DÁIL ÉIREANN

SELECT SUB-COMMITTEE ON HEALTH

Dé Máirt, 27 Samhain 2012

Tuesday, 27 November 2012

The Joint Committee met at 6 p.m.

MEMBERS PRESENT:

Deputy Robert Dowds,	Deputy Caoimhghín Ó Caoláin,
Deputy Peter Fitzpatrick,	Deputy James Reilly (Minister for Health),
Deputy Billy Kelleher,	Deputy Liam Twomey.*
Deputy Denis Naughten,	

* In the absence of Deputy Mary Mitchell O'Connor.

DEPUTY JERRY BUTTIMER IN THE CHAIR.

Health Insurance (Amendment) Bill 2012: Committee Stage

Chairman: Apologies have been received from Deputy Mary Mitchell O'Connor, who will be replaced by Deputy Liam Twomey. We have also received apologies from Deputy Seamus Healy. The meeting has been convened to consider Committee Stage of the Health Insurance (Amendment) Bill 2012. The list of proposed amendments has been circulated by the Bills office. I welcome the Minister and his officials to the meeting. I thank members of the committee for being here and the members of staff for facilitating the meeting at 6 p.m. I apologise for the inconvenience but it is due to the lack of availability of rooms in the Oireachtas.

Section 1 agreed to.

SECTION 2

Deputy Caoimhghín Ó Caoláin: I move amendment No. 1:

In page 4, line 35, to delete "old."," and substitute the following:

"old,

(*e*) the imperative to ensure that all persons receive, in due time and to the highest standard possible, health services on the basis of need alone and

not on the basis of ability to pay."," .

At the outset I urge support for my amendment which, I believe, is an important addition to the objective of the legislation. The Minister and the Government are embarking on what the Minister has called a fundamental reform of the health services. I and my party believe that the reform strategy the Minister is pursuing is flawed. This is my view and I have expressed it many times to the Minister. I believe this to be the case because it will be based----

Chairman: Can we stick with the amendment, Deputy, please?

Deputy Caoimhghín Ó Caoláin: I am speaking to the amendment. In speaking to the amendment, I note the strategy will be based on competing private health insurance companies and will represent the effective privatisation of the health services. That is my certain view. I believe the strategy has no basis in rights since it contains no commitment that patients will be guaranteed in law by the State to receive basic essential health care. Instead the strategy relies totally on regulation of the insurance industry, in this case, mainly by the legislation before us. Against that backdrop the purpose of my amendment is to set down a marker for citizens and for the insurance companies on the imperative for the State to ensure that all persons receive in due time and to the highest standard possible health services on the basis of need and not on the basis of the ability to pay.

We would follow on from this amendment, if circumstances presented, with separate rights based legislation putting in place a rights basis for health care. In the absence of the principle recognised in my amendment and its reinforcement in rights based legislation, which I would wish to see adopted, we face a scenario where under the Government's plan private insurance companies would be given too great a role in determining the level of basic health care services

available to citizens. That is the reality. The health insurance companies will be significant in determining the level of health care services accessible to the wider public. During the 14 year regime of Fianna Fáil in office, the then Government promised to introduce an eligibility for health and personal social services Bill, which the Minister will remember well because he and I repeatedly requested information on the progress of that Bill. As we know, it never saw the light of day, nor does it appear now even in the vaguest context in promised legislation.

The IMPACT trade union published an important report analysing the Government's proposed reforms which concludes the Government has based its approach to universal health insurance on policy in the Netherlands. A system of competing private insurers in the Netherlands has created an inequitable and an inefficient system of funding health care with different tiers of entitlement. In the context of the Minister's proposed Bill, how will that be prevented from happening here?

My simple amendment puts down a marker. I believe it is a critically important marker about our future intent. I ask the Minister to adopt it and indicate positively that robust rights based legislation will follow in speedy succession. I urge support for this amendment as a start to that programme of work.

Minister for Health (Deputy James Reilly): Go raibh maith agat. The principal objective of this Bill is the general statement of policy on the line of the health insurance Acts, including the amendments to be made by the provisions of this Bill. It is an aid to interpretation of the Acts. The health insurance Acts regulate how private health insurance is provided to ensure it is available to those who choose to purchase it on a fair and equitable basis. It relates therefore to the 46% of the population who have chosen to take out private health insurance and the need for those individuals to be protected from any discrimination in that context. Insurers are free to offer products and to set prices at any level they want subject only to compliance with certain minimum benefits outlined in the regulations made under the health insurance Acts.

The principal objective sets out the purpose of the legislation and from this principle the other provisions of the Act flow. It sets out in clear terms that insurers must offer the same product at the same price for each individual who wishes to purchase it. No differentiation can be made between individuals on the basis of the status of their health, their age or their gender. Of course all residents of the State, those with or without health insurance retain eligibility at different levels for health and personal social services via the public system. The principal objective relates only to those who have chosen to avail of private health insurance cover. The issue concerning the basis on which access to health services is available, whether that is on the ability to pay or health need does not arise in this case. Therefore I reject the amendment.

The Deputy mentioned some assessments of the Dutch model of care, where there is a multi-payer system. I do not accept what the IMPACT trade union report states. Let me point out that we looked at a number of models, including the Dutch model from the point of view of the multi-payer system; the UK model from the point of view of trusts for hospitals; and the North of Ireland from the point of view of the special delivery units. We also looked at the way they ensure patient safety in Denmark and Canada. We have taken from the different systems what we feel is appropriate and best for our service to patients.

On the overlying issue, the Government's intention is to bring in insurance that is universal and available to all our citizens, so that nobody needs to worry about ability to pay as a barrier to receiving services that are based on fairness. The service is based on medical needs and not on ability to pay. It does not matter how much money one has, or whether one has a higher level

of insurance cover; all one will get for the higher payments are *cordon bleu* cooking and five star hotel accommodation. One will not get a colonoscopy or a hernia repaired more quickly. That is critically important but it is not relevant to this Bill.

I am not in a position to accept the Deputy's amendment.

Deputy Caoimhghín Ó Caoláin: I would like to have the same certainty that the Minister has, which he outlined in his reply. We have yet to see the White Paper. The Minister's intent is laudable. I acknowledge his intent, but we differ as to the vehicle to give effect to what we share, the commitment to universal health care and access on the basis of need. There is a gap as to how it is to be achieved. We have no certainty on the Minister's position.

The Minister has spoken about this aspect on many occasions and now after 20 months in office, we have yet to see all of this spelled out in real and substantive terms. The IMPACT trade union did not present something it made up. It has employed considerable time and effort in evaluating the situation and engaging with people directly in the Netherlands. It is not good enough to dismiss its report outright. There must be a basis in factual terms to their concerns. This has been referred to by people within that system, interviewed on the national airwaves. I believe that acceptance of the subsection *(e)* that I proposed in amendment No. 1 offers the certainty of the clear declaration of intent that I believe is important, indeed essential as we move forward in engaging on this very important reform.

I took the time to try to find a way of improving a Bill to which I am not ideologically or in any other way committed. However, I want to see it improved to the best I can. I commend my amendment and I ask the Minister to reconsider it.

Deputy James Reilly: I do not consider the amendment is appropriate to this Bill. I acknowledge the points made by the Deputy on IMPACT trade union's assessment of the Dutch system. Different people form different opinions. The Dutch system is quite fair and much of the complaint about it relates to increasing costs. However, the increase is due to an extension in what is covered, for example, dental work.

I cannot accept the amendment and I ask that the committee reject it.

Amendment put and declared lost.

Question proposed: "That section 2 stand part of the Bill".

Deputy Billy Kelleher: Members will hold different opinions on how to fund our health services and provide equality of access based on need as opposed to financial means. We could be accused of having establishing a two-tier health system, in that there is private health insurance and a publicly funded system. Until we reach the point that the Minister is aiming for, though, funding health services will pose a major difficulty. Nothing in the Bill provides me with confidence about what we will try to do or, rather, what the Minister will try to do, as I do not fully support the idea of universal health insurance in the form that he has proposed. The White Paper remains to be published and I would have expected a broad discussion on that to be critical. This is not just a policy shift. Rather, it is a major Government decision. The Minister claims that he has a mandate to do so, but the difficulty is that universal health insurance will cost money and the Government does not have a magical funding system.

The market for private health insurance is diminishing, since even those who are taking out private health insurance and funding the sector are only doing so under considerable stress.

