STATES OF JERSEY

HEALTH INSURANCE FUND (R.26/2026): EXECUTIVE RESPONSE

Presented to the States on 8th April 2026
by the Public Accounts Committee

STATES GREFFE

FOREWORD

In accordance with paragraphs 69-71 of the Code of Practice for engagement between 'Scrutiny Panels and the Public Accounts Committee' and 'the Executive', the Public Accounts Committee (PAC) presents the Executive Response to the Comptroller and Auditor General's (C&AG) Report entitled: Health Insurance Fund (R.26/2026), presented to the States Assembly on 6th March 2026.

Deputy I. Gardiner
Chair, Public Accounts Committee

COMMENTS

Upon considering the Executive Response, the PAC is pleased to note the Government of Jersey's agreement with the recommendations made by the C&AG in the Health Insurance Fund Report, including one recommendation agreed in part, and one agreed but deferred.

The PAC believes that successful management of the Health Insurance Fund (HIF) is of key importance to the Island given its important role in providing:

- subsidised General Practitioner (GP) consultations;
- a wide range of free prescriptions at community pharmacies;
- other supplies including flu vaccinations, diabetic supplies and wound dressings;
- additional support to low-income families and pensioners for low fixed fee General Practice services through the Health Access Scheme; and
- free GP surgery visits for children and full-time students.

However, as identified by the C&AG, the HIF is not sustainable in its present form and there is no tangible plan for primary care in the context of a sustainable, integrated health care model for the future. The Committee is acutely aware that this will be a matter for consideration by the Government of Jersey under the next States Assembly.

Further scrutiny of the HIF, and implementation of the recommendations made by the C&AG, will be required in the next political term and the PAC will identify the topic within its Legacy Report.

Chief Executive response to C&AG report: Health Insurance Fund – March 2026

Summary of response:

We would like to thank the Comptroller and Auditor General for their consideration of the operation of the Health Insurance Fund and welcome these recommendations.

We welcome the acknowledgement of the investments made from the Health Insurance Fund to improve the breadth of primary care services and increasing access by reducing cost barriers. Many of these initiatives were introduced in response to the cost of living crisis where Government sought to ensure that families with a low income would be able to access the care they need. We acknowledge the challenge that often HIF expenditure has been as a result of propositions agreed by the States Assembly where rigour of business case development is not consistent. There is a balance to ensuring States Members feel they are able to pursue their own policy agenda, whilst ensuring that financial consequences are adequately considered.

While this engagement has focussed on the operation of the Health Insurance Fund, we note that work is also underway to consider the sustainable funding of health and care in Jersey. The extent to which our focus should be maintained on extending the life of the HIF will be a political decision, however there will be alternative mechanisms that could support sustainable and more cost-effective funding for primary care. Such mechanisms could remove barriers and inefficiencies caused by the Health Insurance Law and its outdated view of primary care.

We are incorporating the actions set out below into our delivery plans and will drive this forward to ensure the operation of the Health Insurance Fund is strengthened by this engagement.

Risk assessment and decision rationale

Recommendations	**Risk of non-implementation**	**Risk profile** *(E,H,M,L)*	**Other considerations in prioritisation**	**Is the recommendation agreed?**	**Improvement theme** *(If applicable)*
R1 Review and document a clear governance map for the Health Insurance Fund including all existing and planned boards, groups and committees. In doing so, seek to eliminate duplication and inefficiency and ensure interdependencies	If roles and responsibilities and interdependencies regarding the governance and management of the HIF are not understood there is a risk that activity may be duplicated leading to inefficiencies and other areas, required both operationally and by statute, may not be properly addressed. There is a further risk that any design of future structures may not be accurately sighted or does not take into account the requirements for governance and management of the HIF.	Low	Much of the governance requirements for the Health Insurance Fund are stipulated in the Health Insurance (Jersey) Law 1967 and are addressed by the establishment of bodies required by statute (such as the Pharmaceutical Benefit Advisory Committee). Governance is also delivered in ordinary departmental processes which adhere to the Public Finance Law. Given the nature and breadth of activity and partnership working across government departments and with providers and stakeholders – further layers of governance,	Agree	**Governance Structures**

