next steps

- 8.1 The Committee will continue and conclude discussions with the UK Government on the text of the proposed RHA and any related documentation, such as guidance notes to assist its interpretation and operation.
- 8.2 CfHSC will continue to work with external providers in the private sector to inform the implementation plan and to agree funding mechanisms for the provision of treatment not directly delivered by CfHSC. This may include the negotiation and agreement of adequate contract change control notes or the establishment of new service level agreements to cover UK visitors.
- 8.3 Should the Propositions in this Policy Letter be approved, the Committee will consider whether the text of the proposed RHA fulfils the high-level objectives for a Bailiwick-UK RHA. The Committee will consult with CfHSC in that regard.
- 8.4 Once the Committee is satisfied in that regard, it will notify the UK Government accordingly. The RHA (and any associated documents/correspondence) can be signed by a member of the Committee on behalf of Guernsey (and, subject to the necessary authorisations from Alderney and/or Sark, on behalf of the Bailiwick).
- 8.5 It is intended to publish the text of the RHA in due course, assuming that there is no objection to that proposal from the UK Government.
- 8.6 The Committee will work with CfHSC to ensure that information is issued to the Bailiwick of Guernsey community to advise when the new RHA will commence and what it will mean for individuals travelling to the UK. Information will be available on the States of Guernsey website (www.gov.gg) and through media releases. Information about access by Bailiwick residents to emergency medical treatment in the UK which is currently available on websites and in written materials from the States of Guernsey (including from CfHSC and CfESS) will be

⁷ Recent examples include: the Bailiwick's participation in the UK-EU Trade and Cooperation Agreement (TCA) (Policy Letter considered in December 2020); the Bailiwick's participation in Free Trade Agreements and other trade arrangements (September 2021); and for extending the Bailiwick's territorial seas (January 2019).

updated accordingly.

9 Principles for the Bailiwick-UK RHA

- 9.1 The principles of the RHA for the Bailiwick's parliaments to consider are as follows:
 - Unplanned (medically necessary) treatment:
 - The scope of the RHA will include any treatment that is considered to be medically necessary by a healthcare professional in a relevant setting to enable the individual to complete their stay as intended in the relevant jurisdiction and that cannot reasonably wait until their return home. In the case of the Bailiwick, this might mean that UK visitors could access certain treatments free of charge whereas Bailiwick residents would be charged. In the case of the UK, this will mean that Bailiwick visitors could access treatments on the same basis as someone who is ordinarily resident in the UK, which will largely be free except for some small charges (e.g. prescriptions).
 - O Individuals will be able to request specified treatments as part of established treatment pathways for pre-existing conditions, subject to availability of such treatments in the relevant jurisdiction and safeguards to protect any limited capacity for residents. Healthcare providers will be able to refuse requests where capacity is not available. It is intended that the relevant pre-existing conditions will be specified in an annex to the RHA.
 - Such treatment detailed above and covered by the RHA will, in essence, be provided free of charge to the individual. Costs between the parties will be 'waived' by the relevant jurisdiction.

Planned treatment:

- Referrals made to NHS providers for treatment pre-authorised by the States of Guernsey (through an agreed pathway) will be eligible to be charged at the 100% NHS tariff (at cost).
- NHS healthcare providers will have the right not to accept referrals. However, the clarity on the 100% NHS tariff rate will open up opportunities to establish new healthcare relationships with other NHS Trusts meaning there is greater choice in providers.
- A person accepted for pre-authorised treatment will have the same access to that treatment, based on clinical priority and subject to any waiting lists, as those ordinarily resident in the UK. The option will remain available to the States of Guernsey to make referrals on a commercial basis should it be necessary based on the patient's needs, but this would be at a commercial rate of a minimum of 150% tariff.

General:

- o In the case of Bailiwick residents, a person will need to be ordinarily resident in the Bailiwick of Guernsey to benefit from the RHA⁸.
- Guernsey and Sark (and Alderney, to the extent required) will each make a
 political commitment to negotiating and agreeing side declarations to
 cover the necessary arrangements for the implementation and ongoing
 delivery of the RHA.
- 9.2 The intention of the 2019 States' Resolution was to seek a new RHA equal to that in place for Jersey and the Isle of Man. The offer set out above goes beyond that which was previously agreed by those jurisdictions, with the addition of planned treatment. DHSC is keen to ensure harmonisation of offers across the Crown Dependencies and has therefore offered to similarly update the RHAs for Jersey and the Isle of Man. It is understood that discussions are underway.