Inter-generational solidarity, community rating or risk equalisation, whatever one wants to call it, is falling on the shoulders of fewer people. While this continues to be the case, insurers will increase their premia. It is a vicious circle. Does any provision in the Bill ensure that there will be no inflationary pressures on health premia over and above the norm? A diminishing pool of people are funding inter-generational solidarity. If the insurance market collapses because people exit the system or reduce their coverage, from where will the Minister get the inter-generational solidarity fund to support those who need it most? Section 2, the critical component in terms of risk equalisation and amending the principal Act, contains no provision in this regard.

Chairman: I must call on the Minister to respond.

Deputy James Reilly: If the Chairman has the time, I am happy to have a long discussion with Deputy Kelleher on how this will operate. A main point that must be taken on board is the failure of insurers to date to address the underlying costs in the provision of private health care. It is possible. Everyone in this room has anecdotal evidence of people approaching them about procedures mentioned on their VHI bills that they did not have done. Clearly, our insurers need a more robust auditing system, particularly the VHI. That company is important. Although it only has 57% of the market, it is responsible for 80% of the pay-out. With a new chairman and CEO and with a clear direction from me, we have an opportunity to address the VHI's cost base in the provision of health care.

I want more robust auditing. It is astonishing that the VHI never had a clinical audit process whereby clinicians would challenge treating clinicians to explain why an unnecessary test was done and explain that the VHI would not pay for it and would impose a fine if it happened again. This will save a great deal of money.

We must also examine the manner in which we charge. Currently, we pay *per diem* instead of per procedure. One gentleman told me that it had cost him €8,000 to have an MRI because he spent several days waiting in hospital. The hospital would not release him. It told him that he would have the scan the next day, that there was an emergency, that he would be held onto for another night just in case, etc. We are all paying for this.

We must also conduct a proper analysis of what we are paying. Certain procedures used to take two hours and now take 20 minutes, yet we are remunerating the professionals at the same level.

We can make serious savings out of the €1.2 billion. An attack on the cost of private health care must be undertaken by the VHI. It is starting to do this. We can make health care more affordable by reducing the cost of the care.

Regarding the overall figure, an initial paper on universal health insurance will be published before the end of this year and a full White Paper will be published next year. The point is to have a debate and provide guidance on how to implement the multi-payer model. Such a model is our policy under the programme for Government. Competition brings better results for the client, in this case the patient, the user of the service.

Chairman: I call Deputy Naughten. He should be brief, as we are straying.

Deputy Denis Naughten: I will make two points. The Minister is correct, in that a great deal of unnecessary cost seems to be built into the health insurance system. I will provide three brief examples. Caesarean sections account for 36% of all privately insured births. In the public system, the figure is 27%. The HSE's target is 20%. There is a major cost in this regard. In

the UK, most cataract operations are done under local anaesthetic. In Ireland, we are still using general anaesthetic. Similarly, many hip replacements are being carried out under general anaesthetic. These types of costs must be removed from the system.

The Health Insurance Authority, HIA, which appeared before the committee recently, has a responsibility. We must examine its role in encouraging older people to consider their levels of cover and insurers. Approximately 50% of people and the majority of older people are on the wrong health insurance schemes because they have not altered them over the years. Anyone who has been on a scheme for the past ten or 15 years and has not reviewed it is probably paying significantly more than should be the case. Naturally, older people are risk averse and are not prepared to change their schemes or insurers. The HIA has a responsibility to drive this discussion and encourage people to examine their policies. It has a kitty of €8 million, a small portion of which could surely be used to work with Age Action and other organisations in driving an effective information campaign targeted at the group in question. If older people shop around and drive down the cost, it will reduce the overall cost of the health insurance levy and risk equalisation. Young couples are subsidising this inefficiency, overcoverage and overpayment of premia.

Deputy James Reilly: I commend the Deputy on his research. He has good facts about issues that need to be considered.

The role of the clinical programmes in public hospitals has caught the eye of the VHI. I have asked Dr. Barry White to engage with the VHI in this regard. I have also asked Dr. Martin Connor to engage with it in terms of what we have been doing in the public sector that might inform it. For example, paying per procedure instead of per day, which the public sector has started doing, will be informative for the private sector.

I agree with the Deputy regarding the HIA. We must examine its role in the matter he has raised and beyond. It needs to be beefed up considerably because it will be responsible for ensuring that there will be no cherry-picking in the new system that we intend to create. This will be quite a job and I imagine that the HIA will need to be given additional enforcement powers. Underpinning the success in Holland is a strong insurance regulator, one that really regulates. We will not go over the history of regulation in this country.

One of the aspects that would concern me, and it relates to the Deputy's concern, is that there are over 5,000 different policies. That is designed to confuse. The purists will argue that when all of that is stripped away there are only about 200 different policies but there are too many policies. The Health Insurance Authority must be empowered to regulate that and bring it down to a manageable number of different products that people can understand to ensure they do not get confused. It must be the seed of confusion to have that many different policies; one would be mind-boggled by the time one finished.

The Deputy is right. People are slow to change, and older people are slower than others to change. The old adages still apply. People do not like change. They trust what has been with them for 30 or 40 years and they do not like to have to look around elsewhere. There is no question that there have been changes in some of the policies which have mitigated against older people when they start taking hip procedures or ophthalmic surgery off a plan that people have used historically. That is designed to discourage older people from the plan and make it more attractive to younger people. We must guard against that. I hear what the Deputy is saying, and I will take up the caesarean section issue with the special delivery unit. The Health Information and Quality Authority, HIQA, needs to be informed about that also because it is disconcerting

to see such a difference between several of the issues the Deputy has raised and the rationale behind them.

That brings me to the other point. I have asked the Voluntary Health Insurance, VHI, to discount heavily against any doctor, consultant or general practitioner who carries out procedures in hospitals that should be carried out in primary care and end up attracting a big side-room fee.

Chairman: Another point that we must translate back to people is that we should be using primary care more frequently. The other point we have raised here concerns the market. The constant price increase is a source of huge concern to people, who are opting out in droves in some cases.

Deputy James Reilly: I want to record that I do not accept medical inflation of 9%. To paraphrase John Donne, nobody lives on an island entirely unto itself. When everything else is reducing in price the cost of medical care should be reducing also. In a more general sense, that is why we are trying to cut the cost of care as opposed to cutting the service.

Section 2 agreed to.

SECTION 3

Deputy James Reilly: I move amendment No. 2:

In page 5, between lines 31 and 32, to insert the following:

" " 'authorised officer' means a person appointed under section 18E to be an authorised officer;".

The definition of "net premium" is amended in respect of health insurance contracts elected on or after 1 January 2013. It is to take account of the part, if any, of the premium to be paid from the risk equalisation fund in respect of age, sex and type of insurance cover. "Health risk status" is defined to ensure in particular that insurance premiums cannot be varied by reference to a person's future or likely future use of hospital services, their sexual orientation or the suffering or prospective suffering of the person from a chronic illness or other medical condition or from an illness or medical condition of a particular kind. I am proposing an amendment to provide for a definition of "an authorised officer".

Amendment agreed to.

Section 3, as amended, agreed to.

SECTION 4

Deputy Caoimhghín Ó Caoláin: I move amendment No. 4:

In page 6, lines 10 to 12, to delete paragraphs (*b*) and (*c*).

My reading of this is that the net effect of section 4 as it stands would be to remove the requirement to lay regulations before the Oireachtas in draft form. When we go back to the substantive Act of 1994, as amended in 2001, and we transpose the proposed changes and the impact of the Health Insurance (Amendment) Bill 2012, we note that the proposed deletion of section 4 and what we are having deleted here by the acceptance of section 4 of the amending Bill states that where regulations are proposed to be made under (*a*) this section for the purposes of sections 7(*a*), 7(*b*), 8, 9, 10, 12 or 13, the listed sections are (*b*) any of the listed

sections, a draft of the regulations shall be laid before each House of the Oireachtas and the regulation shall not be made until a resolution approving of the draft has been passed by each such House. That is an important requirement as things stand and my sense of it is that with the Minister's proposed private insurance based so-called reform of the health system greater scrutiny and safeguards would be required. I cannot understand why we would then seek to eliminate the requirement of draft regulations being laid before both Houses of the Oireachtas for their approval. My reading of it is that that is an absolute requirement. Members need to be wary of what is entailed in regard to section 4 of the amending legislation now before us.