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between the various groups are documented, understood and can operate effectively.			influence and oversight exist which can be usefully documented to improve efficient working record roles and responsibilities.		
R2 Review Government representation on the Pharmaceutical Benefit Advisory Committee to ensure it aligns with the statutory requirements.	Due to changes in Government structure, and the reference to Government departments in the Health Insurance (Pharmaceutical Benefit Advisory Committee) Order 2017 the current membership of the Committee no longer aligns with the 2017 Order. There is a risk that the recommendations to the Minister could be deemed deficient.	Low	The Committee is constituted with appropriate clinical representation considering General Practitioners, Pharmacists, Health and Public Health representatives and supported with robust independent research and advice. The officer role in question does not impact on the determinations and recommendations produced by the Committee. Amendments to the Order will present opportunity to improve clarity and 'future proof' the Order against any further government restructures or changes to statutory role titles.	Agree	**Governance Structures**
R3 Prepare and implement a formal policy statement specifying the minimum balance to be held in the Health Insurance Fund.	Expenditure from the HIF has increased significantly over recent years placing an increasing burden on the Health Insurance Fund. There is a risk that without a policy regarding minimum balance, there will not be an agreed 'trigger point' at which action should be taken or the mechanisms to make intervention.	Medium	The balance of all funds is overseen by accountable officers and Treasury and are subject to actuarial review. The pressure on the fund is acknowledged publicly and politically. Mechanisms to monitor risks, such as the Enterprise Risk Management System are already in place, therefore ESSH will focus on specific risk management controls whilst a policy is in development.	Agree	**Governance Structures**
R4 Prepare a detailed plan to ensure the longer term viability of primary care and pharmacy services which are currently funded by the	Islanders are currently supported with the cost of primary care via numerous benefits and contracted services through the HIF. Without a plan to ensure ongoing viability and with no other changes, the HIF fund would be depleted, and primary care services would only be supported through the annual income into the HIF.	High	Whilst the forecast showing future healthcare costs is still in development, the structural pressures on healthcare expenditure across the HIF and the wider health system are acknowledged as significant. Most developed jurisdictions recognise	Agree	**Financial oversight and sustainability**

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Health Insurance Fund.	This would require a reduction in the current level of subsidies to match the available annual income which, in turn, would result in increased financial barriers for some households in accessing primary care services. This would likely result in increased risks to health and wellbeing, with associate human and financial implications.		that healthcare costs will continue to rise over the long term due to factors such as demographic change and increasing drug costs. Jersey faces the same pressures. Government will need to make a clear policy decision on how healthcare services will be funded.		
R5 Update procedures for States propositions and Ministerial Decisions to ensure that any future expenditure changes proposed are supported by business cases which demonstrate good practice characteristics in documenting the resource and system implications. This should include consideration of the long-term impact on States' finances and specific funds.	If appropriate rigour is not applied consistently in the policy development process, public money may be expended on initiatives that may not deliver good value for money or outcomes for Islanders.	High	GoJ policy development guidance incorporates a robust process to consider policy levers, options appraisal and business case review, and Assembly scrutiny before becoming adopted policy of the Assembly. However, Propositions developed by individual Members are not required to go through the same process, which could increase expenditure through suboptimal policy delivery avenues. Notwithstanding, this feature of Jersey's democratic process enables all States Members to pursue their own policy agenda, something which has been recognised as a strength, and propositions are subject to debate and challenge. Significant changes to current process are unlikely to be appropriate if they are seen to impact on Members' ability to pursue matters. Changes to Standing Orders (and the approval of the States Assembly) might be required.	Agree in part - the States Greffe will advise the new Privileges and Procedures Committee of the recommendation and support the Committee's consideration of options to promote robust policy The Government of Jersey and the States Greffe recognise the risk that this recommendation seeks to mitigate, and that financial consequences should be considered in all policy development. However, introducing a requirement that all States propositions and Ministerial Decisions are supported by business cases will disproportionately increase bureaucracy, and mean additional resource will be required to service arrangements. Mechanisms already exist to enable all Members to develop robust policy proposals including research support, guidance on how to prepare business cases,	**Financial rigour in policy development**

