



Home Office

Controlling Immigration – Regulating Migrant Access to Health Services in the UK

Consultation document

3 July 2013
Home Office

Foreword

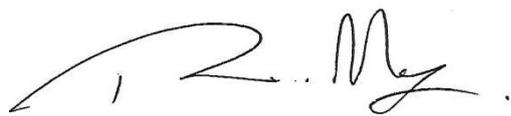
Immigration has brought benefits to the United Kingdom. Our migrant communities are a fundamental part of who we are and Britain is a far richer and stronger society because of them. We are rightly proud of our history as a diverse and welcoming society. However, whilst we have always believed in the benefits of immigration, uncontrolled immigration has caused a range of problems for the UK. Without proper controls on immigration, community confidence can be damaged, resources stretched and the benefits that immigration can bring are lost or forgotten.

The Government has already made changes to our immigration policies with the aim of reducing net migration levels from the hundreds of thousands to the tens of thousands. Net migration has fallen by more than a third since June 2010 and is now at its lowest level for a decade. The UK Border Agency is being replaced with new organisations within the Home Office which will get an effective grip on the volume of casework and provide a robust enforcement response to those who break our immigration laws. IT systems will be overhauled and replaced.

An important function of our immigration system is to control immigration for the benefit of the country. This includes taking action to protect public services and the benefits system from undue pressures that may be placed upon them by migrants and those who are here unlawfully. The need to control immigration and protect public services will be built into our benefits system, the NHS, our housing system and the wider provision of services across government. The Government believes migrants should come to the UK for the right reason - to contribute to our society rather than simply taking from it. And the forthcoming Immigration Bill will introduce measures to make this happen.

The Government is seeking views in this consultation on proposals to better regulate migrant access to publicly funded health services in the UK. These proposals respond to longstanding public concern that the current rules regulating migrant access to the NHS are too generous, particularly when compared with wider international practice, poorly applied and act as a draw to health tourists. This Home Office consultation on the Immigration Bill proposals will run in parallel with a separate Department of Health consultation which analyses the vulnerabilities of the current charging regime for overseas visitors in England. The Department of Health consultation sets out options for reforming the charging regime and covers a number of detailed implementation issues. The Government believes that these changes should apply across the UK will engage with the Devolved Administrations in Scotland, Wales and Northern Ireland on how these principles could be applied nationally. Responses to the Home Office and related elements of the Department of Health consultations will be taken into account during the passage of the Immigration Bill, and will inform the development of the Bill as it passes through Parliament.

Even as we want to extend a warm welcome to those many migrants who make such an important economic contribution, we want to see tough action being taken against those who have no right to be here or who abuse our services. By working across government and legislating where fresh powers are needed, we will address public concerns about immigration and move to a system where we support the aspirations of hard-working people from the UK and abroad.

A handwritten signature in black ink, appearing to read 'T. May', with a large, sweeping initial 'T' and a stylized 'M'.

Rt Hon Theresa May MP
Home Secretary

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1. Executive Summary

Migration has brought benefits to the United Kingdom. However, we think it is fair to ask migrants to make a contribution to the costs of providing the health services they may use or make their own private arrangements to meet their health care needs.

Introduction

- 1.1. Migration has brought benefits to the United Kingdom. The Government believes that we should continue to be an open and diverse society, attracting and welcoming the brightest and the best to help promote economic growth and competitiveness.
- 1.2. The Government is committed to operating proper controls on immigration, to ensure that public confidence in the immigration system is maintained and pressures on communities and public services are alleviated. The Government has already acted to implement policies which are reducing net migration radically, and aims to bring net migration down from the hundreds of thousands a year to the tens of thousands.
- 1.3. The Prime Minister's speech on 25 March set out a new more effective approach to protecting public services: working across government so that our immigration policy is factored into our benefits, housing and health systems – ensuring that entitlement to key public services is linked to contribution in a way that is fair to UK taxpayers.
- 1.4. The National Health Service (NHS)¹ is a key public service and one of our greatest assets. The Government is committed to maintaining the NHS as a service which is generally free at the point of delivery. We are also committed to the principle that everyone should be able to access health services. But we also believe it is fair to ask migrants to contribute towards the care they may receive from the NHS.
- 1.5. The current rules on accessing the NHS by migrants are extremely generous when compared with other countries; and these rules are not being strictly applied. This means that the taxpayer is meeting the healthcare costs of both large numbers of people who should not be here and 'health tourists' who deliberately seek to exploit the current weakness in our charging arrangements in order to receive free healthcare to which they are not entitled.

¹ For the purposes of this consultation, the 'NHS' refers to the four publicly funded healthcare systems within the UK. These are the National Health Service (England), NHS Scotland, NHS Wales and Health and Social Care Board and Health and Social Care Trusts in Northern Ireland.

- 1.6. In November 2011, we introduced an NHS debtors rule². This allows us to refuse applications to enter or remain in the UK from anyone with unpaid NHS debts above £1,000. This gives us the means to ensure that a real world penalty can be applied to those migrants who fail to meet the costs of their care. But we believe there is more that can and should be done, to ensure migrants come to the UK for the right reasons.
- 1.7. We are therefore consulting on a number of proposals which we believe would significantly tighten current rights to free NHS services for non-EEA nationals³, prevent the current abuse of the NHS we see by health tourists, and be fairer to the taxpayer. We believe that these changes should apply across the whole of the UK and will engage with the Devolved Administrations in Scotland, Wales and Northern Ireland on how these principles could be reflected across the UK as a whole and on any financial implications that arise. Where appropriate to do so, measures will be taken forward in the forthcoming Immigration Bill.
- 1.8. A high-level summary of the current rules governing access across the UK is summarised in Table 1 below, together with our proposed reforms.

Table 1 – Summary of current and proposed NHS access arrangements for non-EEA nationals

| | Access to primary medical care | | Access to secondary care | |
|---|--------------------------------|-----------------|---|---|
| | <i>Current</i> | <i>Proposed</i> | <i>Current</i> | <i>Proposed</i> |
| Illegal migrants | Free | Charged | Charged – but limited entitlement checks undertaken in practice | Charged – with new eligibility checks at NHS registration |
| Short-term visitors (those with less than 6 months permission to be in the UK) | Free | Charged | Charged – but limited entitlement checks undertaken in practice | Charged – with new eligibility checks at NHS registration |

² <http://www.ukba.homeoffice.gov.uk/policyandlaw/immigrationlaw/immigrationrules/part9/>. Provisions in the Immigration Rules relating to NHS debtors can be found in paragraph 6 (interpretation and definitions) and in the general grounds for refusal sections in paragraphs 320 and 322.

³ The European Economic Area (EEA) comprises the countries of the European Union (EU), plus Iceland, Liechtenstein and Norway, those states having signed an agreement to participate in the EU internal market. Whilst not a member of the EEA, Switzerland has also signed up to EU legislation on the internal market and free movement of people. In this consultation, where the EEA is referred to, for simplicity, this will include a reference to Switzerland.

| | | | | |
|----------------------------|------|--|------|--|
| Temporary migrants | Free | Charged <u>but</u> would be allowed to access NHS services free at the point of use, on payment of a migrant health levy or production of medical insurance for privately provided healthcare. | Free | Charged <u>but</u> would be allowed to access NHS services free at the point of use, on payment of a migrant health levy or production of medical insurance for privately provided healthcare. (Note: in respect of the health levy, certain expensive, discretionary treatments may be chargeable). |
| Permanent residents | Free | Free | Free | Free |

Ensuring temporary non-EEA migrants contribute to the NHS

- 1.9. At present, temporary non-EEA migrants – those who come to the UK to work or study, or for family reasons for more than six months – are allowed free and unlimited access to NHS services immediately on arrival in the UK or very shortly after. This approach is overly generous when compared with other countries, many of which require temporary migrants to have comprehensive health insurance. We do not believe this situation is fair to UK taxpayers: temporary migrants do not necessarily make the same financial contribution to the NHS as those permanent residents who pay for the NHS throughout their working lives in the UK.
- 1.10. We are therefore consulting on a proposal to change the existing ‘ordinary residence’ test which governs free access to the NHS to exclude temporary non-EEA migrants. For those who do not meet this new test and would otherwise be liable to NHS treatment charges, we are consulting on retaining charging exceptions for particular groups such as refugees, asylum seekers, victims of trafficking and persons covered by reciprocal health agreements with the UK.