My amendment seeks, in page 6, lines 10 to 13, to delete paragraphs (*b*) and (*c*) of section 4 as it presents. The purpose of that is to hold to the existing position which I would prefer to see strengthened in respect of the changes signalled regarding the role of the private insurance sector in our health care delivery system in the future but at this point it is imperative that we hold the position as it stands.

Deputy James Reilly: I appreciate the sentiment but if I explain the position the Deputy might be reassured. Unlike the previous risk equalisation scheme of 2003, which was mainly set out in regulations, the new scheme, including the rates for risk equalisation, credits and stamp duty levies, is strengthened in future by being set in primary legislation and the Houses will have ample opportunity to discuss the amendments. Retaining paragraphs (*b*) and (*c*) providing for the Minister to make regulations and have them laid before the Oireachtas, therefore, would not be necessary; it will be in the primary legislation. I do not believe the amendment is necessary.

Deputy Caoimhghín Ó Caoláin: Is the Minister suggesting that it will be incorporated in primary legislation?

Deputy James Reilly: Yes.

Deputy Caoimhghín Ó Caoláin: We are dealing with legislation before us. This other so-called primary legislation has not presented. We have no certainty of that position. What we are being asked to do-----

Deputy James Reilly: It is currently going through the House.

Deputy Caoimhghín Ó Caoláin: What we are being asked to do here is to jettison an existing scrutiny. It is not an issue of appropriateness. Whether the Minister deems it necessary is up to the individual judgment of each and every one of us. My sense of it is that it is a requirement, that it should not be removed from this legislation and that the potential consequences of it are worrying, to put it mildly. I am very much of a view that the Minister's response does not remove my fears regarding this matter. In terms of the complexity of dealing with legislation, I wonder if all members realise the impact of section 4. Even with the little time we have had in terms of going back over the various items of legislation that have since impacted on the principal legislation in 1994, it is very important that there is clear understanding of what we are being asked to do here. It is important that the draft regulations are presented before both Houses of the Oireachtas and must be passed by resolution before they can thereby proceed.

Deputy James Reilly: As I said, unlike previous equalisation schemes such as the one in 2003 which were mainly set out in regulations the new scheme, including the rates for risk equalisation credits and stamp duty levies, will be set in future in primary legislation. It is unnecessary to bring them in in draft form and then have them introduced through primary legislation.

Chairman: How stands the amendment?

Deputy Caoimhghín Ó Caoláin: I am regretful that the Minister would not accede to this. I do not believe the amendment-----

Chairman: Is the Deputy pressing the amendment?

Deputy Caoimhghín Ó Caoláin: ----, if accepted, would be *ultra vires* in terms of any other provision in other legislation. One would not be in conflict with the other. In deference to the fears expressed and concerns articulated, the Minister could concede to allow paragraphs (*b*) and (*c*) to stand. I make my appeal again because I believe it is critical.

Deputy James Reilly: My advice is that this is unnecessary and would only complicate matters. Provisions exist to ensure the Oireachtas has a strong hand in these matters through the primary legislation. It is important to state it is not that the legislation is passed and that is it. Each time the primary legislation is changed, it must come back to the Oireachtas which must vote on it.

Deputy Caoimhghín Ó Caoláin: I stress the importance of Members of the Houses having full sight and scrutiny over regulations in draft form.

Amendment put and declared lost.

Section 4 agreed to.

Section 5 agreed to.

SECTION 6

Chairman: Amendments Nos. 4, 7, 8 and 17 are related and may be discussed together.

Deputy James Reilly: I move amendment No. 4:

In page 8, to delete lines 4 and 5 and substitute the following:

" 'advanced cover' shall be construed in accordance with section 11E(4);".

Amendments Nos. 4 and 7 propose the deletion of the definition of non-advanced and advanced products as defined in section 11E. Amendment No. 17 provides replacement definitions for them. Since I published the Bill, the Department has had very useful and constructive discussions with the private health insurers, through the consultative forum, on the various provisions of the Bill. As a result of the discussions, I have decided to introduce an objective delineation between products which the Health Insurance Authority is satisfied provide for non-advanced cover and all other products. This provides a more clearly defined definition for non-advanced products as those which will provide not more than 66% of the full cost of hospital charges in a private hospital or not more than the prescribed minimum payments under the Health Insurance Act 1994 (Minimum Benefit) Regulations 1996. Any other relevant contract is a relevant contract which provides for advanced cover. Amendment No. 8 provides for the definition of private hospital accommodation for the entire Bill rather than confining it to section 11. Private hospital accommodation means accommodation in a private hospital, whether or not in a bed, or accommodation in a publicly funded hospital in a bed which is designated as private.

Deputy Denis Naughten: Will the Minister clarify the difference between a public hospital

and a private hospital? He stated in a private hospital it is either a bed or not a bed whereas in a public hospital it is a only a bed. Is the Minister stating there is a difference if the procedure is carried out as a day procedure in a public hospital? Will the Minister elaborate on the implications of this? I thought the idea was to incentivise people to have day procedures. Correct me if I am wrong, but this would incentivise people to stay in a bed in a public hospital.

Deputy James Reilly: The reality is that all the activity is covered in the public hospital, whether a bed, a day case or day surgery.

Deputy Denis Naughten: In his contribution the Minister differentiated between private and public hospitals. I am asking why this differentiation was made.

Deputy James Reilly: To reflect what is in the marketplace. There are side-room fees in private hospitals whereas in public hospitals it is generally a bed.

Chairman: Are we incentivising more use of day care procedures where a patient is in and out on the same day and the elimination of overnight stays? Are we allowing for the market to reflect this?

Deputy James Reilly: We are. This is the goal and part of the further policy to which I alluded with regard to reducing the cost of private health care.

Deputy Caoimhghín Ó Caoláin: My question is on amendment No. 7. It states non-advanced cover shall be construed in accordance with section 11E(4), but from my reading of this section, and I am always fearful of doing this because somebody may state I have missed something, it does not refer to non-advanced cover. It refers to advanced cover but not to non-advanced cover. It is on page 22 of the Bill. These are explanations for a table of various descriptions, but in trying to follow the reference in amendment No. 7 to non-advanced cover through the body of the Bill, I cannot find an equivalent reference to the specific section referred to, which refers to advanced cover but not non-advanced cover. I would like to have this pathway explained.

Deputy James Reilly: The amendment is to address the deficit the Deputy just highlighted and he is quite right.

Deputy Caoimhghín Ó Caoláin: I am a very sad person having gone through all of this as I have and as the Minister can quite obviously note.

Deputy James Reilly: It is to address the issue the Deputy has raised. This is why it reads as it does. A relevant contract provides health insurance cover for not more than 66% of the full cost of hospital charges in a private hospital, or not more than the prescribed minimum payment within the meaning of the Health Insurance Act 1994 (Minimum Benefit) Regulations 1996, whichever is the greater. Any other relevant contract is one which provides for advanced cover. The references in the Act to non-advanced cover and advanced cover shall be construed accordingly. The amendment is defining the gap alluded to by the Deputy.

Deputy Caoimhghín Ó Caoláin: I was only helping the Minister.

Deputy James Reilly: I thank the Deputy. I appreciate it. It is good to know Deputy Ó Caoláin is on the ball and keeping me on my toes.

Chairman: Long may it continue.

Amendment agreed to.

Chairman: Amendments Nos. 5 and 6 are related and will be discussed together.

Deputy James Reilly: I move amendment No. 5:

In page 8, line 38, after "stay" to insert ", on or after 31 March 2013,".

Following consultation with insurers I have decided to commence the new risk equalisation rates from 31 March 2013. This is reflected in amendments Nos. 5 and 6. This period will provide a very useful window of time to insurers to trade into the new scheme. A hospital stay incurred under contracts effective from 31 March 2013 will have a hospital bed utilisation credit payable from the risk equalisation fund, while the current rates will remain in place from January to 30 March. I thank the insurers for their input to this because, in fairness, they must operate the market and there is no point in introducing legislation in a manner which makes the task ever more difficult.

Amendment agreed to.

Deputy James Reilly: I move amendment No. 6:

In page 8, line 42, to delete "1 January" and substitute "31 March".

Amendment agreed to.

Deputy James Reilly: I move amendment No. 7:

In page 8, between lines 44 and 45, to insert the following:

" 'non-advanced cover' shall be construed in accordance with section 11E(4);".

Amendment agreed to.