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				scrutiny review, and ultimately States Debate. In respect of GoJ Budget preparation, the annual Budget process, which provides the formal approval for revenue and capital budgets, also already includes appropriate and proportionate requirements. Government spending is also governed by the Public Finances Manual which includes the requirement for businesses cases in appropriate circumstances In addition, Standing Orders include mechanisms that aim to foster a culture of good policy development by all Members, including the requirement to include financial and resource implications, references back and referrals to Scrutiny, the possibility of referrals to Ministers of independent propositions and the possibility of rescinding propositions if they are found not to meet financial principles in policy delivery.	
R6 Review all fees published by GP practices to ensure accuracy and consistency in all cases where the Health Insurance Fund benefit is quoted.	General Practice is a private healthcare sector where islanders can choose which practice or practices they wish to use for health care services. The ability of consumers/patients to exert ordinary influence in an open market could be reduced if pricing information is inaccurate or inconsistent	Low	Since the introduction of the Contracted Medical Benefit agreement ESSH has been working with individual General Practices to improve price transparency. Practices have agreed to publish fees using some standardised categories, but further inconsistencies can be addressed to improve price transparency	Agree	**Financial sustainability of health and care**

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			supporting patients in their engagements with service providers.		
R7 Review all fees published by all GP practices to ensure that the Health Insurance Fund benefit is appropriately applied to relevant services.	HIF benefits and contracted activity fees are paid to off-set the out-of-pocket expense incurred by patients. There is a risk that these may be claimed inconsistently across the general practice businesses if, for example a service is deemed wholly private within one practice, thus no subsidies are claimed, but a second practice classifies a similar service as routine and claims subsidies. The appropriate/inappropriate application of benefit and subsidy may create an additional burden on the HIF or, alternatively disadvantage some patients from receiving subsidies which others are accessing.	Low	The Health Insurance (Jersey) Law 1967 does not describe modern general practice. It was written in a time where services could be simply described and delivered face to face by a General Practitioner, using a high level of referral to secondary care. To aid with the interpretation of the 60 year old law a 'Health Benefits and Services Advisory Pannel' was constituted in 2025. This panel supports in the creation of guidance and policy and can be used to address inconsistencies in the application of benefits and subsidies identified by this audit	Agree	**Financial sustainability of health and care**
R8 Carry out a post-implementation review of the GP initiatives package to identify outcomes and assess value for money.	The 2022 General Practice package sought to support development in General Practice to meet the growing demand for services from our aging population and increasing incidence of co-morbidities. There is a two-fold risk that this package has failed to deliver the changes required in General Practice to meet increasing demand, impacting on quality and access to services and/or that financial investment from the HIF may not have been effective.	Low	The last element of the package (a wage support scheme) was completed in December 2025 and by the end of Q1 2026 data relating to the 2022-2025 package will have matured to support a review. However, throughout the delivery of the package data has been monitored including, for example, the diversity of role types employed in General Practice and supported by the package. Therefore, oversight has been maintained operationally.	Agree, noting that there will be challenges in respect of establishing value for money in the context of limited information being available about GP operating costs, and transferability of proven healthcare interventions which are cost effective in other jurisdictions to the Jersey health care sector.	**Performance and efficiency of HIF schemes**
R9 Review the Pharmacy Quality Improvement Framework programme to ensure that it provides appropriate incentives based	The Pharmacy Quality Improvement Framework (PQPF) aims to support the development of Pharmacy in Jersey and its contribution the healthcare system by setting standards and performance aspirations. There is a risk that incentives may not be proportionate to the activity required and that the Framework will fail to deliver on its objectives	Low	The Framework was first implemented in 2023. The current Framework spans 2025 to 2027. Some measures within the Framework have been repeated and most introduce an element of improvement or stretch on previous requirements. Due to the nature of the Framework, performance and	Agree	**Performance and efficiency of HIF schemes**

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on continuous improvements.			activity is monitored throughout the year and assessed at three 'declaration' points. Overall participation in the Framework is high but it has been noted that some contractors chose not to engage. A review of the measures and incentives may offer insight into the ability of the Framework to drive continuous improvement.		
R10 Undertake an exercise to assess the true cost of dispensing prescribed items.	Terms for procuring and dispensing medicines at cost to the Health Insurance Fund are comprised of two elements; the cost of the medicine as assessed by the NHS using data from their health economy and a dispensing fee set by the Minister in Jersey legislation. There is no objective evidence that either elements reflect the true cost of dispensing for local contractors with a risk that pharmacy contractors are not sufficiently reimbursed (inducing risks of sustainability of the sector and access to medicine) or that reimbursement exceeds acceptable cost and profit margins, representing poor value for money.	Medium	Government maintains a high level of engagement with the sector regarding remuneration for procurement and dispensing. Dispensing activity takes place in an outdated system, relying on paper prescriptions and manual processes. As part of the Digital Health Plan Jersey will have the opportunity to move to electronic prescribing, at which point the processes and costs associated with dispensing will be entirely revised.	Agree but deferred until electronic prescribing in place.	No action at this time - recommendation will be monitored for future action.
R11 Use data from current initiatives to develop additional measures to address the risk of waste and over prescribing.	The risk of 'medicines waste' is not unique to Jersey. Inefficient/Ineffective prescribing may create risks regarding patient outcomes and poor use of public funds.	Medium	Prescribing in Jersey is actively managed. Jersey has a fixed formulary of medicines, updated quarterly, which enables cost effective decisions to be made regarding the medicines prescribed and encourages the use of generics. Prescribers are issued with an individual prescriber code enabling analysis of their prescribing decisions. Other tools include quality measures regarding polypharmacy alongside pharmacy services where polypharmacy and medicine adherence issues can be flagged and referred back to the prescriber.	Agree	**Performance and efficiency of HIF schemes**