- 1.11. We believe that permanent residence⁴ is the appropriate test for free access to the NHS. This would bring health in line with wider, general government policy on access to income-related benefits and social housing. Existing immigration legislation largely restricts access to these benefits to those non-EEA nationals with indefinite leave to remain and those granted refugee status in the UK or humanitarian protection. This approach would reflect the fact that permanent residents have committed themselves to the UK for the long term.
- 1.12. However, recognising the very positive contribution that temporary migrants make to life in the UK, and the desirability of retaining a universal health system for residents in keeping with the fundamental founding principles of the NHS, we are consulting on an option that would allow temporary migrants to enrol for NHS services by paying a charge - the migrant health levy. A health levy would be collected as part of the visa and immigration application process. Temporary migrants who paid the levy would then be entitled to access for free most NHS services. The levy could be mandatory, or we could allow individuals in some categories, including their dependants, to opt out of the NHS and make private provision for their healthcare through a private insurance provider.
- 1.13. Within our current NHS model, we believe a levy would be an effective and fair means of ensuring that migrants make an appropriate financial contribution to the NHS. However, we are also seeking views on alternatives, and in particular on the option of requiring temporary migrants to take out their own private healthcare insurance.

Ensuring charges apply to short-term visitors and illegal migrants

- 1.14. Currently, short-term non-EEA visitors (those who come to the UK for no more than 6 months) and illegal migrants are entitled to free NHS primary medical care across the UK. There is no framework for charging in place.
- 1.15. There are rules which restrict free access to secondary (i.e. hospital) care for both these groups which should mean they are charged for such care, but these rules are applied inconsistently across the NHS. These weaknesses in our current system are being exploited by health tourists.
- 1.16. Based on NHS Trusts' accounts and their own survey of Trusts, the Department of Health estimates that Trusts currently invoice between £35m and £55m to chargeable overseas visitors, and only manage to recover about 40 percent of those invoiced charges. These figures could however, be significant under-estimates as they take no account of migrant patients who

⁴ In relation to non-EEA nationals, permanent residence means indefinite leave to enter or remain in the UK (i.e. with no time limit).

have avoided detection and charging in the first place. The Department of Health has commissioned an independent audit of NHS use by overseas visitors and temporary migrants, to provide a more robust assessment of the scale of the problem. The findings of the audit will be available in the autumn.

- 1.17. While we believe that everyone should be able to access healthcare in the UK, and are clear that immediately necessary or urgent treatment should never be withheld, we believe the current rules for illegal migrants and short-term non-EEA visitors are too generous and are unfair to taxpayers. We are therefore consulting on measures which would ensure illegal migrants and short-term non-EEA visitors are properly charged for any care they receive from the NHS.
- 1.18. We do not believe it is fair to taxpayers to require them to meet the costs of any primary medical care required by a tourist. They have made no contribution to the underlying NHS infrastructure and should expect to either meet their own costs directly or take out health insurance, as would be the case for a British Citizen travelling abroad. The same principle should apply to illegal migrants – it cannot be right to expect taxpayers to meet their care costs as a matter of course.
- 1.19. For England, specific proposals on strengthening charging are set out in a parallel consultation published by the Department for Health (www.dh.gov.uk/consultations). We believe, however, that there needs to be a consistent approach to how migrant charges are applied and enforced across the UK. We will also engage with the Devolved Administrations on how charging for primary medical care, and wider control of all NHS charging through new registration controls, could be achieved.

Summary of proposals

- 1.20. Taken together, the proposals outlined briefly above represent a radical change to the way temporary migrants, visitors and illegal migrants access the NHS. We would therefore welcome views on the proposals and on how they might be implemented UK-wide.
- 1.21. This consultation covers the following proposals:
 - a. the introduction of a new qualifying test for non-EEA nationals accessing the NHS - replacing the existing 'ordinary residence' test with a new test based on permanent residence (indefinite leave to enter or remain). For those who do not meet this test and would otherwise be liable to NHS treatment charges, we are consulting on retaining charging exceptions for particular groups such as refugees, asylum seekers, victims of trafficking and persons covered by reciprocal health agreements with the UK;

- b. the options of:
 - (i) introducing a new migrant health levy for temporary non-EEA migrants, payable on application to enter or remain in the UK for longer than six months, including allowing some migrants to opt out of the levy where they have their own health insurance; and
 - (ii) requiring temporary migrants to take out private health insurance; and
- c. consultation on the principle of extending charging for NHS services beyond secondary care to cover all clinical services provided to non-EEA short-term visitors and illegal migrants, including the provision of primary medical care services (e.g. access to GPs).

2. The Consultation Process and How to Respond

This consultation will last until 28 August 2013. You can respond by taking part in an online web survey at:

<http://www.ukba.homeoffice.gov.uk/policyandlaw/consultations/>

| | |
|----------------------------|---|
| Topic of this consultation | Proposals to reform the way that temporary migrants, and non-EEA short-term visitors may access the NHS. |
| Scope of this consultation | The consultation seeks views on the proposals, what impacts they might have, and how the proposals should be implemented. |
| Geographical scope | United Kingdom |

Basic information

| | |
|---------------------------------------|---|
| To | This is a public consultation and it is open to anyone to respond. We would particularly welcome views from: NHS Trusts; GPs; local authorities; health insurance companies and their representative bodies; organisations representing migrants and community groups and employers who make significant use of expatriate or migrant labour. |
| Body responsible for the consultation | Home Office |
| Duration | The consultation begins on 3 July and ends on 28 August 2013. This is an eight week period. |
| Enquiries | homeofficeNHSconsultation@homeoffice.gsi.gov.uk |
| How to respond | Respondents are asked to complete the online questionnaire which is available at http://www.ukba.homeoffice.gov.uk/policyandlaw/consultations/ . For those respondents who are unable to use an online format, alternative formats can be made available. |

3. A New Qualifying Test for Migrant Access to the NHS

The current residency test for access to the NHS allows most migrants to qualify almost immediately despite never having contributed to the cost of running the NHS. We want to introduce a new residence qualification which establishes permanent residence as the appropriate test for free migrant access to the NHS.

