

**HEALTH INSURANCE EXCEPTION: CRITERIA FOR CLAIMS  
(P.74/88) - REPORT.**

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**Presented to the States on 17th January, 1989  
by the Finance and Economics Committee.**

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**Report.**

In June 1988, Senator B. Brooke lodged a Proposition (P.74/1988) requesting the Social Security Committee to revise the criteria for the award of Health Insurance Exceptions (HIE's) for those in low income groups; the States decided to refer the Proposition to the Finance and Economics Committee.

Since the commencement of the Health Insurance (Jersey) Law 1967, the States have met the whole cost of providing general practitioner consultation and medicines for those persons in the community whose financial circumstances are below a specified limit and who are not normally in employment. The beneficiaries are called **Health Insurance Exceptions (HIE)** and the whole cost is met from States' general revenues.

Prior to 1983, all those with an income below the level of the scale rate of parish welfare were eligible for HIE. As from 31st May, 1983, the income limit was increased to **20 percent above** the welfare level. Welfare benefits themselves are increased annually on the recommendations of the Working Party on Need and the Comité de Connétables. The cost of funding HIE's is estimated to be £1,158,000 in 1989.

In addition to the income limit there is a pension disregard. This is the amount of Social Security or occupational pension disregarded in calculating the income of an applicant. From 1st October, 1987 the Social Security Committee increased the old age pension to 100 per cent of the 'standard benefit rate'. This had the effect of inadvertently prejudicing the pensioner in eligibility for HIE and welfare benefits, as income rose by a greater amount than the relevant income limits.

The Social Security Committee met with Senator Brooke and concluded that her area of concern involved those persons caught in the anomaly caused by the increased old age pension. The Social Security Committee advised the Working Party on Need of the anomaly and as a result there was a significant increase in the pension disregard with effect from 1st October, 1988 (i.e. from £3.60

a week to £8.40 a week). From the same date the income limits were increased by 6.7 per cent.

The relevant HIE income limits per week after allowing for the disregard for pensioners are as follows -

	1st October, 1987	1st October, 1988	Increase
	£	£	%
Single person	62.64	71.46	14.1
Married couple	97.44	108.60	11.5

The increases in the income limit from 1st October, 1988 will test whether or not there are a large number of pensioners just the other side of the existing HIE income line. The recently announced increases in family allowances and income limits will greatly assist those families with children.

Following discussions at a recent meeting, the Working Party on Need has agreed to set up a Working Group to look at the whole range of welfare and other benefits.