Deputy James Reilly: I move amendment No. 8:

In page 9, to delete lines 6 and 7 and substitute the following:

" 'private hospital accommodation' means—

(*a*) accommodation in a private hospital, whether or not in a bed, or

(*b*) accommodation in a publicly funded hospital in a bed which is designated, pursuant to Article (8)(i) of the Health Services (In-Patient) Regulations 1991 (S.I. No. 135 of 1991), as a designated private bed;".

Amendment agreed to.

Question proposed: "That section 6, as amended, stand part of the Bill."

Deputy Denis Naughten: I wish to ask about the hospital bed utilisation credit. Currently, the loading is based on age. It appears that under the definition of hospital bed utilisation credit people are being incentivised to remain in hospital beds and that the greater bed utilisation is the more an insurer will be paid. I thought the objective was to keep people out of hospital. As such, insurers should be encouraging patients to undergo screening to identify a disease at an early stage and have it treated in a primary care setting. It appears that under the definition of hospital bed utilisation credit the incentive is to make use of hospital beds and that the greater

the number who go into hospital the more the insurer will receive. I accept that the objective is to try to get a measure of a person's health and have the insurance loading based on this. I also accept the principle of what the Minister is trying to do. However, I question this as a mechanism by which to do so. Is it not possible to come up with a better definition of a person's health and to have the risk equalisation based on a formula other than acute hospital bed utilisation which surely is a poor mechanism?

Deputy James Reilly: I beg the Deputy's indulgence and ask him to wait until we reach section 13 when this matter will be dealt with comprehensively. The €75 per day rate provided for would not encourage any insurer to have a patient in a bed, but as I said, I will deal with this matter in a more comprehensive fashion when we reach section 13.

Deputy Denis Naughten: Okay.

Deputy Billy Kelleher: Reference was made to concerns about people whose insurers had paid health providers for treatment or care they had not received. With whom, other than their insurer, should such persons make contact in this regard? We have all received anecdotal evidence of this happening. I have made representations to health insurance companies on behalf of people who were dissatisfied with their insurer having unquestioningly paid bills from health care providers. Is there a mechanism in place under which a person can make a formal complaint in this regard? For example, the Bill refers to "the sum of all benefits paid under the health insurance contract concerned referred to in that definition in respect of hospital in-patient services provided during the hospital stay concerned referred to in that definition of the insured person". Is there a mechanism in the Bill under which a person can address these concerns, other than having recourse to the Insurance Ombudsman and so on?

Deputy James Reilly: No, there is nothing specific in the Bill in that regard. People can raise such concerns with the Health Insurance Authority. They should, in the first instance, take up the matter with their insurer which should have an interest in keeping tabs on what is going on and keeping down the cost to its clients. I do not believe there is a necessity for the creation of a new agency or organisation.

Deputy Billy Kelleher: I am not suggesting a new agency should be created. We have all made representations to insurers which have paid health care providers for treatments people did not receive while in hospital. When one contacts the insurance companies on behalf of constituents, one is told it is not an issue of concern, but it is if it results in premiums increasing.

Chairman: This is becoming the norm rather than the exception. I concur with the Deputy that people are now questioning their bills because of the increased cost of premiums.

Deputy James Reilly: Is the Chairman and the Deputy saying the insurance companies are not taking action?

Deputy Billy Kelleher: I do not know. What I do know is that it is cumbersome for a person who has just come out of hospital and receives a letter from his or her insurance company saying the bill for his or her care and treatment has been paid to have to address concerns in this regard.

Deputy James Reilly: Perhaps we might explore the engagement of a subsection on the Health Insurance Authority in this regard.

Chairman: People are now scrutinising the bills they receive from hospitals. I was told

recently by a person that he had been billed for treatments he did not receive, although it may have been an administrative error. However, some people are being billed for treatments they have not received. We were told at a recent meeting with the health insurers and the Health Insurance Authority that people should shop around. The health insurers need to make things easier for consumers. The Minister is correct that there is a need for them to be more open and transparent in what they do.

Deputy James Reilly: I could not agree more and it is welcome that the committee has taken up this point. I hope the issue will receive an airing in the media. People should be prepared to contact their insurers when they believe they have paid health care providers for treatments they did not receive or for additional days during which they were not in hospital. I am sure the insurers do not wish to pay out money unnecessarily. Private insurers want to make a profit and VHI wants to remain solvent. Once the customer has contacted his or her insurer, the insurer should undertake to investigate the matter and correspond with him or her. If this becomes a problem in so far as people believe insurers are not doing so, in particular VHI, I as the main shareholder on behalf of the public, I will take up the matter with it.

Question put and agreed to.

SECTION 7

Chairman: Amendments Nos. 9, 11, 15 and 16 are related and will be discussed together.

Deputy James Reilly: I move amendment No. 9:

In page 10, paragraph (*a*)(i), line 42, to delete " "90" " and substitute " "60" ".

My priority is implementation of a robust risk equalisation scheme, while minimising the impact on an insurer's ability to carry on its business. However, in response to market proliferation of products - I mentioned that while the figure provided in this regard was €200 plus, in reality it was €5,000 - and segmentation strategies designed to restrict access to certain products, the provisions for the notification of products to the Health Insurance Authority are being revised. We are introducing two levels of cover. The HIA requires time to evaluate product categorisation. If types of health insurance contract were allowed to change during the course of the year, they could be changed in such a way that the stamp duty and risk equalisation credits applicable to them would no longer be appropriate.

My Department chaired three meetings of the consultative forum on health insurance which comprises the four health insurers, the Health Insurance Authority and my Department. At these meetings the central focus was on the Bill before the committee. The meetings provided insurers with an opportunity to participate in and directly contribute to discussions on a planned working of the scheme. I thank the insurers for their constructive input and I am pleased to say that following consideration of the suggestions made, I have agreed to propose amendments Nos. 9, 11, 15 and 16 which will allow insurers an opportunity to trade into the new system and reduce the impact on their businesses of the revised notification periods.

Amendment agreed to.

Section 7, as amended, agreed to.

Section 8 agreed to.

NEW SECTION

Deputy Denis Naughten: I move amendment No. 10:

In page 11, before section 9, to insert the following new section:

"9.—Section 7A of the Principal Act is amended, in subsection (7):

"(*c*) notwithstanding the introduction of Universal Health Insurance,require that the registered undertaking concerned, to take into account the circumstances referred to in subsection (4).".".

The purpose of the amendment is to address the spiralling cost of health insurance. We are all aware that health insurance premiums have at least doubled since 2009 and that up to 200 people a day are leaving the health insurance system. It was reported again over the week-end that families faced an increase of €400 per annum in health insurance premiums in a new round of price increases. Officials of the Health Insurance Authority who appeared before the committee a few weeks ago said the provisions included in the 2001 Act on lifetime community rating would help to reduce the cost of insurance.

All the insurers who came before the committee made that point.

In a report produced by the Health Insurance Authority, HIA, last year, it was indicated that if risk equalisation was fully introduced across the board to cover age and gender, the levy would be set at approximately €400. That is approximately €1,000 per family of two adults and two children. It is also without covering the issue of health status, which we are now including with this legislation.

Currently, families are paying approximately €760 to cover risk equalisation. Premium inflation is putting significant pressure on families, with 80,000 people projected to leave the system this year. It is putting greater pressure on premiums paid by older people, and incentives must be put in the market to grow it. We all agree that the market should be grown because if it is not widened, we will put pressure on the public hospital system. We would be making it more expensive for foreign direct investment coming into the country, with many companies paying the cost of private health insurance for employees. That will put a mountain before any attempts to implement universal health insurance.

Under the Dutch model, before the introduction of universal health insurance, approximately 80% to 90% of the population had private health insurance. Our level is already at less than 50% and it is falling dramatically. Within the next couple of years the level will probably be under 40%, which puts a major challenge to the Exchequer, especially if the numbers have to be increased as part of the introduction of universal health insurance.

My amendment would introduce a provision in the legislation stating that the 2001 Act, which introduced lifetime community rating, would roll over into the new universal health insurance system. The HIA and the insurers which came before the committee have argued that the enactment of that provision would have a direct impact on the overall cost of health insurance for families throughout this country. The difficulty, according to the HIA, is that they could not advise the introduction of that particular provision because of the proposed introduction of universal health insurance, which would level the playing pitch for everybody. In theory, it is ideal to level the pitch for everybody but the difficulty is that the challenge of introducing universal health insurance would be far greater.