10 Financial considerations

- 10.1 The reintroduction of a Bailiwick-UK RHA will have cost implications for CfHSC's income and expenditure due to the necessity to waive the costs of any medically necessary treatment received by UK visitors during their stay in the Bailiwick. While some of that treatment will be provided by the States of Guernsey, a reasonable proportion will be delivered by the private sector given the healthcare models in place in each of the Bailiwick's islands. The costs normally chargeable by private providers will need to be covered by the States of Guernsey through some arrangement with those providers.
- 10.2 Due to the impact of the Covid-19 pandemic on visitor numbers since 2020, the baseline data used to estimate potential costs and expenditure has been based on 2018 and 2019 visitor data.

States of Guernsey delivered treatment

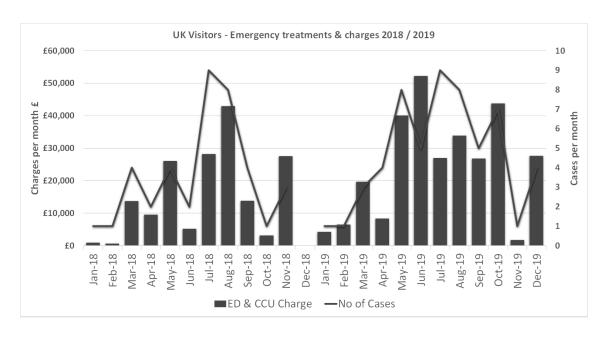
10.3 The table overleaf provides a high-level summary of the number of UK visitors treated within a Health and Social Care ('HSC') setting⁹ in Guernsey in 2018 and 2019. These figures will include UK visitors whose medical need first arose in Sark or Alderney if they then needed to access some treatment in Guernsey. No record is kept by CfHSC on where within the Bailiwick a patient was when their medical need first arose.

⁸ UK residents will need to hold a UK issued Global Health Insurance Card or alternative eligibility document(s) specified in the RHA to be eligible to benefit from the RHA. In practice, GHICs can be held by persons not currently ordinarily resident in the UK. Analysis has shown the potential impact (compared to if it was only persons currently ordinarily resident in the UK) on costs for the Bailiwick is negligible (<1 person per annum).

⁹ A service provided by the States of Guernsey's Health and Social Care.

	2018	2019
UK visitors to Guernsey ¹⁰	201,500	187,456
Emergency Department visits by UK visitors	399	435
Inpatient admissions of UK visitors	57	59

- 10.4 As shown by the data the proportion of UK visitors requiring treatment is low; on average 0.22% (for Emergency Department) and 0.03% (for inpatient admissions) over the two years.
- 10.5 In relation to potential impact on income from emergency visitor treatments, the total charges to UK visitors for emergency visitor treatments (Emergency Department and Critical Care Unit) in 2018 and 2019 totalled £172k and £292k respectively (illustrated by the graph below). In relation to inpatient treatments, medical patients and surgical patients in 2018 and 2019 it totalled £143k and £420k respectively.
- 10.6 By nature the required treatment, associated costs and recovery costs relating to UK visitors are unpredictable from year to year. It can be challenging to recover some monies from visitors and there is significant outstanding debt at this time. Although the income loss will provide a challenge it will also alleviate a number of resource intensive challenges in securing payment from individuals, insurers and estates.



¹⁰ travel-survey-2019-summary-for-publication.pdf page 3. Does not include cruise passengers.

Treatment delivered by the private sector

- 10.7 Due to the ongoing negotiations with DHSC on the detail of the proposed RHA, there has been very limited scope thus far to discuss the implementation of the RHA with private sector providers within the Bailiwick (including how the costs related to treatment of UK visitors would be covered). It is recognised that those private sector providers are an essential part of the islands' healthcare systems and that it is vital to work with them throughout the process of implementation. Key stakeholders will be the Medical Specialist Group, the Guernsey Therapy Group, the GP practices and St John Ambulance and Rescue Service (SJARS) but it could also involve other providers of healthcare which could be deemed as medically necessary, such as optometry and dentistry.
- 10.8 Initial contact has been made with private sector providers to inform them of the negotiations and discuss the implementation of the proposed RHA which will be undertaken in parallel to finalising the RHA.
- 10.9 Once there are clearer estimated costs of private sector treatment, further discussions will be required between the Committee and CfHSC about any implications for the 2023 budget.