The Current Position

The ordinary residence test and wider charging exemptions

- 3.1. The NHS provides a comprehensive service based on clinical need. It is a residency-based system that is free at the point of delivery to those who qualify.
- 3.2. The ability to charge migrants for using NHS secondary care services is governed by a residency test – currently the ‘ordinary residence’ test. This test and associated powers to exempt persons from charges by regulations is set out in different provisions which apply in different parts of the UK, namely section 175 of the National Health Service Act 2006 (c. 41); section 124 of the National Health Service (Wales) Act 2006 (c. 42); section 98 of the National Health Service (Scotland) Act 1978 (c. 29); and article 42 of the Health and Personal Social Services (Northern Ireland) Order 1972 (S.I. 1972/1265 (N.I. 14)). There are also a number of international healthcare agreements under which foreign nationals can access free NHS services in limited circumstances under reciprocal arrangements. We do not propose to change these agreements, which will be reflected in any revised new entitlement and charging regime.
- 3.3. Powers to charge those not ordinarily resident have existed since 1949 and have been applied through regulations covering secondary care services in hospitals since the early 1980s. So far, these powers have not been used to introduce charges to primary medical care and consequently there are no immigration restrictions on who may register at a GP practice or for other primary care services. Ordinary residence is not a straightforward concept and involves a fact finding exercise by hospital trusts. The term ‘ordinary residence’ has been defined by case law. It is given the meaning:

“...living lawfully in the United Kingdom voluntarily and for settled purposes as part of the regular order of their life for the time being, whether they have an identifiable purpose for their residence here and whether that purpose has a sufficient degree of continuity to be properly described as ‘settled’.”⁵

⁵ R v Barnet LBC Ex p Shah (Nilish) 1983 2AC 309 HL

- 3.4. In practice all temporary migrants with valid leave for more than six months are likely to meet the ordinary residence test and qualify for free NHS secondary care (hospital) treatment as soon as they enter the UK. Caselaw has also established that short-term visitors (those granted leave for six months or less), illegal migrants and those with Temporary Admission (TA) or Temporary Release⁶ (TR) from immigration detention do not meet the ordinary residence test and are not therefore in principle entitled to free NHS secondary care hospital treatment.
- 3.5. In our view, the ordinary residence test is overly generous and unfair. It permits most migrants to qualify for free NHS secondary care despite never having contributed to the costs of the NHS through tax and national insurance. This is compounded by having a current system which does not require any assessment for charging when a person registers for primary medical care, meaning that hospitals can struggle to distinguish between those GP-referred patients that are chargeable, ordinarily resident or otherwise exempt from charging.
- 3.6. It is also out of line with wider, general government policy on access to income-related benefits and social housing. Immigration legislation largely restricts access to these benefits to those non-EEA nationals with indefinite leave to remain and those granted refugee status in the UK or humanitarian protection.

Current impact on the NHS

- 3.7. The main categories of temporary migrant who meet the current ordinary residence test are students, workers and various categories of dependant family members, and those seeking settlement as family members. The volumes of people within these groups are significant. In 2012/13 the Home Office granted visas or extensions of leave to over 688,000⁷ temporary migrants.
- 3.8. Many of the above groups are not only covered by the ordinary residence test, but also explicitly by an exemption from charging contained in the relevant charging regulations in different parts of the UK, including in England the National Health Service (Charges to Overseas Visitor) Regulations 2011. This overlap between ordinary residence and specific exemption categories in secondary legislation reduces the need for hospitals to consider ordinary residence specifically in many cases. However, it leads to an unwieldy and confusing system for the NHS and the public. It also makes any standalone proposal to tighten up the exemptions effectively redundant.

⁶ Temporary admission and temporary release are alternatives to detention and are granted to persons without leave to remain under Schedule 2 of the Immigration Act 1971, pending conclusion of their cases

⁷ See annex B

New Proposal

- 3.9. We consider that the current qualifying test is too generous and difficult to apply. We want to create a new residency test that is applicable across all NHS services for which charges can be made. We are therefore proposing to replace the existing ordinary residence test for non-EEA nationals with a clearer framework in which we set a new baseline qualification for automatic entitlement by migrants. We believe that the appropriate test should be permanent residence – settled status with indefinite leave to remain (ILR).
- 3.10. As now, the new test would be subject to exemptions for certain categories of migrant, where they relate to our humanitarian obligations and responsibilities under international agreements, these include those who have been granted refugee status under the Immigration Rules, those seeking asylum, temporary protection or humanitarian protection under those same rules, failed asylum seekers receiving section 4 or section 95 support⁸, children in Local Authority care, victims (and suspected victims) of human trafficking in the UK.
- 3.11. Existing exemptions from charges for a number of specific public health services, for example treatment for tuberculosis and sexually transmitted diseases, will also be retained. These exemptions are currently applied by the Department of Health in England and by the Devolved Administrations.
- 3.12. In tandem with this proposal, we are also seeking views on whether temporary migrants should be required to pay an upfront migration health levy when they apply for leave to enter or remain in the UK, in order to access free NHS services, or take out private health insurance. Our detailed proposals on this are set out in section 4 - “Charging Temporary Migrants”.

EEA National and British Citizen Access Rights

- 3.13. This consultation does not engage with the existing access rights for British Citizens or EEA nationals, which are governed by the existing ordinary residence test and by EU legislation on the co-ordination social security systems.

Consultation questions

| | |
|-----------------|---|
| Question | Should all temporary migrants, and any dependants who accompany them, make a direct contribution to the costs of their healthcare? (Yes / No / Don't know) |
|-----------------|---|

⁸ Asylum and Immigration Act 1999.

Question **Should access to free NHS services for non-EEA migrants be based on whether they have permanent residence in the UK? (Yes / No / Don't know)**

4. Charging Temporary Migrants

Temporary migrants who cannot meet the new qualifying test for free NHS care should make a financial contribution towards their healthcare.

Charging Temporary Migrants

- 4.1. Healthcare provision in the UK is governed by a social model that applies the principles of equity and shared risk. Those who can afford it will pay in more than others, and those who have greater health needs are offset by those who remain healthier. These factors also apply across the individual life stages, where most people will need greatest access to healthcare at the start, and in later life. This model was based on having an established, permanently resident population.
- 4.2. As discussed in section 3, temporary migrants currently receive full and free access to NHS services on arrival in the UK without necessarily having made any previous contribution to the NHS or potentially, for example in the case of many students, without making any contribution during their stay either. We believe this is too generous and unfair to taxpayers.
- 4.3. We are therefore consulting on options which would address this issue. There are two main alternative approaches – the introduction of a mandatory migrant health levy or imposing a requirement to hold health insurance – on which responses would be welcome. However, we would welcome contributions on other possible ideas as well.

Migrant Health Levy

How it would work

- 4.4. Under this option temporary migrants would pay a levy to access all NHS services to cover the period of their leave. Payment of the levy would be a condition of receiving leave to enter or remain in the UK. The whole levy would be paid up-front, in the same way as an applicant pays a visa fee. Having paid the levy, the migrant's Biometric Residence Permit⁹ (BRP) would be endorsed to show that they are entitled to free NHS treatment. When the migrant registers with the NHS, seeks to be listed with a GP practice or access secondary care on an elective or emergency basis, they would simply

⁹ The Biometric Residence Permit is the standard form of immigration document issued to non-EEA nationals granted leave to remain in the UK for more than 6 months. It takes the form of card containing the holder's photograph, basic biographical details and immigration status, including periods of leave and any conditions of stay.

use their BRP to show their entitlement to NHS services without further charge.

Who would be liable?

4.5. The following categories of temporary migrant applying for entry to the UK, including dependants (where allowed), would be required to pay the health levy:

- Tier 1 (high value)
- Tier 2 (skilled workers)
- Tier 4 (students)
- Tier 5 (temporary workers e.g. entertainers / musicians)
- Family migrants

4.6 We are also considering whether a requirement to pay the levy should also be extended to those granted an extension of leave in-country, limited leave on the basis of their family or human rights, or granted immediate settlement on the basis of their family life. We would welcome views on any categories of migrant which should be included or excluded from paying the levy.

Level of fee

4.7. The level at which the levy is set would have to balance a number of competing considerations. On the one hand, the cost of temporary migrants to the NHS system and the fact that many will not have made any prior contribution to the NHS, and on the other:

- the economic contribution that workers (who must be skilled or professional to obtain a visa), students and other temporary migrants make to the UK;
- the need to balance the expected health costs of older migrants against family life considerations alongside the strict tests that apply to elderly dependants under the existing Immigration Rules;
- the fact that temporary migrants may not spend all year in the UK and may access elective treatments in their own country; and
- the competitive advantage of the UK as a destination for study, compared to alternative international student destinations.