I am asking the Minister to consider the continuation of the incentive into the new universal health insurance system. That would allow for the regulation to be signed tomorrow morning

and send a clear message to the people coming in before a 35th birthday that there is an incentive in the long term for them to be in the health insurance market. There is currently no such incentive. By introducing age related community rating that would continue in the future, along with full tax relief, there would be an impact on the current cost of health insurance and the long-term viability of health insurance.

I do not believe my time is restricted in speaking on Committee Stage.

Chairman: Yes, but there is a vote and some members want to go to the Dáil.

Deputy Denis Naughten: I understand that but this is an important amendment.

Chairman: I accept that.

Deputy Denis Naughten: The issue of health insurance cost is being raised by everybody on the streets of this country. The only solution raised when the committee held hearings involved the 2001 Act. As a result of universal health insurance, which will be introduced at some stage, we have been told this is not a viable option. I am trying to put some kind of structure in place that would make it a viable option in the medium term.

It is a complex issue and it will not be straightforward. There is time in debating universal health insurance to consider how to build in that incentive. I am not saying what the incentive should be. The amendment would lay down a clear marker so that somebody already in the health insurance market who has paid premia for a long number of years would have some incentive to carry through into universal health insurance.

Deputy Billy Kelleher: I support the thrust of Deputy Naughten's amendment. This goes back to my original point. The difficulty I have is that there is there is no incentive for a young person to take out health insurance other than a belief that he or she may get sick. The difficulty we have is that between now and the Holy Grail of the proposed universal health insurance, there is no reward for a person to take out insurance. For the next number of years, regardless of how efficiently universal health insurance is rolled out, there is almost no incentive for a person to get into the private health insurance market. There is no incentive in the Government's policy because people are making an assumption, based on the very difficult financial circumstances in which they find themselves, that there will be universal health insurance down the road. In the meantime, if I decide to take insurance, what loyalty reward will I have over the next few years to when universal health insurance is introduced? That is of major importance to a young person deciding to take out health insurance now rather than waiting a number of years when it is forced on that person.

We have raised the issue in the committee on numerous occasions. Nobody is able to provide an answer other than health insurance providers are putting plans or policies in place that may encourage new business. At the same time, there is nothing that will give a person a reward for taking out private health insurance between now and the introduction of universal health insurance. They do not know what the universal health insurance will be and will get no credit for making a contribution to the provision of health care.

Deputy James Reilly: I believe the Deputy is missing the fact that a person's reward is in their cover, which is why 47% of the population have such cover. However, the issue has been raised. If we were moving to universal health insurance, I would certainly be aggressively pursuing the issue with insurers. Is it fair that somebody in their 50s takes out insurance and gets the same rate as somebody else the same age who has been insured for 40 years? It is an issue,

given that we only have a couple of years to go to the implementation of universal health insurance. It will not be fully introduced by 2016 but we hope to have it started quite well.

I do not know what sort of incentives we could put in place that would work within the context of universal health insurance but I am quite prepared to examine the matter. There were discussions with the insurers about this and I would be happy to discuss the matter again if there is some way of incentivising people to stay in insurance schemes. The Deputies are quite right in that people who are younger and healthier do not see insurance as importantly as people who are older. I am one of the people who have been with VHI all their lives. I accept the sentiment of the amendment and we will look at it. I cannot accept the amendment as currently constructed but we are well disposed to it. It is a valid point.

Deputy Denis Naughten: I accept the Minister's comments and on that basis I am prepared to withdraw the amendment and resubmit it on Report Stage. That will give him the opportunity to consider it. I accept that it is a complex area and it may not be possible for the Minister to formulate a simple answer. I am not seeking such a simple answer. We will have very detailed discussions on the implementation of universal health insurance. If this is laid down as a marker, better brains than ours could formulate a solution. We have many of the finest actuaries in the world in this country that could come up with some incentive. If we write into primary legislation that in universal health insurance there will be an incentive, the Minister will be facilitated in signing a regulation to implement the section in the 2001 Act. That would allow health insurers to tell people there is an incentive for people in their 20s or early 30s or 40s to take out health insurance over and above the reward of just being covered. The difficulty at present is that with the cost of cover rising every year, many people are deciding to stay out. They are healthy and fit and do not see the need to get cover now. They might decide to do it in five years, when universal health insurance, UHI, comes in. The people who have paid health insurance for years will be short-changed under the new UHI system, and they should be given some recognition in that regard.

I will withdraw the amendment and resubmit it on Report Stage. That will give the Minister an opportunity to examine it and, I hope, draw up his own amendment in this area. We all agree on what we want to do and it would help to address some of spiralling costs at present.

Deputy James Reilly: A number of issues must be considered. First, if UHI is in place in four years, and we intend that will be the case, it will be mandatory, as Deputy Kelleher is always keen to point out. Therefore, the need for incentives does not arise. Second, in the short timeframe that is available, it is difficult to see how we could do it, but we will examine it. Third, it would not be possible to have an incentive put in place now that impacts on UHI when it is introduced, because UHI is about equity and people being charged according to their means and being supported according to their lack of means.

The other problem with this is for those who have been working abroad and have returned here. They might have paid insurance when they were abroad so it would be necessary to accommodate that if one was to do something. Their commitment to insurance exists and they should not be penalised for having left the insurance in this country when they were not resident here for four or five years. We will have a look at it but it will not be so easy-----

Deputy Denis Naughten: Perhaps the Minister will clarify and correct me if I am wrong, but I understood that the idea behind UHI was that incentives would be built in, from an insurer's point of view, to keep people healthy. This relates to cost. That is the idea behind UHI. However, one must get the public to buy into that. Why should a smoker give up smoking if

there is no incentive built into it? It will not be a level playing pitch under UHI. It will be in the insurer's interest to provide some incentive to a person to give up cigarettes or lose an extra stone. There must be an incentive built into it or UHI will not work and we will not get the healthier population behind it, which is the objective. That is one of the flaws under the current Dutch system with regard to the number of people who are going for procedures whose necessity is questionable. If one is to build that type of incentive into it, which I presume is the principle behind UHI, surely one can also include some incentive, whatever it is, for people who have paid health insurance for 30 or 40 years. That would provide an incentive to grow the market in the current climate, which is extremely challenging and is haemorrhaging members.

Amendment, by leave, withdrawn.

SECTION 9

Deputy James Reilly: I move amendment No. 11:

In page 11, to delete lines 13 to 48 and in page 12, to delete lines 1 to 42 and substitute the following:

" "7AB.—(1) A registered undertaking shall not offer in the State a new type of health insurance contract (and regardless of whether the contract is already offered outside the State by the undertaking or any other person) unless it has submitted a sample of the contract to the Authority not later than 30 days before first making such offer.

(2) Subject to subsection (3), a registered undertaking shall not change in any material particular the benefits payable under a type of health insurance contract that it offers in the State unless it has submitted a sample of the contract as so changed (in this Act referred to as a 'changed existing contract') to the Authority not later than 30 days before first making such change.

(3) (*a*) A registered undertaking shall not in any calendar year change the benefits payable under a type of relevant contract (non-advanced cover) that it offers in the State such that it becomes a type of relevant contract (advanced cover) except—

(i) in the case of the calendar year 2013, with effect from 31 March 2013, and

(ii) in the case of any subsequent calendar year, with effect from 1 January of that subsequent calendar year.

(*b*) A registered undertaking shall not in any calendar year change the benefits payable under a type of relevant contract (advanced cover) that it offers in the State such that it becomes a type of relevant contract (non-advanced cover) except—

(i) in the case of the calendar year 2013, with effect from 31 March 2013, and

(ii) in the case of any subsequent calendar year, with effect from 1 January of that subsequent calendar year.

(4) Without prejudice to section 7(1)(*a*), a registered undertaking may vary the premium payable for effecting a type of health insurance contract if it gives notice in writing of the variation to the Authority not less than 30 days before the variation takes effect.

(5) Notwithstanding subsection (1), a registered undertaking which has made an offer in the State to effect a health insurance contract of a particular type and which has maintained the offer for not less than the 60 consecutive days required by section 7(1)(*a*)(i)(I) may cease to make that offer in the State if it gives notice in writing of the cesser to the Authority not less than 30 days before the cesser takes effect.

(6) Without prejudice to the operation of subsection (5), the notice in writing required to be given to the Authority under that subsection by a registered undertaking in respect of a cesser referred to in that subsection may be given before the expiration of the 60 consecutive days referred to in that subsection.