Alderney costs

10.10 In both Guernsey and Alderney, healthcare is delivered by a mix of States of Guernsey services and private sector providers. The States of Guernsey is responsible for the delivery of some healthcare services in Alderney as part of the 'transferred services' under the so-called 1948 Agreement for which Alderney residents pay income tax and social security contributions. Subject to the States of Alderney's decision on its involvement in the final RHA, further discussions will be needed to agree the necessary arrangements for the implementation of the RHA.

Sark costs

- 10.11 All primary and emergency medical care in Sark is delivered by a single GP, supported by surgery nurses and a team of Community First Responders. There is no inpatient care available on the island. Any further treatment requires transfer to Guernsey.
- 10.12 There is limited data available to provide a clear estimate of the potential treatment costs of UK visitors whose medical need may arise while in Sark.
- 10.13 SJARS has advised that the annual number of transfers for UK visitors by the

- Flying Christine from Sark to Guernsey is very low, generally only one per year¹¹. The cost of a Flying Christine callout for a visitor to the Bailiwick is £2,175.
- 10.14 Despite the lack of specific data, numbers of UK visitors who become ill in Sark are likely to be very low based on the data held by CfHSC on UK visitors to the Bailiwick.
- 10.15 Subject to the Chief Pleas of Sark's decision on whether Sark should participate in the RHA, further discussions will be required to establish the necessary arrangements with Guernsey to enable the RHA to be implemented. Following engagement with CfHSC and Sark, the intention is that for UK visitors whose medical need first arises while they are in Sark (including day trip visitors):
 - 1. Sark's government would cover the costs of:
 - a. all medical treatment and any transport required to seek further medical care within that jurisdiction; and
 - b. any transfers to Guernsey to seek further medical care.
 - 2. The States of Guernsey would cover the costs of any medical treatment and transfers from the time of arrival on the island of Guernsey.

Planned treatment costs

- 10.16 CfHSC will need to cover the costs of any medically necessary treatment which it provides to UK visitors and the costs of any medically necessary treatment for UK visitors undertaken by private providers. That will be a relatively small cost when compared to the benefit of securing a 100% tariff at all NHS providers for all planned treatment for Guernsey and Alderney residents in the UK (treatment pre-authorised by the Off-Island Team). Off-island treatment for islanders represents a significant proportion of CfHSC's annual expenditure (approximately £9.5m per annum). In exchange for a relatively small cost for CfHSC for covering medically necessary treatment provided to UK visitors, this significant financial risk can be removed.
- 10.17 The RHA will open up more options for accessing planned treatments from NHS Trusts across the UK which would not usually be used by islanders. This could provide better resilience and more treatment options (subject to the usual travel restrictions) and could also reduce waiting times in some cases. Cost certainty will be increased, which will also aid consideration of whether it would be better to continue to access off island provision or to develop additional capacity within the Bailiwick.

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¹¹ Based on pre-Covid 19 pandemic figures (2015-2019)

11 Resources

Negotiation and implementation of the RHA

- 11.1 Further work will be required to finalise the RHA with DHSC and to implement the arrangements across the Bailiwick (subject also to approval from Alderney and Sark). While the negotiations with DHSC will be coordinated by the Committee, CfHSC will be responsible for implementing the RHA (as CfHSC has the mandate and budget for healthcare).
- 11.2 The 2022 update to the Government Work Plan¹² ('GWP') includes references to the resources needed to ensure that the RHA (and any associated documents) can be negotiated and implemented in the time required.

Ongoing maintenance of the RHA

- 11.3 From an administrative perspective, the introduction of a RHA will have a limited impact on current resources. There will be some additional processes required to pay, and verify where necessary, any unplanned medically necessary treatment for UK visitors provided by the private sector. However, there will be a reduction in resources required for recovery of payments for HSC-provided treatments from UK visitors. As part of the further work on the implementation of the RHA, consideration may need to be given to transferring resources.
- 11.4 There will be no change in resource requirements for planned treatments as the relevant processes already exist.