- 4.8. The Department of Health estimates that the full annual costs of healthcare average around £1,600 per person, and range from around £700 for those under 44 to over £6,000 for the very elderly¹⁰.
- 4.9. Our proposal would be to set the levy at a flat-rate of not less than £200 for each year of leave granted. A levy at this level would represent a charge of around a third or less of the expected cost of each migrant to the NHS but still represent a meaningful contribution to the NHS.
- 4.10. The levy would be payable up-front. So a non-EEA student, for example, coming to attend a three year university course in the UK would have to pay, as a minimum, a £600 migrant health levy in addition to their visa fee when making their application. We have considered whether the levy should be charged on an annual basis but this would increase significantly the administration associated with the levy, and could lead to migrants being denied free access to health services if they subsequently failed to pay.
- 4.11. A flat-rate levy would have the advantage of being easy for migrants to understand and plan for. However, it would be possible to vary the level of the levy according to the age of each temporary migrant or the profile of each temporary migrant group. However, as the scheme is designed to ensure migrants make a contribution to the NHS rather than to recover full costs, and as the fee approach effectively pools the risk for individual migrants, we are proposing a single, simple flat fee.

Exemptions from the requirement to pay the levy

- 4.12. The suggestion is that any levy would be a mandatory requirement for obtaining leave. This would allow the full range of health risks to be pooled across the widest temporary migrant population. It would also avoid the cost and risks for the NHS in running dual systems and in having to operate a charged or insurance based system.
- 4.13. However, under the levy approach, there may be a case for allowing certain categories of temporary migrants to opt out of the NHS when applying for their entry clearance to the UK. For example, we recognise that in many cases individuals seeking leave to enter or remain under Tier 1, and possibly Tier 2, may already have pre-existing and comprehensive private medical insurance, perhaps through their employer. Where someone has decided to opt out of paying the levy they would forfeit access to free NHS treatment and would be expected to make their own arrangements to obtain full private health care in the UK.

¹⁰ Source: Nuffield G&A and Mental Health age cost indices. Healthcare expenditure taken from the Department of Health Annual Report and Accounts, 2011-12.

- 4.14. There may also be a case for offering this flexibility to other groups, for example students, and we would welcome views on this. Any decision to opt out of paying the levy could be recorded on the migrant's biometric residence permit.

Exempting temporary migrants from certain treatments

- 4.15. In paying the levy, temporary migrants would only make a partial contribution to the costs of the NHS. This is still not comparable to the contribution that a permanent resident will have made throughout their life. It may therefore be appropriate to exclude temporary migrants who have paid the health levy, from accessing for free a number of specific, discretionary treatments such as IVF and cosmetic surgery.

Summary

- 4.16. Overall we think the idea of a levy has a number of advantages:
- all temporary migrants (i.e. those who wish to come to the UK for more than 6 months) must obtain the permission of the Home Office by seeking entry clearance, before they travel. This means that the Home Office is ideally positioned to collect the levy from all temporary migrants as part of the entry clearance process, just like a visa fee;
 - the biometric residence permit that is issued to all temporary migrants could be endorsed to demonstrate the right to free access to the NHS. This would enable healthcare administrators to verify quickly and easily, a migrant's entitlement to free NHS healthcare;
 - the health risks of temporary residents are pooled, so those with existing health conditions are not disadvantaged, eliminating the discriminatory risk associated with other approaches;
 - there would be minimal NHS administration as patients would not need to be 'processed' to recover actual treatment charges whether directly or through their insurer. Nor would the NHS incur any costs for debt recovery; and
 - we would have flexibility in setting the right level of fee.
- 4.17. The principle disadvantages of this approach are:
- it would not recover the full costs of migrants care via the NHS;

- we would be asking temporary migrants to pay the full levy for each year they intend to spend in the UK upfront. This might deter some from applying to come to work or study in the UK; and
- where individuals already hold valid health insurance and are not allowed to opt out, the NHS levy could be seen as an unfair charge.

Requirement to have Health Insurance

- 4.18. The alternative option to the levy approach would be to require temporary migrants to hold health insurance, possibly as a condition of leave. The requirement to hold health insurance is common practice in other countries.
- 4.19. There would be a number of options for implementing such a scheme – either by requiring temporary migrants to purchase the cover they want or need from the private sector, recognising that they might be subject to further charges if that cover is not sufficient, mandating comprehensive cover which only uses private facilities outside of the NHS, or developing a state licensed insurance scheme as is the case in Australia.
- 4.20. The main advantages of this broad approach are that:
- depending on the precise approach adopted we could give temporary migrants the freedom to choose the level of care they wanted and whether they wanted to be treated wholly privately or charged via the NHS;
 - we could potentially reduce the demands on the NHS by pushing temporary migrants in the direction of private providers; and
 - it may represent significant savings for the taxpayer. Under the suggested levy approach the taxpayer would still underwrite a proportion of the average health care cost of each temporary migrant. However, under a health insurance option the cost and risk would be transferred away from the taxpayer and on to the migrant.
- 4.21. However, the process of identifying and charging patients seeking to use the NHS - even where they have health insurance - at the point of use is both administratively costly and time consuming, and may be problematic for all parties where someone is ill and requiring urgent care. These issues would be compounded by the numbers of temporary migrants coming to the UK and the likelihood that they will need to access health services during the duration of their stay. The option also potentially leaves the NHS responsible for the recovery of outstanding sums from patients where they are underinsured.
- 4.22. Any health insurance option also carries potential risks in terms of discriminating against migrants of a certain age or sex as well as those with pre-existing medical conditions and some people with disabilities. For example, normal health insurance products do not provide pregnancy cover;

chronic conditions would usually be excluded; and premiums for people who are older than 65 start to rise dramatically.

- 4.23. Initial dialogue with insurers also suggests that the costs of private insurance could be particularly high if individuals wanted comprehensive insurance cover – **annex B** gives an indication of the current costs of obtaining different types of medical insurance here in the UK and overseas.

Other Options

- 4.24. There may be a range of other alternative options or sub options – for example, using the sponsoring employer or educational establishment to provide a guarantee that a migrant’s healthcare is provided for. This could form part of the current sponsor responsibilities on immigration compliance, an approach that is currently taken in other countries. We would welcome views on any such options as well as contributions on the two main options outlined above.

Consultation questions

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|-----------------|---|
| Question | What would be the most effective means of ensuring temporary migrants make a financial contribution to public health services? a) A health levy paid as part of the entry clearance process b) Health insurance c) Other option (please detail your proposals) |
| Question | If a health levy were established, at what level should it be set? a) £200 per year b) £500 per year c) Other amount (please specify) |
| Question | Should some, or all categories of temporary migrant be granted the flexibility to opt out of paying a migrant health levy, for example where they hold medical insurance for privately provided healthcare? (Yes, some categories / Yes, all categories / No / Don’t know) |

If you responded with 'Yes, some categories', please specify.

Question **Should a migrant health levy be set at a fixed level for all temporary migrants, or varied (for example according to the age of the migrant)?**

a) Fixed level

b) Varied level

c) Don't know

Question **Should temporary migrants already in the UK be required to pay a health levy as part of any application to extend their leave? (Yes / No / Don't know)**

Question **Are there any categories of migrant that you believe should be exempt from paying the health levy or other methods of charging (over and above those already exempt on humanitarian grounds or as a result of our international obligations)? (Yes / No / Don't know). If yes, please specify.**

Question **Should any requirement to hold health insurance be a mandatory condition of entry to the UK (as determined by the Home Office)? (Yes / No / Don't know)**

5. Extending NHS Charges to Primary Medical Care

What Happens Now?