(7) Nothing in subsections (2) to (6) shall be construed to prejudice a health insurance contract of the type referred to in subsection (5) effected before the cesser referred to in subsection (5) takes effect and, accordingly, the contract continues in being in accordance with the terms and conditions on which it was effected.”.”.

Amendment agreed to.

Section 9, as amended, agreed to.

Sections 10 to 12, inclusive, agreed to.

SECTION 13

Chairman: Amendments Nos. 12, 14 and 20 are related and may be discussed together. Is that agreed? Agreed.

Deputy James Reilly: I move amendment No. 12:

In page 14, line 50, to delete “the Table” and substitute “Table 2”.

I have agreed the rates for risk equalisation credits in respect of hospital bed utilisation credit of €75 in respect of a hospital stay involving an overnight stay in a hospital bed in private hospital accommodation by an insured person where the insured person is such a person under a health insurance contract effective for any period commencing on or after 31 March 2013. I will provide for this on Report Stage in Schedule 3. I have agreed the rates for risk equalisation credits in respect of age and gender and I will provide for these on Report Stage in Schedule 4, Table 2. There is non-advanced cover and advanced cover. I will circulate the list to the members. They will see there is a difference between the non-advanced cover and the advanced cover. This is to ensure people who are taking out the basic plan A are not subsidising to an unfair extent as a percentage of their package people who are in a much more expensive product plan.

Deputy Denis Naughten: Does what has been circulated to us replace Schedule 4?

Chairman: The officials have circulated it to the members.

Deputy James Reilly: This relates to the amount of premium to be paid from the fund in respect of certain classes of insured persons based on age and sex of insured persons and their type of insurance cover on the date the contract is effected, and the amount applicable from the period from and including 1 January 2013 to and including 30 March 2013. The schedule has been given to the members. These are the rates that currently apply on the interim scheme.

Deputy Denis Naughten: The white sheet is the rates that will apply between 1 January and 30 March 2013.

Deputy James Reilly: That is correct.

Deputy Denis Naughten: Does Schedule 4 apply after that?

Deputy James Reilly: Yes, Table 2 in Schedule 4.

Deputy Denis Naughten: These payments will be paid for the first quarter of the year based on the number of clients one has in this age group. In addition to that, there will be a €75 per day payment for hospital stays. Is that correct? However, it is only to apply for the first of quarter of the year.

Deputy James Reilly: Yes.

Deputy Denis Naughten: After that Schedule 4 will kick in.

Deputy James Reilly: Yes, Schedule 4, Table 2.

Deputy Denis Naughten: We have not been told what is in Schedule 4, Table 2.

Deputy James Reilly: Was the note not circulated?

Deputy Denis Naughten: No.

Chairman: If the Deputy reads the last line of the first paragraph, it states that the Minister will provide for this on Report Stage as Schedule 3.

Deputy Denis Naughten: What will he provide for on Report Stage? This is the difficulty. I have just been told by the Minister that this will apply from 1 January to 30 March. Now, I am being told otherwise.

Deputy James Reilly: This is advance notice. These will be brought forward on Report Stage. It will be the same figures as the Deputy has in front of him. This is to give the Deputy advance notice of them.

Deputy Denis Naughten: Yes. I am trying to find out what these figures represent.

Deputy James Reilly: They will not be in until 31 March.

Deputy Denis Naughten: What are they for?

Deputy James Reilly: The age related credits.

Deputy Denis Naughten: Are we deleting Schedule 4 altogether and replacing it with what is on the white sheet circulated?

Deputy James Reilly: Yes. Schedule 4, table 1, becomes Schedule 2, table 2. These figures were agreed today with the Minister for Finance. These are the new rates which will come into play on 31 March 2013. The existing rates remain until that time.

Deputy Denis Naughten: What is in the amendment we received will remain place up to 30 March 2013 and from that date, the note which has just been circulated will come in.

Deputy James Reilly: Correct. This was done at the request of the insurers to allow them to trade in to the new arrangements.

Deputy Denis Naughten: Will the Minister explain this hospital bed utilisation credit he said he would deal with at this stage?

Deputy James Reilly: We have not got the full data yet for health status. This is just an acknowledgement towards health status but we need much more data in regard to chronic illness, etc. of the population to be able to have a much more accurate way to support the situation. This is only a temporary fix. I know it is not the most scientific but it is an acknowledgement towards the cost of the bed utilisation. It will be refined later in the year.

Deputy Denis Naughten: I accept the Minister's explanation in regard to this. I would be very concerned about the use of bed utilisation as an assessment of health status. I accept that putting something else in place will not happen overnight and that it will be complex. I accept the principle of what the Minister said and that it may take a couple of months to develop it, and I fully accept that this legislation needs to be in place by the end of the year. If that is the case, it is imperative a sunset clause is put into this. I would have serious reservations about putting a bed utilisation provision in primary legislation which could kick the can down the road. I do not believe it is a good assessment of health status. In fact, I think it incentivises what all of us involved in the health service in one role or another believe is the wrong way to go, that is, driving people into hospital whereas we should be driving incentives to keep people out of hospital and treat them in the primary care setting in so far as is possible. It runs contrary to everything on which we all agree. If the Minister cannot come up with a better calculation in the short term - I accept it is not simple to come up with one - a sunset clause must be built into this.

Chairman: I agree with Deputy Naughten in that it is important we maintain our focus on the whole issue of bed utilisation and, more importantly, on getting people out of hospitals into the community, adopting the model the Minister is proclaiming in terms of primary care and allowing more treatments and more involvement between the patient and the medical services to be in the primary care setting rather than in hospital. We need to prioritise this. I hate using the word "incentivise" but we must give people an incentive to stay away from the hospital and go to their primary care team. I do not know how we are going to do that but it is important.

Deputy James Reilly: I accept what the Chairman and Deputy Naughten said in terms of the sentiment. What we have to do is create a situation where both the patient and the insurer are incentivised to keep out of hospitals. The risk equalisation scheme is attempting to do that. As I said at the outset, we do not have enough information yet. The Dutch use this system but they have nine different parameters to use in this regard.

We are trying to increase the factors to be risk adjusted to include a measure of health status and, where available, pharmaceutical cost groups or diagnostic cost groups are used internationally as an indicator of chronic illness and attract risk equalisation payments accordingly. They have been very successful in Holland in doing this. While those data are not currently available in Ireland to the level of detail required, I am committed to developing proposals to risk adjust based on a measure of chronic illness when the necessary data are to hand. It is an area in which I consider the market operators can be of particular assistance. Once the required data are gathered, I intend to progress work on developing a usable risk adjustment measure for health status.

In the meantime, this Bill provides for resource usage to be used as a proxy for health status

as a risk factor. Resource usage data are readily available and easy to verify and are used in other countries to risk adjust but this will put it up to the insurers. We want to engage with them and we are putting it up to them to come up with some ideas as the operators in the market as to how we can help them insure people are treated at the lowest level of complexity that is safe, timely, efficient and as near to home as possible, which I think is something everybody here agrees with. I do not see any problem with a sunset clause and I will certainly look at that for Report Stage.

Amendment agreed to.

Section 13, as amended, agreed to.

SECTION 14

Question proposed: "That section 14 stand part of the Bill."

Deputy James Reilly: There may be amendments to section 14 on Report Stage in regard to a query the Commission recently raised.

Chairman: Will the Minister give members prior notification of that?

Deputy James Reilly: I certainly will.

Question put and agreed to.

SECTION 15

Chairman: Amendments Nos. 13, 18 and 19 are related and may be discussed together.

Deputy James Reilly: I move amendment Nos. 13:

In page 17, line 3, to delete "11F" and substitute "11G".

Section 15 is an amendment to the principal Act and inserts a new section 11A to 11F. Section 11A provides for a risk equalisation scheme for the purposes of assisting in the achievement of the principal objective. Section 11B sets out to whom the scheme will and will not apply. Section 11C includes a provision taken in conjunction with Schedules 3 and 4 to make payments from the fund of credits in respect of a hospital utilisation charge and the amount of premium to be paid from the fund in respect of age, sex and type of cover. The rate of risk equalisation credit for 2013 to apply in respect of the amount of premium to be paid from the fund in respect age, sex and type of cover will also be inserted into Schedule 4 on Report Stage.