12 Compliance with Rule 4

- 12.1 Rule 4 of the Rules of Procedure of the States of Deliberation and their Committees sets out the information which must be included in, or appended to, motions laid before the States.
- 12.2 In accordance with Rule 4(1)(a), the changes proposed within this Policy Letter contribute to States objectives and policy plans by supporting one of the four main priorities (namely Priority 3) identified within Stage 1 of the GWP¹³, for Guernsey's government to deliver the recovery actions to enable the island's economic recovery. The proposed changes support the workstreams identified within Stage 2 of the GWP¹⁴ to support this priority area of work, including the overarching aim "to enable accessible and affordable 21st Century health and care services for the island" with the specific action "to design and implement a

¹² Government Work Plan 2022, Billet d'État X, 2022, Volume 1

¹³ Government Work Plan – stage 1, Billet d'État VI, 2021 and Resolutions of 26th March, 2021.

¹⁴ Government Work Plan – stage 2, <u>Billet d'État XV</u>, 2021 and <u>Resolutions</u> of 23rd July, 2021.

- scheme for the funding of medical treatment for Guernsey and Alderney residents travelling in the UK."¹⁵
- 12.3 The most recent iteration of the GWP, "Government Work Plan 2022"¹⁶ updates on the progress of this work and the intention to finalise negotiations about the RHA. The negotiations workstream is within Priority 2 "Managing The Effects Of Brexit; Meet International Standards". The reference to the medical travel 'insurance' scheme is as a Category 4 action, for which work has been paused by the sponsoring committee and is listed for delivery in the next term (2026). It has been noted as likely to be superseded ¹⁷.
- 12.4 In regard to Rule 4(1)(b), the Committee's consultation with other parties is outlined in Section 5, 7 and 8.
- 12.5 In accordance with Rule 4(1)(c), the Propositions have been submitted to Her Majesty's Procureur for advice on any legal or constitutional implications.
- 12.6 In regard to Rule 4(1)(d), the resources required to fulfil the Propositions of this Policy Letter are set out in Sections 10 and 11.
- 12.7 In accordance with Rule 4(2)(a), the Propositions relate to the duties of the Policy & Resources Committee because its mandate includes responsibilities to, "advise the States and to develop and implement policies and programmes relating to: (a) leadership and co-ordination of the work of the States" which includes "developing and promoting the States' overall policy objectives", "promoting and facilitating cross-committee policy development" and "(c) external relations and international and constitutional affairs, which includes relations with the United Kingdom and other jurisdictions."

¹⁵ Government Work Plan Priority 3 actions on page 105.

¹⁶ Government Work Plan 2022, <u>Billet d'État X, 2022, Volume 1</u> Monitoring Report Appendix 1 at p11.

¹⁷ Government Work Plan 2022, <u>Billet d'État X, 2022, Volume 1</u> Appendix 3 at page 86 of 17 and Appendix 4 at page 105 of 177 Category 4: Actions Not Scoped.

12.8 In accordance with Rule 4(2)(b), it is confirmed that the Propositions have the unanimous support of the Committee.

Yours faithfully

Policy & Resources Committee

P T R Ferbrache President

H J Soulsby Vice-President

M A J Helyar J P Le Tocq D J Mahoney

PREVIOUS RECIPROCAL HEALTH AGREEMENT WITH THE UK GOVERNMENT

- A1.1 Under the former RHA, Bailiwick residents were treated free of charge if they happened to fall ill while in the UK. UK visitors who accessed secondary health care in Guernsey were also treated free of charge under the RHA¹⁸. Each government paid for the costs incurred for treatment of its own residents under that arrangement, based on a reimbursement model.
- A1.2 In December 2008, the then UK Secretary of State for Health formally notified the Crown Dependencies of the UK's unilateral decision to end the RHAs between the Crown Dependencies and the UK. While the handling of that notification, without consulting the Crown Dependencies, was a matter which the States of Guernsey objected to, the States did recognise at the time that the agreement was outdated and no longer fit for purpose. The complex administrative and financial arrangements were amongst the main considerations for the UK Government deciding to end these RHAs.
- A1.3 Following representations made by the authorities in Guernsey, Jersey and the Isle of Man, the UK Government offered a new form of RHA, which differed in terms and scope from the former agreement. After having considered the likely costs and benefits of the offer, the States of Guernsey decided that it could not justify entering into a revised RHA with the UK at that time.
- A1.4 Jersey and the Isle of Man each opted to enter into RHAs¹⁹ with the UK Government based on the offer from the UK at that time. However, Jersey and the Isle of Man's health funding models operate on a different basis to Guernsey's and are much more aligned to that of the NHS. The terms on offer from the UK at that time were not considered acceptable by the States of Guernsey. It had not been possible to progress negotiations with the UK on terms that may be favourable until discussions at official level recommenced in 2021 following the development of a closer working relationship between the States and the DHSC during the COVID-19 pandemic.

