EXPLANATORY MEMORANDUM TO

THE NATIONAL HEALTH SERVICE (TRAVEL EXPENSES AND REMISSION OF CHARGES) AMENDMENT REGULATIONS 2010

2010 No. 620

1. This explanatory memorandum has been prepared by the Department of Health and is laid before Parliament by Command of Her Majesty.

2. Purpose of the instrument

2.1 These Regulations amend the National Health Service (Travel Expenses and Remission of Charges) Regulations 2003.

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None

4. Legislative Context

4.1 These Regulations amend the National Health Service (Travel Expenses and Remission of Charges) Regulations 2003 (TERC regulations) to increase the capital limits at which people living permanently in a care home may receive help through the National Health Service Low Income Scheme from £23,000 to £23,250 (upper limit) and from £14,000 to £14,250 (lower limit).

5. Territorial Extent and Application

5.1 This instrument applies to England.

6. European Convention on Human Rights

As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

- ***What is being done and why***

7.1 The TERC Regulations provide that people receiving certain means-tested benefits, for example income support, are automatically entitled to free prescriptions, dental treatment, wigs and fabric supports and sight tests and payment of travel costs to hospital. That is, they are “passported” to entitlement.

7.2 The TERC Regulations also provide a "safety net" known as the National Health Service Low Income Scheme (LIS). Help from the scheme is based on an assessment of a person's ability to pay in the light of their financial resources at the time a claim is made or charge was paid. The calculation of entitlement is based on Income Support arrangements, plus net housing costs and council tax where a person is personally liable to pay. The TERC Regulations modify the Income Support (General) Regulations 1987 for the purpose of the calculation of low income scheme entitlement.

7.3 This amendment increases the capital limits at which people who live permanently in a care home and fully fund their own care, may receive help through the National Health Low Income Scheme from £23,000 to £23,250 and from £14,000 to £14,250 in respect of capital which is ignored.

- ***Consolidation***

7.4 Professor Gilmore has now submitted his report about implementing exemption for people with long term condition to Ministers and his recommendations are currently being considered. Any consolidation of these regulations will be considered in the light of policy changes relating to exemption in respect of long term conditions.

8. Consultation Outcome

8.1 No consultation has taken place, as this instrument does not alter existing policy; it uprates an existing capital limit.

9. Guidance

9.1 No guidance has been prepared for this instrument.

10. Impact

10.1 An Impact Assessment has not been prepared for this instrument.

11. Regulating small business

11.1 The legislation does not apply to small business.

12. Monitoring and Review

12.1 Options to increase National Health Service capital limits are considered annually.

13. Contact

Gina Jones at the Department of Health Tel: 020 7972 2954 or e-mail: gina.jones@dh.gsi.gov.uk can answer any queries regarding the instrument.