Section 11D empowers the HIA to establish a fund as well as setting out what will be paid into and out of the fund. It also provides that for the purpose of maintaining a sufficient amount of moneys, the Minister for Finance may advance funding to the HIA through a special account. Section 11E requires the HIA to categorise each type of health insurance contract to allow for appropriate risk equalisation credits and stamp duty payments which will apply in respect of advanced and non-advanced levels of types of contracts. The HIA will make regulations accordingly and enter the particulars in the register of health insurance contracts.

Section 11F provides that the Minister will make regulations relating to the making of claims for risk equalisation credits under the scheme. Provisions for a risk equalisation scheme are set out in this section as well as who it applies to, how it will operate and how an insurer can make

a claim for risk equalisation credits. The section provides the HIA with powers to establish and operate the risk equalisation fund as well as power to make regulations specifying which products it determines to be non-advanced cover.

Amendment agreed to.

Deputy James Reilly: I move amendment No. 14:

In page 17, to delete lines 31 to 47 and substitute the following:

"11C.—(1) (*a*) Where a registered undertaking effects, before 31 March 2013, a relevant contract for any period commencing on or after 1 January 2013, it shall, in respect of each insured person who falls within a class of insured person specified in column 1 of Table 1* set out in Schedule 4, not collect from the policy holder such part of the premium payable (or, if that premium is payable by instalments, not so collect pro rata from the instalments) in respect of the provision of health insurance cover under that contract to that person—

(i) as is equal to the amount (if any) specified in column 2 of that Table opposite that class of insured person, and

(ii) on the basis that that part of the premium payable is payable from the Fund.

(*b*) Where a registered undertaking effects, on or after 31 March 2013, a relevant contract for any period commencing on or after that date, it shall, in respect of each insured person who falls within a class of insured person specified in column 1 of Table 2* set out in Schedule 4, not collect from the policy holder such part of the premium payable (or, if that premium is payable by instalments, not so collect pro rata from the instalments) in respect of the provision of health insurance cover under that contract to that person—

(i) as is equal to the amount (if any) specified in column 2 of that Table opposite that class of insured person, and

(ii) on the basis that that part of the premium payable is payable from the Fund.".

Amendment agreed to.

Deputy James Reilly: I move amendment No. 15:

In page 21, to delete lines 39 to 41 and substitute "expiration of 30 days after the".

Amendment agreed to.

Deputy James Reilly: I move amendment No. 16:

In page 22, to delete lines 12 and 13 and substitute the following:

"the expiration of 30 days after the changed existing contract was".

Amendment agreed to.

Deputy James Reilly: I move amendment No. 17:

In page 22, to delete lines 33 to 52 and in page 23, to delete lines 1 and 2 and substitute

the following:

"(4) For the purposes of this Act—

(*a*) a relevant contract which provides health insurance cover for—

(i) not more than 66 per cent of the full cost for hospital charges in a private hospital, or

(ii) not more than the prescribed minimum payments within the meaning of the Health Insurance Act 1994 (Minimum Benefit) Regulations 1996 (S.I. No. 83 of 1996),

whichever is the greater, is a relevant contract which provides for non-advanced cover, and

(*b*) any other relevant contract is a relevant contract which provides for advanced cover,and references in this Act to 'non-advanced cover' and 'advanced cover' shall be construed accordingly.".

Amendment agreed to.

Deputy James Reilly: I move amendment No. 18:

In page 23, to delete lines 10 to 20 and substitute the following:

"(*b*) the information returns to be made by registered undertakings or former registered undertakings to the Authority in respect of relevant contracts, or a class of relevant contracts, offered or entered into by them,

(*c*) the provision of other information by a registered undertaking or former registered undertaking required by the Authority in respect of a particular claim or class of claims, and

(*d*) the making of enquiries by the Authority and the keeping of records by registered undertakings or former registered undertakings, in respect of claims or a class of claims.".

Amendment agreed to.

Deputy James Reilly: I move amendment No. 19:

In page 23, between lines 20 and 21, to insert the following:

"11G.—(1) The Authority may specify the form of documents (including the form of a claim referred to in section 11C(2)) required for the purposes of the Risk Equalisation Scheme as the Authority thinks appropriate.

(2) The Authority's power under subsection (1) may be exercised in such a way as to—

(*a*) include in the specified form of any document referred to in that subsection a statutory declaration—

(i) to be made by the person completing the form, and

(ii) as to whether the particulars contained in the form are true and correct to the best of that person's knowledge and belief,

and

(*b*) specify 2 or more forms of any document referred to in that subsection, whether as alternatives, or to provide for particular circumstances or particular cases, as the Authority thinks appropriate.

(3) The form of a document specified under this section shall be—

(*a*) completed in accordance with such directions and instructions as are specified in the document,

(*b*) accompanied by such other documents as are specified in the document,

and

(*c*) if the completed document is required to be provided to—

(i) the Authority,

(ii) another person on behalf of the Authority, or

(iii) any other person,

so provided in the manner (if any) specified in the document..

Amendment agreed to.

Section 15, as amended, agreed to.

Sections 16 to 20, inclusive, agreed to.

SECTION 21

Deputy James Reilly: I move amendment No. 20:

In page 47, to delete lines 1 to 64 and to delete pages 48 to 50 and substitute the following:

" SCHEDULE 4

AMOUNT OF PREMIUM TO BE PAID FROM FUND IN RESPECT OF CERTAIN CLASSES OF INSURED PERSON BASED ON AGE AND SEX OF INSURED PERSONS AND THEIR TYPE OF INSURANCE COVER ON DATE CONTRACT IS EFFECTED

TABLE 1

AMOUNT APPLICABLE FOR PERIOD FROM AND INCLUDING 1 JANUARY 2013 TO AND INCLUDING 30 MARCH 2013

Class of Insured Person	Amount of premium to be paid from Fund
Male aged 50 years and over but less than 55 years on the date the relevant contract (being a relevant contract (non-advanced cover)) is renewed or entered into, as the case may be	Nil
Male aged 50 years and over but less than 55 years on the date the relevant contract (being a relevant contract (advanced cover)) is renewed or entered into, as the case may be	Nil
Female aged 50 years and over but less than 55 years on the date the relevant contract (being a relevant contract (non advanced cover)) is renewed or entered into, as the case may be	Nil
Female aged 50 years and over but less than 55 years on the date the relevant contract (being a relevant contract (advanced cover)) is renewed or entered into, as the case may be	Nil
Male aged 55 years and over but less than 60 years on the date the relevant contract (being a relevant contract (non-advanced cover)) is renewed or entered into, as the case may be	Nil
Male aged 55 years and over but less than 60 years on the date the relevant contract (being a relevant contract (advanced cover)) is renewed or entered into, as the case may be	Nil
Female aged 55 years and over but less than 60 years on the date the relevant contract (being a relevant contract (non advanced cover)) is renewed or entered into, as the case may be	Nil
Female aged 55 years and over but less than 60 years on the date the relevant contract (being a relevant contract (advanced cover)) is renewed or entered into, as the case may be	Nil
Male aged 60 years and over but less than 65 years on the date the relevant contract (being a relevant contract (non-advanced cover)) is renewed or entered into, as the case may be	€600.00

Male aged 60 years and over but less than 65 years on the date the relevant contract (being a relevant contract (advanced cover)) is renewed or entered into, as the case may be	€600.00
Female aged 60 years and over but less than 65 years on the date the relevant contract (being a relevant contract (non advanced cover)) is renewed or entered into, as the case may be	€600.00
Female aged 60 years and over but less than 65 years on the date the relevant contract (being a relevant contract (advanced cover)) is renewed or entered into, as the case may be	€600.00
Male aged 65 years and over but less than 70 years on the date the relevant contract (being a relevant contract (non-advanced cover)) is renewed or entered into, as the case may be	€975.00
Male aged 65 years and over but less than 70 years on the date the relevant contract (being a relevant contract (advanced cover)) is renewed or entered into, as the case may be	€975.00
Female aged 65 years and over but less than 70 years on the date the relevant contract (being a relevant contract (non advanced cover)) is renewed or entered into, as the case may be	€975.00
Female aged 65 years and over but less than 70 years on the date the relevant contract (being a relevant contract (advanced cover)) is renewed or entered into, as the case may be	€975.00
Male aged 70 years and over but less than 75 years on the date the relevant contract (being a relevant contract (non-advanced cover)) is renewed or entered into, as the-case may be	€1,400.00
Male aged 70 years and over but less than 75 years on the date the relevant contract (being a relevant contract (advanced cover)) is renewed or entered into, as the case may be	€1,400.00
Female aged 70 years and over but less than 75 years on the date the relevant contract (being a relevant contract (non advanced cover)) is renewed or entered into, as the case may be	€1,400.00