- 5.1. While NHS legislation permits charges to be applied to non-residents for any NHS services, the necessary powers to define and implement charges have only ever been applied to secondary care, and then only to NHS Trusts. This means that all primary medical care services, including GP services, community-based care and continuing care are generally provided free to all regardless of their status in the UK.
- 5.2. As the current system does not provide for charging by GPs, short-term visitors and illegal migrants are also usually referred by their GP practice to hospital for secondary care treatment without any question of their eligibility for free secondary care being raised. The current system can therefore make it difficult for hospitals to administer overseas visitor treatment charges because they struggle to differentiate between GP-referred patients who are chargeable, and those who are not.

Health tourism

- 5.3. The UK has a significant problem with health tourism. Health tourists conceal a prior intention to use the NHS in order to obtain, for example, free prescription medication or receive secondary healthcare services that they are not entitled to access for free. Others, who have received unexpected, expensive treatment in the UK, may seek to evade identification and subsequent payment of charges.
- 5.4. Within the NHS, there is considerable anecdotal evidence of abuse, relating to maternity services and treatment for acute conditions including cancer and renal services, as well as access to other routine elective procedures. A particular area of concern is visitors who seek registration in the hope of being referred for hospital treatment without being correctly identified as chargeable. Border Force regularly intercepts short-term visitors who have GP registration cards and pre-existing NHS prescriptions, who are returning to the UK for treatment.

The proposal

- 5.5. While we want to preserve the principle that everyone should be able to access healthcare in the UK, we do not believe that this should equate to allowing illegal migrants and short-term visitors to access health care for free across the UK. The current arrangements leave the system open to abuse and send the wrong message to those illegal migrants who have no right to remain in the UK.

Tightening controls in this area will make the UK less attractive to health tourists and illegal migrants.

- 5.6. This document consults on the principle that in future, all NHS services (other than specified exempt treatments relating to public health) should be chargeable for non-exempt individuals using the same more robust qualifying residency test, irrespective of who provides the service or where the services are provided. This includes NHS primary medical care services. Identifying and recording the chargeable status of patients would be done before they first register for primary care, for the benefit of all NHS service providers, to ensure the effective operation of the charging regime as a whole.
- 5.7. In England, the Department of Health is consulting on proposals to reform the charging regime. We believe however, there needs to be a consistent approach to how migrant charges are applied and enforced across the UK. To that end, we will engage with the Devolved Administrations on how charging for primary medical care and wider control of all NHS charging through new registration controls could be taken forward across the UK.

Consultation questions

| | |
|-----------------|--|
| Question | Should chargeable migrants pay for all healthcare services, including primary medical care provided by GPs? (Yes / No / Don't know) |
|-----------------|--|

Annex A: Consultation procedures and questions

About this consultation

This consultation seeks views on the Government's proposals to ensure that migrants contribute fairly to the cost of their healthcare.

Duration

This consultation was published on 3 July 2013 and will close on 28 August 2013.

Enquiries and responses

We would welcome your responses to the questions posed in this consultation document. It is available on the Home Office website - <http://www.ukba.homeoffice.gov.uk/policyandlaw/consultations/>

We would request that, wherever possible, you respond via the online survey, which can be accessed via the website.

This will be the most efficient and reliable way of ensuring that your responses are reflected in our analysis of consultation responses. Where you wish to offer further, narrative comments, you may email or write to the contacts given below.

By post:
Attn: Enforcement Partnership Team
Consultation Response (UK health services)
Home Office
2nd Floor, Fry
2 Marsham Street
London
SW1P 4DF

By email:
homeofficeNHSconsultation@homeoffice.gsi.gov.uk

Should you require a copy of this consultation document in any other format, e.g. Braille, Large Font, or Audio, you should contact the Home Office at the address given above.

Additional ways to become involved

The Home Office will be contacting a range of national bodies representing the sectors most directly affected by these proposals during the course of the consultation to bring this consultation to their attention and to invite them to submit their views. If you are a member of a representative body with a strong interest in the issues covered by this consultation, you may wish to find out if the body is

planning to respond to this consultation and ask how you can be involved this process.

After the consultation

A summary of responses will be published as early as possible, subject to comments received in response to this consultation and the views of Ministers.

Responses: Confidentiality & Disclaimer

The information you send us may be passed to colleagues within the Home Office, other Government departments and related agencies for use in connection with this consultation.

Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with applicable access to information frameworks (primarily the Freedom of Information Act 2000 [FOIA], the Data Protection Act 1998 [DPA] and the Environmental Information Regulations 2004).

If you want certain information you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence.

In view of this you should explain to us why you regard any information you have provided as confidential. If we receive a request for disclosure of the information we will take due account of your explanation, but we cannot give an assurance that confidentiality will be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

The Department will process your personal data in accordance with the DPA and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties.

Consultation criteria

The consultation follows the Consultation Principles published by the Cabinet Office in July 2012. The Government believes that an eight week consultation period is appropriate in this case.

Consultation Co-ordinator

If you have a complaint or comment about the Home Office's approach to the consultation, you should contact the Home Office Consultation Co-ordinator, Adam McArdle, who can be contacted at: adam.mcardle2@homeoffice.gsi.gov.uk.

Consultation questions

1. Should all temporary migrants, and any dependants who accompany them, make a direct contribution to the costs of their healthcare? (Yes / No / Don't know)

2. Should access to free NHS services for non-EEA migrants be based on whether they have permanent residence in the UK? (Yes / No / Don't know)

3. What would be the most effective means of ensuring temporary migrants make a financial contribution to public health services?

- a) A health levy paid as part of the entry clearance process**
- b) Health insurance**
- c) Other option (please detail your proposals)**

4. If a health levy were established, at what level should it be set?

- a) £200 per year**
- b) £500 per year**
- c) Other amount (please specify)**

5. Should some or all categories of migrant be granted the flexibility to opt out of paying a migrant health levy, for example where they hold medical insurance for privately provided healthcare? (Yes, some categories / Yes, all categories / No / Don't know)

If you responded with 'Yes, some categories', please specify.

6. Should a migrant health levy be set at a fixed level for all temporary migrants, or varied (for example according to the age of the migrant)?

- a) Fixed level**
- b) Varied level**
- c) Don't know**

7. Should temporary migrants already in the UK be required to pay a health levy as part of any application to extend their leave? (Yes / No / Don't know)

8. Are there any categories of migrant that you believe should be exempt from paying the health levy or other methods of charging (over and above those already exempt on humanitarian grounds or as a result of our international obligations)? (Yes / No / Don't know). If yes, please specify.