¹⁸ Details of the funding arrangements for treatment accessed under the former RHA are set out in Appendix 1 to the Policy Letter 'Scheme for the Funding of Medical Treatment for Guernsey and Alderney residents travelling in the UK' in Billet d'État VII Volume 3 of 2020

¹⁹ The Jersey/UK Reciprocal Health Agreement, 1st April, 2011. Link <u>here</u>.
The Isle of Man/UK Reciprocal Health Agreement, 9th September, 2010. Link <u>here</u>.

APPENDIX 2

SUMMARY OF PREVIOUS RESOLUTIONS OF THE STATES RELATED TO A RECIPROCAL HEALTHCARE ARRANGEMENT OR OFF-ISLAND MEDICAL 'INSURANCE' SCHEME

Title	Billet/ Amendment link	Year	Resolution link	Summary of what was decided
Social Security Department –	Billet d'État XVIII, 2015,	2015	Resolutions of	The Dorey/ Fallaize Amendment added proposition 32 which was carried.
Benefit and Contribution	Article 8		30 th October,	
Rates for 2016			2015	Resolution 32: Agreed that the CfESS would investigate including the cost of healthcare and medical treatment incurred by Guernsey residents while travelling to the UK (which was within the scope of the previous RHA) as part of
Deputies Dorey and Fallaize	Deputies Dorey and			the Guernsey Health Service Fund or; investigate private off-island health
Amendment	Fallaize <u>Amendment</u>			insurance options to be available to Guernsey residents at reasonable cost.
				Resolution was mentioned as part of Proposition 1A c of Amendment 15 from Policy & Resource plan – 2018 Review and 2019 Update: Asked to rescind Resolution - not carried.
Policy & Resource Plan - 2018	Billet D'État IX, 2019,	2019	Resolutions of	The Le Tocq/Stephens Amendment added propositions (1A. a, b and c). 1A. a and
Review and 2019 Update	Article 1		28 th June, 2019	b were carried.
				Proposition 1A. c (which asked to rescind Resolution 32 from 2015, as above) was not carried.
Deputies Le Tocq and	Deputies Le Tocq and			Resolution 1A a: The States agreed that Guernsey residents should have rights to medical treatment in the UK on a reciprocal basis .
Stephens Amendment 15	Stephens			Resolution 1A b: directed P&R to:
	Amendment 15			(i) investigate opportunities and negotiate a RHA with the UK government
				(consulting with appropriate States Committees) and to update the States in the
				Policy & Resource Plan (Future Guernsey Plan) update policy letter in 2020, or
				earlier if negotiations fail
				(ii) to redraft the Policy & Resource Plan to reflect this

Committee for Employment &	Billet d'État VII, 2020,	2020	Resolutions of	The Le Clerc/ Langlois Amendment altered some wording of proposition 1 to
Social Security - Scheme for	Volume 3, Article 10		19 th March,	reflect the timescale and take note of the effect of COVID.
the Funding of Medical			2020	
Treatment for Guernsey and				Resolution 1. The States agreed that a scheme to fund medical treatments of
Alderney Residents Travelling				Guernsey and Alderney residents while in the UK should be implemented.
in the UK				a) scheme would only be available to those who could demonstrate to CfESS
				that they could not obtain medical insurance for travel to the UK either at all or
				at reasonable cost;
Deputies Le Clerc & Langlois	Deputies Le Clerc &			b) CfESS would issue documentation to the individual that can be used to show UK hospitals if needed;
Amendment 1	Langlois Amendment 1			c) individuals will be required to pay the first £250 towards their medical costs;
, unenament i	zangiois <u>/ unchantent 1</u>			d) States spending limited to a maximum of £250,000 per incident for an
				individual's medical treatment;
				e) scheme will include the cost of repatriating an approved person by medevac
				transport if necessary.
				Decelution 2 CFCC and CHICC to accept the greatical amounts
				Resolution 2. CfESS and CfHSC to agree the practical arrangements.
				Resolution 3. Remains the responsibility of the Policy & Resources Committee
				to pursue the negotiation of a Reciprocal Health Agreement between Guernsey
				and the United Kingdom.
Policy & Resources Committee	Billet d'État VI, 2021,	2021	Resolutions of	The document includes reference to all extant Resolutions – the work on a RHA is
– Government Work Plan –	Article 1		26 th March,	within the 12 outstanding Resolutions for the Policy & Resource Plan - 2018
stage 1			2021	Review and 2019.
				Describition 7 was to provide a transfer as a graph lift for some a life in
				Resolution 7 was to rescind or transfer responsibility for some extant
				Resolutions. That included responsibility for the implementation of a scheme for the funding of medical treatment for Guernsey and Alderney residents
				travelling in the UK; which moved from CfESS and CfHSC jointly, to be
				responsibility of CfHSC only.
]			responsibility of enfoculty.