Female aged 70 years and over but less than 75 years on the date the relevant contract (being a relevant contract (advanced cover)) is renewed or entered into, as the case may be	€1,400.00
Male aged 75 years and over but less than 80 years on the date the relevant contract (being a relevant contract (non-advanced cover)) is renewed or entered into, as the case may be	€2,025.00
Male aged 75 years and over but less than 80 years on the date the relevant contract (being a relevant contract (advanced cover)) is renewed or entered into, as the case may be	€2,025.00
Female aged 75 years and over but less than 80 years on the date the relevant contract (being a relevant contract (non advanced cover)) is renewed or entered into, as the case may be	€2,025.00
Female aged 75 years and over but less than 80 years on the date the relevant contract (being a relevant contract (advanced cover)) is renewed or entered into, as the case may be	€2,025.00
Male aged 80 years and over but less than 85 years on the date the relevant contract (being a relevant contract (non-advanced cover)) is renewed or entered into, as the case may be	€2,400.00
Male aged 80 years and over but less than 85 years on the date the relevant contract (being a relevant contract (advanced cover)) is renewed or entered into, as the case may be	€2,400.00
Female aged 80 years and over but less than 85 years on the date the relevant contract (being a relevant contract (non advanced cover)) is renewed or entered into, as the case may be	€2,400.00
Female aged 80 years and over but less than 85 years on the date the relevant contract (being a relevant contract (advanced cover)) is renewed or entered into, as the case may be	€2,400.00
Male aged 85 years and over on the date the relevant contract (being a relevant contract (non-advanced cover)) is renewed or entered into, as the case may be	€2,700.00

Male aged 85 years and over on the date the relevant contract (being a relevant contract (advanced cover)) is renewed or entered into, as the case may be	€2,700.00
Female aged 85 years and over on the date the relevant contract (being a relevant contract (non-advanced cover)) is renewed or entered into, as the case may be	€2,700.00
Female aged 85 years and over on the date the relevant contract (being a relevant contract (advanced cover)) is renewed or entered into, as the case may be	€2,700.00

TABLE 2

AMOUNT APPLICABLE ON AND AFTER 31 MARCH 2013

Class of Insured Person	Amount of premium to be paid from Fund
Male aged 50 years and over but less than 55 years on the date the relevant contract (being a relevant contract (non-advanced cover)) is renewed or entered into, as the case may be	
Male aged 50 years and over but less than 55 years on the date the relevant contract (being a relevant contract (advanced cover)) is renewed or entered into, as the case may be	
Female aged 50 years and over but less than 55 years on the date the relevant contract (being a relevant contract (non advanced cover)) is renewed or entered into, as the case may be	
Female aged 50 years and over but less than 55 years on the date the relevant contract (being a relevant contract (advanced cover)) is renewed or entered into, as the case may be	
Male aged 55 years and over but less than 60 years on the date the relevant contract (being a relevant contract (non-advanced cover)) is renewed or entered into, as the case may be	
Male aged 55 years and over but less than 60 years on the date the relevant contract (being a relevant contract (advanced cover)) is renewed or entered into, as the case may be	

Female aged 55 years and over but less than 60 years on the date the relevant contract (being a relevant contract (non advanced cover)) is renewed or entered into, as the case may be	
Female aged 55 years and over but less than 60 years on the date the relevant contract (being a relevant contract (advanced cover)) is renewed or entered into, as the case may be	
Male aged 60 years and over but less than 65 years on the date the relevant contract (being a relevant contract (non-advanced cover)) is renewed or entered into, as the case may be	
Male aged 60 years and over but less than 65 years on the date the relevant contract (being a relevant contract (advanced cover)) is renewed or entered into, as the case may be	
Female aged 60 years and over but less than 65 years on the date the relevant contract (being a relevant contract (non advanced-cover)) is renewed or entered into, as the case may be	
Female aged 60 years and over but less than 65 years on the date the relevant contract (being a relevant contract (advanced cover)) is renewed or entered into, as the case may be	
Male aged 65 years and over but less than 70 years on the date the relevant contract (being a relevant contract (non-advanced cover)) is renewed or entered into, as the case may be	
Male aged 65 years and over but less than 70 years on the date the relevant contract (being a relevant contract (advanced cover)) is renewed or entered into, as the case may be	
Female aged 65 years and over but less than 70 years on the date the relevant contract (being a relevant contract (non advanced cover)) is renewed or entered into, as the case may be	

Female aged 65 years and over but less than 70 years on the date the relevant contract (being a relevant contract (advanced cover)) is renewed or entered into, as the case may be	
Male aged 70 years and over but less than 75 years on the date the relevant contract (being a relevant contract (non-advanced cover)) is renewed or entered into, as the case may be	
Male aged 70 years and over but less than 75 years on the date the relevant contract (being a relevant contract (advanced cover)) is renewed or entered into, as the case may be	
Female aged 70 years and over but less than 75 years on the date the relevant contract (being a relevant contract (non advanced-cover)) is renewed or entered into, as the case may be	
Female aged 70 years and over but less than 75 years on the date the relevant contract (being a relevant contract (advanced cover)) is renewed or entered into, as the case may be	
Male aged 75 years and over but less than 80 years on the date the relevant contract (being a relevant contract (non-advanced cover)) is renewed or entered into, as the case may be	
Male aged 75 years and over but less than 80 years on the date the relevant contract (being a relevant contract (advanced cover)) is renewed or entered into, as the case may be	
Female aged 75 years and over but less than 80 years on the date the relevant contract (being a relevant contract (non advanced cover)) is renewed or entered into, as the case may be	
Female aged 75 years and over but less than 80 years on the date the relevant contract (being a relevant contract (advanced cover)) is renewed or entered into, as the case may be	

Male aged 80 years and over but less than 85 years on the date the relevant contract (being a relevant contract (non-advanced cover)) is renewed or entered into, as the case may be	
Male aged 80 years and over but less than 85 years on the date the relevant contract (being a relevant contract (advanced cover)) is renewed or entered into, as the case may be	
Female aged 80 years and over but less than 85 years on the date the relevant contract (being a relevant contract (non advanced-cover)) is renewed or entered into, as the case may be	
Female aged 80 years and over but less than 85 years on the date the relevant contract (being a relevant contract (advanced cover)) is renewed or entered into, as the case may be	
Male aged 85 years and over on the date the relevant contract (being a relevant contract (non-advanced cover)) is renewed or entered into, as the case may be	
Male aged 85 years and over on the date the relevant contract (being a relevant contract (advanced cover)) is renewed or entered into, as the case may be	
Female aged 85 years and over on the date the relevant contract (being a relevant contract (non-advanced cover)) is renewed or entered into, as the case may be	
Female aged 85 years and over on the date the relevant contract (being a relevant contract (advanced cover)) is renewed or entered into, as the case may be	

Amendment agreed to.

Section 21, as amended, agreed to.

Section 22 agreed to.

Title agreed to.

Deputy James Reilly: A financial resolution must be made. I have given a copy to the clerk; it was sent over earlier.

Deputy Caoimhghín Ó Caoláin: That was done and dusted on the floor of the Dáil. The Minister will be glad to hear I did not oppose it either.

Deputy James Reilly: That is very kind of the Deputy. I thank the committee for its suggestions and courtesy and look forward to Report Stage.

Deputy Denis Naughten: When does the Minister hope to take Report Stage?

Deputy James Reilly: As it must be taken before the recess, it will probably be taken next week.

Deputy Caoimhghín Ó Caoláin: What about the White Paper?

Deputy James Reilly: There will be an initial paper on universal health insurance before the end of the year and a full White Paper will follow next year.

Chairman: I thank the Minister and his officials for their assistance and courtesy. I welcome to the meeting Ms Róisín Finan, a transition year student from the Convent of Mercy in Roscommon who is working with Deputy Denis Naughten during her transition year.

Bill reported with amendments.

Message to Dáil

Chairman: In accordance with Standing Order 87, the following message will be sent to the Dáil:

> The Select Sub-Committee on Health has completed its consideration of the Health Insurance (Amendment) Bill 2012 and has made amendments thereto.

The select sub-committee adjourned at 7.50 p.m. until 9.30 a.m. on Thursday, 29 November 2012.