9. Should any requirement to hold health insurance be a mandatory condition of entry to the UK (as determined by the Home Office)? (Yes / No / Don't know)

10. Should chargeable migrants pay for all healthcare services, including primary medical care provided by GPs? (Yes / No / Don't know)

Demographic questions

1. Are you responding as or on behalf of:
 - a. An organisation which represents individuals and groups
 - b. Legal advisor
 - c. NHS Trust
 - d. Health insurance company
 - e. GP
 - f. NHS employee
 - g. Local authority
 - h. Member of the public
 - i. Other (please specify)

2. If an organisation which represents individuals or groups, which of the following does your organisation speak for?
 - a. Migrants
 - b. NHS workers
 - c. Students
 - d. Health insurers
 - e. GPs
 - f. Other (please specify)

3. In which part of the UK would the policy on which we are consulting be relevant to you?
 - a. England
 - b. Wales
 - c. Scotland
 - d. Northern Ireland
 - e. none of the above

4. If you are responding as a member of the public, are you:
 - a. A UK citizen
 - b. A citizen of the other European countries or Iceland, Lichtenstein, Norway or Switzerland
 - c. Other

5. If other, do you have a time limit on your stay in the UK?
 - a. Yes
 - b. No
 - c. Prefer not to say

6. How did you hear about this consultation?
 - a. UK press (national newspapers)
 - b. International press
 - c. Home Office website
 - d. Overseas website
 - e. Word of mouth
 - f. Social networking site
 - g. Other (please specify)

Equality questions

1. Please indicate your age.
 - a. Up to 17 years
 - b. 17 to 24 years
 - c. 25 to 44 years
 - d. 45 to 64 years
 - e. Over 65 years
 - f. Prefer not to say

2. Please indicate your ethnic group
 - a. White
 - i. English / Welsh / Scottish / Northern Irish / British
 - ii. White other (please specify)

 - b. Mixed / multiple ethnic groups
 - i. White and Black Caribbean
 - ii. White and Black African
 - iii. White and Asian
 - iv. Any other mixed / multiple ethnic background (please specify)

 - c. Asian
 - i. Indian
 - ii. Pakistani
 - iii. Bangladeshi
 - iv. Chinese
 - v. Any other Asian background (please specify)

 - d. Black / African / Caribbean/ Black British
 - i. African
 - ii. Caribbean
 - iii. Any other Black / African / Caribbean (please specify)

 - e. Other ethnic group
 - i. Arab
 - ii. Any other ethnic group (please specify)

 - f. Prefer not to say

3. Please indicate your sex
 - a. Male
 - b. Female

4. Do you think these proposals would have any impact, positive or negative, on individuals based on the following protected characteristics Yes / No / Don't know
 - a. Age
 - b. Disability
 - c. Marriage / civil partnership

- d. Pregnancy
- e. Race (including nationality, ethnic or national origins or colour)
- f. Religion or belief
- g. Gender
- h. Gender reassignment
- i. Sexual orientation

5. If you answered yes to any of these, please include any suggestions as to how these impacts might be managed or mitigated.

Annex B: Initial Analytical Annex

Introduction

The National Health Service (NHS) is a key public service and one of our greatest assets. The Government is committed to maintaining the NHS as a service which is free at the point of delivery for those entitled to access it. However, we also believe it is fair to ask migrants to contribute towards the care they receive from the NHS.

The consultation document sets out the preferred policy option. This annex contains a full description of the expected impacts of the preferred proposal relative to the 'do nothing' position and the order of magnitude of these impacts. It can be considered as a level two analysis of the impacts associated with the policy proposals contained in this consultation, as per the Better Regulation Framework Manual (2013). At this stage it is not possible to fully monetise the impacts due to gaps in the available data. The consultation process will be utilised to fill in as many of these gaps as possible.

The policies will affect many migrants to the UK as well as the National Health Service and the Home Office (HO). Evidence setting out the scale of those affected is set out in part 1. Parts 2 and 3 set out the preferred proposed policy and the aims of the proposed policy and the final part, 4, considers the likely costs and benefits of the proposal, including the potential one in, two out (OITO) costs.

1. Evidence on migrant volumes, current definitions and access to the NHS

Ordinarily Resident

Ordinary residence is not a straightforward concept and involves a fact finding exercise by hospital trusts. The term 'ordinary residence' has been defined by case law. It is given the meaning:

“living lawfully in the United Kingdom voluntarily and for settled purposes as part of the regular order of their life for the time being, whether they have an identifiable purpose for their residence here and whether that purpose has a sufficient degree of continuity to be properly described as ‘settled’”.

In practice you can be deemed ordinarily resident from the first day you enter a country, if it is your intention to remain in the country and you are settled there as part of your ordinary life. Given the ease of becoming ordinarily resident, many short-term migrants qualify almost immediately for free NHS care. Those migrants who would not qualify include migrants visiting for less than 6 months.

Indefinite Leave to Remain

The HO website defines indefinite leave to remain as:

“Indefinite leave to remain (often known as 'ILR' and 'settlement') is permission to remain in the UK without any time restrictions on the length of stay. It is not the same as naturalisation as a British citizen and may, in specific circumstances, be ceased or invalidated, for example, if a fraudulent application is uncovered, if the person resides outside of the UK for more than 2 years or as a result of a criminal conviction that results in a Deportation Order coming into force.”

This will mean that all short-term migrants are not considered as settled. If the test were to change and only mean that those with indefinite leave to remain are eligible for free treatment on the NHS, all short-term migrants would face the current charging system unless arrangements are made to exempt them.

Volumes of visa applicants

Immigration statistics are published by the Home Office. They break down the number and categories of visa, into those applied for and granted at entry and those applied for and granted as an extension. During 2012-13, 460,000 entry clearance visas were applied for and 320,000 extensions were applied for. These figures exclude transit and visitor visas.

Table 1 details the number of granted entry clearance visas, whilst Table 2 details extension visa grants.

Table 1: Granted entry clearance visas

| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-----------------------------|----------------|----------------|----------------|----------------|----------------|
| Tier 1 & pre-PBS equivalent | 30,908 | 28,705 | 34,474 | 21,576 | 14,307 |
| Tier 2 & pre-PBS equivalent | 75,063 | 64,472 | 66,833 | 67,012 | 70,134 |
| Tier 5 & pre-PBS equivalent | 39,563 | 38,551 | 38,472 | 37,777 | 36,942 |
| Non-PBS | 23,944 | 20,468 | 21,175 | 21,631 | 19,959 |
| Other | 12,595 | 797 | 855 | 593 | 458 |
| Tier 4 & pre-PBS equivalent | 235,611 | 313,309 | 295,086 | 226,559 | 206,814 |
| Family route | 52,236 | 49,443 | 52,768 | 44,585 | 37,470 |
| Dep. joining / accompanying | 34,467 | 16,001 | 15,690 | 13,072 | 11,704 |
| Other temporary visas | 8,629 | 9,069 | 8,425 | 8,848 | 9,518 |
| Total | 513,016 | 540,815 | 533,778 | 441,653 | 407,306 |

Source: Before entry data tables Immigration Statistics Jan-Mar 2013 Volume 2, Table be_04_q. <https://www.gov.uk/government/organisations/home-office/series/migration-statistics>

Table 2: Granted extensions to visas

| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|----------------|----------------|----------------|----------------|----------------|
| Tier 1 & pre-PBS equivalent | 100,780 | 97,079 | 74,085 | 83,975 | 77,117 |
| Tier 2 & pre-PBS equivalent | 76,467 | 43,121 | 35,477 | 32,858 | 55,183 |
| Tier 5 & pre-PBS equivalent | 885 | 456 | 656 | 809 | 1,057 |
| Non-PBS | 13,838 | 15,168 | 12,808 | 10,581 | 10,193 |
| Other | 13,708 | 18,802 | 22,509 | 28,581 | 13,608 |
| Tier 4 & pre-PBS equivalent | 130,622 | 130,330 | 140,342 | 100,808 | 99,011 |
| Family | 26,218 | 23,235 | 20,374 | 17,127 | 24,877 |
| Other pre-PBS equivalents or non-PBS categories | 4,046 | 2,510 | 1,706 | 1,327 | 506 |
| Total | 366,564 | 330,701 | 307,957 | 276,066 | 281,552 |

Source: Extension of stay data tables Immigration Statistics Jan-Mar 2013, Table be_01_q. <https://www.gov.uk/government/organisations/home-office/series/migration-statistics>

Duration of visas

HO details on its website the maximum durations that could be awarded with an entry clearance visa. Most visa categories have different lengths depending on the exact route taken, although in many cases it is possible to identify which length would apply to most applicants.

