MEMORANDUM BY THE MINISTER OF HEALTH.

This Bill is required in order to deal with the position arising from the award by the recent Court of Inquiry of a capitation rate of payment of 9s. per insured person per annum to insurance doctors from the 1st January, 1924, and from the cessation on December 31st last of the provision made by the National Health Insurance Act, 1922, under which the cost of medical benefit beyond the amount fixed by the Act of 1920, was paid out of the funds of Approved Societies.

The total cost of medical benefit in England from 1st January, 1924, including payments to doctors, cost of drugs, travelling allowances, and certain other minor items, will be £11.10s.4d. per insured person per annum. Towards this a sum of 9s.6d. is provided from funds of Approved Societies by Section 7 of the National Health Insurance Act 1920, and the present Bill provides that for the three years 1924-28 the balance of 2s.4d shall be provided as follows:

1. From the Approved Societies 7/9ths of 2d per insured person per annum.

2. From the Central Fund (a fund whose main purpose is to assist Societies in deficiency on valuation) 7/9ths of 1s.8d. per insured person per annum.

3. From the excess interest earned on investments of Societies' Funds by the National Debt Commissioners beyond the rate payable to Societies. 7/9ths of 6d. per insured person per annum.

4. From the Exchequer the remaining 2/9ths of the sums specified in 1, 2 and 3 above.

Two-ninths of the whole of the cost of medical benefit is ordinarily provided from the Exchequer in accordance with the general provisions of the National Health Insurance Acts.
The Government have been advised that the Central Fund and the Investment Income Account can bear the proposed charges for the limited period and the proposals contained in the Bill have also been accepted by Approved Societies of all types.

Two-ninths of the whole of the cost of medical benefit is ordinarily provided from the Exchequer in accordance with the general provisions of the National Health Insurance Acts.

The above figures require modification for Scotland and Wales respectively, and the Bill contains a clause making the necessary modifications.

There is also a clause to re-enact as from the 1st January, 1923, to the 31st December, 1925, the provisions of Section 3 of the National Health Insurance Act, 1923, which lapsed on 31st December, 1923, and under which assistance was given to Approved Societies from the Unclaimed Stamps Account to enable them to pay benefits to their members who would otherwise have been suspended from benefit by reason of arrears due to prolonged unemployment.

(Intd.) J. W.

Ministry of Health,
March 19th, 1924.
Draft of a Bill

To

Make further provision with respect to the cost of medical benefit and to the expenses of the administration of benefits under the Acts relating to national health insurance, and to amend section twenty-nine of the National Health Insurance Act, 1918, and for purposes connected therewith.

Be it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same,

1.-(1) There shall in respect of each year during which this Act continues in force be paid:

(a) to insurance committees in England on account of the cost, and the expenses of the administration of medical benefit, by way of addition to the sums payable under subsection (1) of section seven of the National Health Insurance Act, 1920, and, subject to such conditions as may be prescribed, a sum at such yearly rate as may be prescribed, but not exceeding two shillings and twopence three farthings per year, in respect of each of the total number of the persons in respect of whom payments are made under the said section seven (in this Act referred to as "the total number of persons for the purposes of the said section seven"); and

Provision as to cost of medical benefit and administration expenses.

A D 1924.

10 & 11 Geo. 5.
c. 10.
AD 1924. (b) to the Minister of Health, on account of the expenses incurred by him in connection with the administration of benefits, a sum at such yearly rate as may be prescribed, but not exceeding three half-pence per year, in respect of each of the total number (calculated in the prescribed manner) of the members of each approved society.

(2) The sums to be paid as aforesaid shall in each year be provided as follows, that is to say:

(a) there shall be paid out of the benefit fund of each approved society an amount representing two pence in respect of each of the total number of persons for the purposes of the said section seven who is a member of the society;

(b) there shall be paid out of the Central Fund an amount equal to seven-ninths of a sum representing one shilling and eightpence farthing in respect of each of the total number of persons for the purposes of the said section seven;

(c) there shall be paid out of the sums standing to the credit of the Income Account of the National Health Insurance Fund (Investment) Account in the books of the National Debt Commissioners kept in accordance with the regulations made by the Treasury under subsection (3) of section fifty-four of the National Insurance Act, 1911, an amount equal to seven-ninths of a sum representing the amount by which the sum prescribed under paragraph (a) of subsection (1) of this section exceeds the sum of one shilling and tenpence farthing in respect of each of the total number of persons for the purposes of the said section seven;

(d) there shall be paid out of moneys provided by Parliament an amount equal to two-sevenths of the aggregate sums paid under paragraphs (b) and (c) of this subsection.