Policy & Resources Committee	Billet d'État XV, 2021,	2021	Resolutions of	The RHA is not mentioned explicitly in this iteration of GWP. However, it would
– Government Work Plan –	Article 1		23 rd July, 2021	support the workstreams "Support healthy living" and "Enable accessible and
stage 2				affordable 21 st century health and care services"
				States agreed to hold in abeyance and keep under review various actions,
				including the action "to design and implement a scheme for the funding of
				medical treatment for Guernsey and Alderney residents travelling in the UK."
Policy & Resources Committee	Billet d'État X, 2022,	2022	Not yet debated	Due to be debated at States Meeting on 28 th June 2022.
- Government Work Plan 2022	Volume 1, Article 1			The RHA appears to be moving from a Priority 3 (Recovery) action to a Priority 2
				(International Standards) action (negotiations only).

SCHEME FOR THE FUNDING OF MEDICAL TREATMENT FOR TRAVEL TO THE UK

- A3.1 In March 2020²⁰, the States approved a scheme for funding of medical treatment for Guernsey and Alderney residents travelling in the UK. Proposals for this scheme had been brought by the Committee *for* Employment & Social Security²¹ following a successful amendment by Deputy Fallaize in October 2015²² to address the issue experienced by some residents when travelling to the UK who were unable to access and/or afford travel insurance and in the absence of a RHA.
- A3.2 The States directed that the scheme should be implemented six months from the lifting of restrictions²³ and warnings on off-island travel in relation to the Covid-19 pandemic. It was to be open to individuals who could demonstrate their inability to obtain medical insurance for travel to the UK, either at all, or at a reasonable cost. It was directed that individuals would be required to pay the first £250 towards their medical costs and that the States expenditure would be a maximum of £250,000 per incident. There was no specified provision for what should happen if the individual could not meet the additional costs.
- A3.3 The anticipated cost of the scheme was estimated at £160,000-£240,000 based on likely claims costs, which was calculated using 2015 data and assumptions on travel patterns, the extent of private medical cover and average claims costs.
- A3.4 In a letter of comment on the Policy Letter from the then Policy & Resources Committee²⁴, concerns were raised about the estimated cost for the scheme and the Committee advised that the optimal solution would be for the reintroduction of a financially and practically viable RHA with the UK.
- A3.5 It should be noted that the Government Work Plan (GWP) approved by the States in July 2021²⁵, lists the implementation of a scheme for the funding of medical treatment under Priority 3²⁶ as to be "held in abeyance". This has moved the likely implementation into the next term of government (2025-2026).

²⁰ Billet d'État VII, 2020, Volume 3

²¹ In March 2021, as part of the Government Work Plan – Stage 1, the responsibilities for developing and implementing the scheme were transferred to be the sole responsibility of the Committee for Health & Social Care.

²² Amendment to Article 8 of Billet d'État XVIII of 2015 – Benefits and Contribution Rates for 2016

²³ All of the Bailiwick's Covid-19 border restrictions were lifted on 17 February 2022.

²⁴ <u>Letter of comment</u> to P.2020/22 Scheme for the funding of medical treatment for Guernsey and Alderney residents travelling in the UK

²⁵ Billet d'État XV, 2021

²⁶ The negotiations required for the RHA have since been moved to the GWP's Priority 2, 'Managing the Effects of Brexit; Meet International Standards'.

- A3.6 Given the coverage of the provisional RHA offer, it is considered appropriate for CfHSC to review whether the States' Resolutions related to this scheme should be rescinded (after the RHA has been secured and implemented). That could be in the next iteration of the GWP. As the requirement to introduce the scheme falls away, most of the estimated cost for the scheme would be negated.
- A3.7 It should be noted that the RHA would not cover the costs of repatriating a person. Repatriation would have been covered by the scheme²⁷. It is recommended that CfHSC consider whether to implement a repatriation scheme in due course.

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²⁷ Repatriation referred to as part of the scheme would not include a person's body in the event of their death in the UK.