Table 3: Duration of entry visas

| | Minimum length | Maximum length | Mean Length |
|-----------------------------|----------------|----------------|-------------|
| Tier 1 & pre-PBS equivalent | 0 years | 3 years | 1.5 years |
| Tier 2 & pre-PBS equivalent | 0 years | 5 years | 2.5 years |
| Tier 5 & pre-PBS equivalent | 0 years | 2 years | 1 year |
| Non-PBS | 0 years | 5 years | 2.5 years |
| Other | 1 month | 5 years | 2.5 years |
| Tier 4 & pre-PBS equivalent | 1 year | 3 years | 2 years |
| Family route | 6 months | IDL | n/a |
| Other temporary visas | 1 year | 10 years | 5.5 years |

Source: HO

Table 4: Duration of extension visas

| | Minimum length | Maximum length | Mean length |
|-----------------------------|----------------|----------------|-------------|
| Tier 1 & pre-PBS equivalent | 2 years | 2 years | 2 years |
| Tier 2 & pre-PBS equivalent | 2 years | 4 years | 3 years |
| Tier 5 & pre-PBS equivalent | 6 months | 2 years | 1.25 years |
| Tier 4 & pre-PBS equivalent | n/a | up to 3 years | 3 years |

Source: HO

Private health insurance

Private health insurance is already available in the UK and will cover a range of treatments, providing payment for treatment at private GP surgeries or hospitals. The costs of private health insurance can vary widely depending on the provider and the individual being insured.

Research conducted by Lawrence Somerset management consultants¹¹, for insurer passport2health suggests that in 2010 average premiums in the UK were £1,026 and that if you looked purely at individual insurance, rather than that through an employer, the annual premium was £1,604. In the same paper it was suggested that the real compound annual growth rate of premiums was 3.84% for individuals, meaning that costs will have increased further.

Costs for older individuals or those who take risks with their health by conducting activities such as smoking, may face higher premiums. Table 5 gives some indicative rates of insurance for different levels of insurance and different groups of individuals. However, the rates must not be seen as being an average or standard rate as premiums are assessed on a case by case basis. It also must not be assumed that these rates are available for temporary migrants to the UK as premiums are commercially sensitive.

Table 5: indicative rates for medical insurance in the UK

¹¹ <http://www.passport2health.co.uk/sites/default/files/passport2health-thought-leadership-report.pdf>

| Type of insurance | | Age | Period | Cost (£) |
|-------------------|------------|------------|---------|----------|
| Basic | Single | 2-17 | 12 mths | 70 |
| Basic | Single | 17-36 | 12 mths | 102 |
| Extensive | Single | 20-40 | 3 mths | 550 |
| Basic | Single | 37-59 | 12 mths | 105 |
| Basic | Single | 60-69 | 12 mths | 143 |
| Extensive | Single | 60+ | 3 mths | 1,220 |
| Extensive | Couple | 60+ | 3 mths | 2,440 |
| Extensive | Family (4) | 2 under 18 | 2 weeks | 265 |
| Extensive | Family (4) | 2 under 18 | 3 mths | 1,555 |

Source – indicative figures sourced from a range of commercial providers

Basic ‘travel’ type medical insurance is a limited product. It is intended to provide emergency cover only, rather than on-going care. It will have a higher excess charge (the sum payable by the insured) and a lower financial ceiling (the maximum sum payable by the insurer) than a more comprehensive product. A product of this type will also generally exclude treatment for pre-existing conditions and treatment for a chronic condition.

With more extensive cover, customers can choose what additional risks to cover e.g. Out-Patient treatment, overall coverage limit, including selected chronic conditions and covering conditions which are pre-existing. Other medical treatments may still be excluded. Pregnancy is not generally considered an insurable risk.

2. Policy proposals

Option 1: Do nothing – make no changes to the current system

Option 2: A new qualifying test for non-EEA nationals accessing the NHS

The replacement of the ordinary residence test with a new qualifying test of permanent residence as the basic threshold for free NHS access, with a power to specify exceptions for vulnerable and other groups (including migrants who have paid the health levy). The new qualifying test will apply to temporary migrants that apply for leave to enter or remain in the UK once the policy is introduced.

Option 3a: An immigration health levy for temporary migrants who do not meet the qualifying test to ensure that they contribute to the cost of NHS services.

A new compulsory migrant health levy to be paid by non-EEA nationals granted visas or permission to stay for more than 6 months, in order to access free NHS services.

Option 3b: A system of mandatory private health insurance for temporary migrants

Allowing individuals to self-fund healthcare through private health insurance in order to access UK health services.

Option 3c: A hybrid system of a migrant health levy, allowing migrants to opt out of the levy and self funded healthcare (e.g. private health insurance).

A choice for individuals who could opt in to the migrant health levy, or choose to fund their access to health services in the UK either through their own funding or through health insurance.

Option 4: The extension of charging for NHS services to cover the provision of primary medical care services

New rules introduced on a UK-wide basis to mandate the introduction of charges for accessing primary medical care for non-EEA short-term visitors and illegal migrants, subject to exceptions (e.g. for public health conditions).

3. Aims

- Regulating migrant access to healthcare in the UK
- Ensuring temporary migrants contribute to the NHS
- Controlling health tourism by ensuring charges apply to short-term visitors and illegal migrants.

4. Costs and benefits

Option 1 – Do nothing

There are no additional costs or benefits from option 1.

Option 2 – A new qualifying test

Likely to impact:

1. Public Sector, including NHS

Costs

| Group | Type of impact | Volumes affected | Scale |
|------------------|--|--|---|
| 1. Public Sector | Administration costs of checking each individual as they register at a primary medical care service or as they enter a hospital. This should already be taking place in secondary care under the current system which indicates whether an individual is ordinarily resident and therefore not liable for charges. Additional costs for primary care may therefore be offset by savings in secondary care. | Unknown, but impact will be considered during the consultation period. | Unknown, likely to be high, but impact will be considered during the consultation period. Additional costs in |

| | | | |
|--|--|--|---|
| | | | primary care may be offset by savings in secondary care |
| | One-off set up costs. Under the current system individuals are marked chargeable or not based on whether they are ordinarily resident. This does not expire. A system of tracking short term migrants in the health system will need to flag up when their visas expire so that they can be checked as to whether they are chargeable. | Unknown, but impact will be considered during the consultation period. | One-off, likely to be high. |

Benefits

Benefits will be linked to the revenue received from individuals that do not have indefinite leave to remain (ILR). These benefits are linked to options 3a and 3b, which are discussed below.