Recommendations	Risk of non-implementation	Risk profile *(E,H,M,L)*	Other considerations in prioritisation	Is the recommendation agreed?	Improvement theme *(If applicable)*
			A public campaign has been planned for June 2026 to address medicines waste and the role patients can play. The outcomes of each of these initiatives and processes can be collated to identify additional actions to address the risk of waste and over prescribing.		
R12 Carry out a post-implementation review of the pharmacy package of initiatives in liaison with pharmacists in order to refine the current package and deliver change.	The Pharmacy Investment Package was introduced in 2023 to support developments in the community pharmacy sector with specific reference to diversifying staff: Introducing technicians and dispensing assistants to a sector which was highly dependent on the registered pharmacist role. The package is ongoing, with elements in delivery during 2026 and with prospect of an extension. The investment package carries risk that the initiatives may not deliver the change required in community pharmacy which may leave the sector unprepared for the growing demand or, representing poor value for the budgets invested.	Low	Due to the nature of the investment package, ongoing monitoring of most elements is routinely delivered, including, for example, training of independent prescribers, introduction of technicians and assistants, digital connectivity, dispensing patterns. Such data can be compiled into a post implementation review noting, however, that some elements may be subject to extension impacting on the timing of the review.	Agree	**Performance and efficiency of HIF schemes**
R13 Develop a consolidated user guide for all Health Insurance Fund subsidised services for patients and providers.	Information on some services, such as the Diabetes Ancillaries Service is supported by public communications including website information, patient information leaflets and summaries for practitioners and providers. This level of communications has not been established across each of the services creating a risk that some providers and patients may be unaware of support which is available.	Low	Services are designed with input from relevant clinical teams, including community pharmacy, Family Nursing and Home Care, specialist frailty teams and general practice. These parties act as the referring agents, meaning eligible islanders are signposted to the services they require. Understanding how these services operate and the role played by each party, including patients might be further enhanced if each is supported by a package of information, routinely updated, to support providers and service users.	Agree	**Performance and efficiency of HIF schemes**

Prioritised improvement plan

Action theme	Actions	Linked Recs	Target date	Responsible Officer
Financial rigour in policy development	• The Greffier of the States will advise the new Privileges and Procedures Committee of the recommendation and support the Committee's consideration of options to promote robust policy development within the current procedural framework. The Government of Jersey will work with the Greffier and PPC to help to ensure that any preferred option is proportionate in terms of cost/benefit and can be appropriately supported	5	Q3 2026	Greffier of the States
Governance Structures	• Review the boards, policy groups and update policy statements in respect of the Health Insurance Fund. • Amend the Health Insurance (Pharmaceutical Benefit Advisory Committee) (Jersey) Order 2017 and ensure the provisions of the Order are applied	1,2,3	Q2 2027	Group Director Customer Operations, ESSH
Financial sustainability of health and care	• As set out in the 2026-2029 Budget document, forecast future healthcare costs across the system in order to develop future funding options for consideration by the Assembly, after public consultation. • Ensure all GP practices publish up to date schedules of fees, including HIF subsidies and that practices are fully informed of the HIF benefits available across each type of service	4, 6,7	Q3 2026 Q4 2026	Director of Health Policy HCJ Group Director Customer Operations, ESSH
Performance and efficiency of HIF schemes	• Draft and gain approval for a standard process to collate data, evaluate benefits and learn lessons from individual HIF projects and workstreams • Review current service user guides and communications to ensure information regarding HIF funded and subsidised services if accessible to patients and service users.	8,9,11,12 13	Q2 2027 Q1 2027	Group Director Customer Operations, ESSH