(3) There shall in respect of every member of an approved society who has attained the age of seventy years in respect of every year during which this Act continues in force be paid out of the Central Fund and out of the Income Account mentioned in paragraph (c)
of the last preceding subsection, amounts at the like rates
at which payments are to be made out of the said Fund
and the said Account under paragraph (b) and para-
graph (c) respectively of the said subsection.

5 (4) In this section the expression "benefit fund"
means the fund out of which benefits are payable under
Part I. of the National Insurance Act, 1911.

2. Out of the residue of the sums unclaimed in the
Payments
Stamps Sales Accounts for England, Scotland and Wales
into Central
10 respectively, which residue is under section twenty-nine
Fund.
of the National Health Insurance Act, 1918, which relates
to the disposal of sums unclaimed in the said Accounts
to be applied in such manner as may be prescribed, there
shall be paid forthwith into the Central Fund the sum of
15 one hundred thousand pounds, and the sum so to be
paid shall be apportioned between the said Accounts for
England, Scotland and Wales respectively in such manner
as the Joint Committee may direct.

3.—(1) Such part as the National Health Insurance
Application
20 Joint Committee may direct of the sums which under
29 of
section twenty-nine of the National Health Insurance
stamps
Act, 1918 (which provides for the disposal of sums
unclaimed in the Stamp Sales Account), are to be carried
to the Central Fund shall, instead of being so carried, be
credited to approved societies in accordance with a
scheme to be made by the said Committee with the
approval of the Treasury, and any sums credited under
this section to an approved society shall be applied by
the society in such manner as the scheme may provide
35 for the purpose of preventing such members of the society
as are in arrears from being or continuing to be suspended
from benefit.

(2) This section shall be deemed to have effect as
30 from the first day of January, nineteen hundred and
thirty-five, and shall continue in force until the
thirty-first day of December, nineteen hundred and
twenty-five.

4. There shall be paid out of the Central Fund to
Payment
the Ministry of Labour for Northern Ireland to be
out of
40 applied for the purposes of national health insurance in
purpose of
Northern Ireland in such way as the Parliament of
Northern Ireland may direct, such sums as the National
90 Health Insurance
5.—(1) This Act shall apply to Scotland, subject to the following modifications, that is to say—
(a) one shilling and tenpence halfpenny shall be substituted for two shillings and twopence three farthings;
(b) the Scottish Board of Health shall be substituted for the Minister of Health;
(c) twopence shall be substituted for three-halfpence;
(d) pence shall be substituted for twopence;
(e) section one of this Act shall have effect as if there were inserted after the word “benefits” in paragraph (b) of subsection (1) thereof the words “and the provision of a medical service for insured persons in such districts of Scotland (other than the Highlands and Islands within the meaning of the Highlands and Islands (Medical Service Grant) Act, 1913), as may be determined, by the Scottish Board of Health to be necessitous.”

(2) This Act shall apply to Wales subject to the following modifications, that is to say, two shillings and eightpence farthing shall be substituted for two shillings and twopence three farthings, and one penny three farthings for three-halfpence.

(3) This Act shall not (except as therein otherwise expressly provided) apply to Ireland.

6.—(1) This Act may be cited as the National Health Insurance Act, 1924, and shall be construed as one with the National Health Insurance Acts, 1911 to 1922, and those Acts and this Act may be cited together as the National Health Insurance Acts, 1911 to 1922.

(2) This Act shall (save as therein otherwise expressly provided) be deemed to have had effect as from the first day of January, nineteen hundred and twenty-four, and shall continue in force until the thirty-first day of December, nineteen hundred and forty.
To make further provision with respect to the cost of medical benefit and to the expenses of the administration of benefits under the Acts relating to national health insurance, and to amend section twenty-nine of the National Health Insurance Act, 1918, and for purposes connected therewith.

LXXII. (2.)

20th March 1924.