Option 3a – A new qualifying test and introduction of a migrant health levy on visa applicants

Likely to impact:

1. Public Sector, including the Home Office
2. Wider impacts – including migrants' choice not to come to UK
3. Wider indirect impacts

Costs (in addition to the costs for the new qualifying test)

| Group | Type of impact | Volumes affected | Scale |
|------------------|--|--|--|
| 1. Public Sector | Administration costs will be incurred to the Home Office of setting up a system to accept this additional payment during the visa application process. | Unknown, but impact will be considered during the consultation period. | Low. Impact will be considered during the consultation period. |
| | Costs may be incurred in the distribution of income from the health levy where it is collected in the visa/immigration system by HO to the relevant department(s). | Approximately 700,000 (407,000 out-of country and 280,000 extensions) applications each year | Low |

| | | | |
|---------------------------|---|---|---|
| 2. Wider Impacts | The increase in cost of entering the UK (from the health levy) may have the effect of deterring migrants from choosing to come to the UK. This may affect all categories of migrants or the effects may be skewed more to one category than another. The impact would depend on the level of levy set and how it compares with health insurance requirements or healthcare costs in competitor nations. | Volumes are currently unknown and will be considered during the consultation period | Low/ Medium – visas are seen as an inelastic product, but having to pay an extra £200 or more for each year of the visa grant, could deter some migrants. |
| 3. Wider Indirect Impacts | An indirect impact of an increase in the cost of entry to the UK could fall on businesses. Businesses who are seeking to hire highly skilled workers may not be able to find an individual from within the UK. Businesses may need to pay the health levy on behalf of applicants for positions who would otherwise be put off. | Volumes are currently unknown and will be considered during the consultation period | Low |

Benefits

| Group | Type of impact | Volumes affected | Scale |
|------------------|--|---|---|
| 1. Public Sector | There would be a guaranteed income in the form of this health levy which is payable by each individual migrant. Although it may not fully cover NHS expenditure on them whilst they are in the country, it is a benefit in comparison to the 'do nothing' case, where the only revenue from visa applicants is that from their visa fee. | Approximately 700,000 (407,000 out-of-country and 280,000 extensions) granted each year | The income can be calculated by multiplying the health levy (for example, £200 per year), by the most frequent length of visa, and then multiplying by the number of immigrants granted |

| | | | |
|--|--|--|---|
| | | | <p>visas.</p> <p>From entry visas in 2012-13, the income from this would have been around £151m.</p> <p>From extension visas the income would be £31m.</p> <p>This gives a total income of around £183m.</p> <p>Income could be higher depending on the level of levy set</p> |
|--|--|--|---|

Option 3b: A system of mandatory private health insurance for temporary migrants

Likely to impact:

1. Public Sector, including the Home Office
2. Wider impacts – from migrants’ choice not to come to UK

Costs (in addition to the costs for the new qualifying test)

| Group | Type of impact | Volumes affected | Scale |
|------------------|---|--|-------|
| 1. Public Sector | The Home Office would face costs if adequate health insurance were incorporated as a new condition of entry/stay and insurance policies had to be validated by the Home Office. | Volumes are currently unknown and will be considered | High |

| | | | |
|------------------|--|---|--|
| | <p>The NHS would face administration costs in checking health insurance policies held by migrants presenting for treatment. This could be particularly difficult when administering emergency medicine, especially in cases where individuals are unable to communicate.</p> <p>The NHS would face additional costs in seeking to recover treatment charges from a wider range and number of individuals than now, and could face costs if insurance policies were cancelled or found to be invalid in terms of unrecovered treatment charges.</p> | during the consultation period | |
| 2. Wider Impacts | The cost of private health insurance for the UK may have the effect of deterring migrants from choosing to come to the UK. This may affect all categories of migrants or the effects may be skewed more to one category than another. | Volumes are currently unknown and will be considered during the consultation period | Low/ medium – visas are seen as an inelastic product, but annual comprehensive healthcare premiums are likely to be significant and could deter some migrants. |

Benefits

| Group | Type of impact | Volumes affected | Scale |
|------------------|---|--|--|
| 1. Wider Impacts | If migrants require health insurance on their visit to the UK there may be an increase in revenues to the UK health insurance industry. | Unknown, this impact will be considered during the consultation period | Medium– for those in employment, many firms are already likely to offer private health insurance. Tier 4 migrants would still need to seek private |

| | | | |
|--|--|--|------------------|
| | | | health insurance |
|--|--|--|------------------|

Option 3c – A hybrid system of a migrant health levy, whilst allowing migrants to opt out of the levy on condition they make their own private provision for healthcare (e.g. private health insurance).

Likely to impact:

1. Public Sector, including the Home Office
2. Wider impacts – from migrants’ choice not to come to UK
3. Wider indirect impacts

Costs (in addition to the costs for the new qualifying test)

| Group | Type of impact | Volumes affected | Scale |
|------------------|--|---|-----------------------|
| 1. Public Sector | <p>Additional costs for the Home Office if possession of adequate insurance were to be a new condition of entry requiring insurance policies to be validated.</p> <p>The NHS would face administration costs in checking health insurance policies held by migrants presenting for treatment. This could be particularly difficult when administering emergency medicine, especially in cases where individuals are unable to communicate.</p> <p>The NHS would face additional costs in seeking to recover treatment charges from a wider range and number of individuals than now, and could face costs if insurance policies were cancelled or found to be invalid in terms of unrecovered treatment charges.</p> | Volumes are currently unknown and will be considered during the consultation period | Medium/high |
| | Administration costs will be incurred to the Home Office under the levy option | Approximately 700,000 | One-off, likely to be |

| | | | |
|---------------------------|--|--|--|
| | of setting up a system to accept this additional payment during the visa application process. | (407,000 out-of-country and 280,000 extensions) applications each year | Low - Negligible |
| | Costs may be incurred by the Home Office in the distribution of income from the health levy. | Approximately 700,000 (407,000 out-of-country and 280,000 extensions) applications each year | Low |
| 2. Wider Impacts | The increase in cost of entering the UK (from the health levy) may have the effect of deterring migrants from choosing to come to the UK. This may affect all categories of migrants or the effects may be skewed more to one category than another. | Volumes are currently unknown and will be considered during the consultation period | Low/medium – visas are seen as an inelastic product, but having to pay an extra £200 for each year of the visa grant, could deter some migrants. |
| 3. Wider Indirect Impacts | An indirect impact of an increase in the cost of entry to the UK could fall on businesses, such as those seeking to hire Tier 5 workers. Businesses may need to pay the migrant health levy on behalf of applicants for positions who would otherwise be put off. | Volumes are currently unknown and will be considered during the consultation period | Low |

Benefits

| Group | Type of impact | Volumes affected | Scale |
|---------------------------|---|---|---|
| 1. Public Sector | There may be some income from the migrant health levy, but some individuals may opt to use insurance instead. Because of this, there is uncertainty around the exact level of income from this route. | Approximately 700,000 (407,000 out-of-country and 280,000 extensions) granted each year | Unknown, but impact will be considered during the consultation period. |
| 2. Wider Indirect Impacts | If migrants require health insurance on their visit to the UK rather than pay the health levy, there may be an increase in revenues to the UK health insurance industry. | Unknown, this impact will be considered during the consultation period | Medium – for those in employment, many firms are already likely to offer private health insurance. Tier 4 migrants would still need to seek private health insurance. |

Option 4 – Extension of charges to primary medical health care services

Likely to impact:

1. Public Sector, NHS

Costs

| Group | Type of impact | Volumes affected | Scale |
|-----------------------|--|---|--|
| 1. Public Sector, NHS | The development of a charging system for short-term non-EEA visitors and illegal migrants. A charging system will need to be developed. This will need to be planned and the implications considered. Checks are already | Unknown, this impact will be considered during the consultation period. Access to treatment for | Unknown, this impact will be considered during the consultation period |

| | | | |
|--|---|--|--|
| | performed in hospitals to operate the existing overseas visitor charging regime – bringing these forward to the primary care stage could deliver savings for secondary care. Possible knock-on effects on patients presenting at Accident & Emergency if corresponding controls are not introduced there. | specified infectious public health conditions will remain free, so no anticipated impact on public health. | |
| | An administration system to check individuals at the point of registration with the NHS. | Unknown, this impact will be considered during the consultation period | High – cost of administering such a system is likely to be high, but costs could be offset against savings in secondary care |

Benefits

| Group | Type of impact | Volumes affected | Scale |
|------------------|--|--|---|
| 1. Public Sector | Increased revenue from those individuals who would no longer qualify for treatment at primary medical care centres free of charge. | Unknown, this impact will be considered during the consultation period | Low – not all visitors and illegal migrants will require primary medical care |

ISBN: 978-1-78246-164-7