

EXECUTIVE NOTE

The Road Traffic (NHS Charges) Amendment (Scotland) Regulations 2006 (S.S.I. 2006/84)

1. The above instrument was made in exercise of the powers conferred by sections 3(2) and (4) and 16(2)(a) and (b) of the Road Traffic (NHS Charges) Act 1999. The instrument is subject to negative resolution procedure.

Policy Objectives

2. The purpose of the instrument is to increase the tariff that may be made and recovered as part of the system for the collection of NHS charges following road traffic accidents. These increases will apply to NHS charges in cases where compensation has been made in respect of incidents occurring on or after 1 April 2006. Tariffs will be increased as follows:

	Current	<u>From 1 April 2006</u>
Where the traffic casualty received NHS treatment at a hospital in respect of his/her injury but was not admitted to hospital (flat rate)	£483	£505
Where the traffic casualty received NHS treatment at a hospital in respect of his/her injury and was admitted to hospital (daily rate)	£593	£620
The cap (being the maximum amount that will be claimed from a compensator) in any one case resulting in admission to hospital	£35,500	£37,100

3. Charges are increased annually in line with the Hospital and Community Health Services (HCHS) pay and price inflation figure. The latest available figure is 5.2% for the year 2003-04. In previous years calculations were based on forecasts for years for which figures were not then available. Now, the increase is calculated using an average amount based on the three most recent years for which figures are known (i.e. 2001-02, 2002-03 and 2003-04) and this has resulted in an increase in the Tariff from 1st April of 4.6%.

Background

4. The scheme to recover NHS costs has been administered on behalf of NHSScotland since 5th April 1999 by the Compensation Recovery Unit of the Department of Work and Pensions in accordance with an agency arrangement under section 93 of the Scotland Act 1998. Prior to this, arrangements for recovering the charges were bureaucratic and complicated with individual hospitals responsible for collecting information and recovering charges themselves. As a result, hospitals failed to recover the bulk of the payments to which they were entitled. Since April 1999, the following amounts of NHS costs have been recovered:

Year	Summary of payments made to NHSScotland £m
1999-2000	1.837
2000-2001	4.595
2001-2002	5.971
2002-2003	5.819
2003-2004	5.811
2004-2005	6.844
2005-2006 (to Jan 2006)	5,688

Financial effects

5. The instrument has no financial effects on the Scottish Executive or local government. Furthermore, it should be noted that the liability for charges rests with the compensator, and not with the person who has been compensated.
6. Identical changes to the flat/daily rate and cap are being made in England and Wales by the Department of Health.

Consultation

7. A consultation exercise ran for 13 weeks from 26 April to 26 July 2002 in parallel with Department of Health, England & Wales. Proposals consulted upon included the annual increase in NHS charges in line with HCHS pay and price inflation. The following bodies were consulted:

NHS Boards & Trusts

Scottish NHS Confederation

The Law Society of Scotland

The Scottish Law Agents Society

The Faculty of Actuaries

Motor Insurers Bureau

Scotland Patients Association

Scottish Association of Health Councils

The Faculty of Advocates

The Scottish Consumer Council

Association of British Insurers

Various Insurance Bodies

Consolidation

7. This is the sixth substantive amendment to the Road Traffic (NHS Charges) Regulations 1999. The 1999 Regulations will be repealed on the introduction of the scheme to recover NHS costs in all cases where personal injury compensation is paid provided for in part 3 of the Health and Social Care (Community Health and Standards) Act 2003. The proposed date for the introduction of this scheme is 1st October 2006. There are, therefore, no plans to consolidate the regulations at this time.

Scottish Executive Health Department
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