



DEPARTMENT OF HEALTH AND SOCIAL SECURITY

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From the Minister for Health

cc/fo
MEA
cc/BI

MSA

CONFIDENTIAL

Andy Bearpark Esq
Private Secretary
10 Downing Street

26 FEB 1988

Dear Andy,

NHS CHARGES

I enclose a draft of the statement the Minister for Health will be making on Monday. The statement will cover increased voucher values for spectacles and the introduction of blood glucose testing strips for diabetics, as well as changes to dental and prescription charges.

Copies go to Alison Smith (Lord President's office), Colin Phillips (Chief Whip's office), Jill Rutter (Chief Secretary's office), David Binnie (Michael Forsyth's office), Jan Dominguez (Ian Grist's office) and Aileen Porter (Richard Needham's office).

Yours,

Jenny Harper

MISS J M HARPER
Private Secretary

VOUCHER VALUES FOR SPECTACLES, BLOOD GLUCOSE TESTING STRIPS AND
NHS CHARGES FROM 1 APRIL 1988

With permission, Mr Speaker, I should like to make a statement about voucher values for spectacles, blood glucose testing strips, and NHS charges from 1 April 1988.

First, Spectacle Voucher Values: Help with the cost of spectacles through the NHS voucher scheme is available to children under 16, full-time students under 19, people on low incomes and those needing complex lenses.

The current voucher values were set when the voucher scheme was introduced on 1 July 1986. We have decided to increase them from 1 April 1988 so that, for example, the lowest voucher value will rise by nearly 9% from £14.25 to £15.50 and the highest voucher value by 28% from £66 to £85. These changes will increase expenditure on the voucher scheme by about £7 million in 1988/89, to a total of more than £65 million.

The new voucher values will apply both in the General Ophthalmic Service and in the Hospital Eye Service. At the same time, there will be small increases in the maximum charges in the Hospital Eye Service, which limit the charges for those requiring expensive lenses but not entitled to vouchers. There will however be no change in the charge for contact lenses prescribed through the Hospital Eye Service. /Patients with a clinical need for contact lenses can already obtain them with vouchers issued by the Hospital Eye Service. For other patients, we do not think it is reasonable to restrict their choice to spectacles only, if they prefer to use their vouchers for contact lenses. We will be changing the regulations from 1 April to allow them this greater freedom of choice._/

In setting the new values we have sought to respond to the representations of the Royal National Institute for the Blind by making particularly large increases in vouchers for the more complex spectacles. We also propose a number of other changes to assist with special needs on which representations have been made. Over and above standard voucher values, there will be a new supplement in the Hospital Eye Service of up to £4 for people prescribed photochromic lenses for clinical reasons and a new supplement of £30 for those whose particular facial characteristics entail specially-made frames. There will also be a new supplement of £30 for small children who need exceptionally small glasses, available through the General Ophthalmic Service and the Hospital Eye Service.

Secondly, Blood Glucose Testing Strips for Diabetics: We announced last November our intention to bring about a further improvement in services for diabetics by making such strips available on general practitioner prescription, following the similar action we took last year in respect of disposable syringes for those who need to inject insulin.

Discussions have now been held with the suppliers of the strips, and I am pleased to be able to tell the House that they will be made available on prescription from 1 June this year. Diabetics are of course exempt from prescription charges and will therefore receive their supplies free of charge. The cost of this measure in 1988/89 will be around £8 million. /About £10 in a full year. _/

Thirdly, Prescription Charges: We propose to increase prescription charges broadly in line with the increased cost of medicines. This means that the item charge will rise by 20 pence from £2.40 to £2.60, an increase of around 8%. The four-monthly season ticket will increase by £1.00 to £13.50, and the annual season ticket by £2.50 to £37.50. We estimate that these increases will yield over £10 million in 1988/89.

Well over three-quarters of all items will of course continue to be dispensed free of charge under the wide-ranging exemption arrangements, which cover all children, those on low incomes, and everyone over retirement age. The House will also be glad to know that we propose to extend the exemptions for young people to include those under the age of 19 while they remain in full-time education.

Fourthly, Dental Charges: As the House knows, we have already announced our intention to move from the present complex and anomalous system of charging for dental treatment to a straightforward system of proportionate charging set at 75% of the cost. This will apply to all routine dental treatment and crowns from 1 April 1988, and the charges for dentures and bridges will be set as fixed cash amounts at or about the same 75% level. As has also been announced earlier, there will be an increase in the maximum charge for a course of treatment from £115 to £150.

We estimate that these changes will yield additional income of about £15 million in 1988/89.

Since many people now pay the full cost of the more limited courses of routine treatment, the cost of some 6 million such courses will in fact fall. For example, the charge for a scale and polish and two small fillings will come down from £14.20 to £10.65.

We are retaining all the current exemptions - for children, young people aged 16 and 17, students under 19, expectant and nursing mothers, and people on low incomes - which mean that nearly half of all courses of dental treatment attract no charge at all. In addition we intend to bring forward a government amendment at the Report Stage of the Health and Medicines Bill to end the anomaly whereby some young people of 16 and 17, while exempt from charges for treatment, nevertheless have to pay for dentures and bridges. The effect, if the House agrees, will be to exempt them from all dental charges.

Low Incomes

/Mr Speaker, in view of the changes to social security benefits which will come into effect on 11 April, I should make clear to the House that, for the purposes of exemption from prescription and dental charges, of entitlement to spectacle vouchers, and of reimbursement of expenses incurred in travelling to hospital for treatment, receipt of Income Support or Family Credit will qualify beneficiaries in the same way as receipt of supplementary benefit or Family Income Supplement does now. There will also continue to be arrangements for assisting other people on low incomes, based on the new social security framework. Regulations will be laid with a single consolidated scheme which will be both simpler and speedier than at present. Regulations will be laid before the House in due course./

Charges for Overseas Visitors

I should also briefly mention charges for overseas visitors. These charges - for people not ordinarily resident here - are inclusive amounts based on the costs of providing patient accommodation. For 1988/89 they will increase by 8.1% on average for in-patients and 6.5% for out-patients.

Details of the proposed new spectacles voucher values, the prescription and dental charges, and the charges for overseas visitors are available in the Vote Office and I shall, with permission circulate them in the Official Report. Regulations giving them effect will be laid before the House shortly. Equivalent measures will be taken by my rt hon and learned Friend the Secretary of State for Scotland, and my rt hon Friend the Secretary of State for Northern Ireland.