Government response to the
House of Lords
European Union Committee,
13th report of session 2017-19,
‘Brexit: reciprocal healthcare’

Presented to Parliament
By the Secretary of State for Health and Social Care
By Command of Her Majesty

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INTRODUCTION

This document sets out the Government’s response to the 13th report of session 2017-19, ‘Brexit: reciprocal healthcare’ on the impact of EU exit on reciprocal healthcare published by the House of Lords European Union Committee in March 2018. The Sub-Committee which held the inquiry was chaired by Lord Jay of Ewelme.

We welcome the Committee’s report which rightly recognises the importance of reciprocal healthcare to UK (and EU) residents and state pensioners when they visit or retire to, the EU (or UK). The report notes and welcomes the progress in negotiations for the Withdrawal Agreement and Implementation Period and identifies outstanding issues for negotiations on the future relationship.

We pushed strongly for the inclusion of onward movement rights for anyone within scope of the Withdrawal Agreement during the first phase of negotiations, but the EU was not ready to include them at that stage. We also pushed for wider EHIC rights for all. We continue to seek an agreement with the EU that protects the reciprocal healthcare entitlements of state pensioners including those not covered by the terms of the Withdrawal Agreement. We also seek to fully protect rights under the EHIC and S2 schemes.

The Department of Health and Social Care (‘The Department’) is continuing to support the Department for Exiting the European Union (DExEU) and Europe Unit in negotiations with the EU and is working closely with other government departments, our Arm’s Length Bodies (ALBs) and the Territorial Offices. We are also engaging with the Devolved Administrations and many others across the health and care sector in our preparations for EU exit.

This Command Paper refers to our relationship with the EU27 member states. The Government is in separate discussions on Citizens’ Rights in respect of EEA countries (Norway, Iceland, and Liechtenstein) and Switzerland. The UK would like a similar set of policies on reciprocal healthcare as with the EU.
Conclusions and Recommendations

Reciprocal healthcare and citizens’ rights

1. The S1 scheme has provided comprehensive healthcare coverage to many thousands of UK pensioners lawfully resident in other EU Member States, and has been especially useful for people living with diabetes and other long-term conditions. We welcome plans to include these people in the Withdrawal Agreement as the best means of securing clear legal entitlement to this scheme. We note that the legislation dealing with the implementation of this agreement in the UK will be presented to parliament in the coming months as part of the Withdrawal Agreement and Implementation Bill. (Paragraph 34)

The Government agrees with this recommendation and welcomes the Committee’s support.

2. To allay any outstanding fears about the status of children and dependents, the Government should now provide details to EU27 citizens lawfully resident in the UK about its plans and timetable for legally protecting their rights, stressing in particular that they will continue to enjoy the same rights to access healthcare that they and their dependents currently enjoy under EU law. (Paragraph 35)

The Government has been clear that safeguarding the rights of EU citizens living in the UK and UK nationals living in the EU is a top priority.

Through negotiations we have reached a fair agreement on citizens’ rights, grounded in reciprocity, which seeks to allow citizens to continue living their lives broadly as they do now.

EU citizens and their family members who obtain settled status under the Withdrawal Agreement will be guaranteed Indefinite Leave to Remain (ILR). This status will provide the holder with the same rights and access to healthcare, as well as benefits, and education as those who acquire permanent residence under EU law.

Obtaining settled status will mean that those EU citizens who qualify will have no immigration conditions placed on their residence in the UK, provided they remain resident here. UK settled status means equal treatment with UK nationals with respect to social security, social assistance, health care, employment and self-employment, education and training, and tax.

Children of a parent who is covered by the Withdrawal Agreement will also be protected, irrespective of whether they are in the UK before the end of the implementation period. This includes a child born overseas where both parents are protected by the Withdrawal Agreement; where one parent is protected and one is a national of the host state; and where only one parent is protected, but that parent has legal custody of the child.
In the UK, children of parents with settled status will be eligible for settled status, irrespective of how long they have lived in the UK. This applies whether those children arrived in the UK before or after the end of the implementation period.

EU citizen parents who need to apply for permission to stay (‘leave to remain’) in order to meet the five-year residence requirement, will also need to apply for the same permission on behalf of their child.

Children who are born in the UK to parents who hold settled status will automatically acquire British citizenship (and with that, the right to live in the UK). They will not need to apply for settled status.

In addition, we have agreed that those granted settled status in the UK under the Withdrawal Agreement can also benefit from certain more favourable entitlements. This means, for example, that their settled status will not lapse unless the holder has been continuously absent from the UK for over five years, as opposed to the current maximum of two years which is the case under EU law.

3. We would be concerned if EU/EEA citizens were already being denied access to the treatment to which they are entitled, as witnesses suggested to us. We therefore underline the imperative of securing enforceability of rights in the Withdrawal Agreement. In addition, we call on the Government to restate as clearly as possible to the NHS and its staff the current healthcare entitlements of EU/EEA citizens, and to communicate the entitlements contained in any future UK-EU agreement on reciprocal healthcare as soon as it is possible to do so. (Paragraph 36)

Under the terms of the Withdrawal Agreement, the Government will treat EU citizens covered by the agreement on an equal basis with comparable UK nationals, whether they are in work, studying or job seeking.

EU citizens who are currently ‘ordinarily resident’ in the UK are treated in the same way as ‘ordinarily resident’ UK nationals for the purpose of receiving NHS-funded healthcare and this entitlement will not change, as long as they continue to reside here. This was agreed as part of negotiations on the Withdrawal Agreement with the EU which also protects the rights of UK nationals resident in the EU.

It is vital that NHS treatment is always available to those who need it and the Department will continue to work with NHS to ensure that the charging regulations are fully understood and applied.
The Joint Report

4. The Joint Report agreed in December 2017 covers the entitlements of those within the personal scope of the Withdrawal Agreement benefiting from reciprocal healthcare arrangements at the time of Brexit. Though we acknowledge that its provisions are yet to be set down in law, and note that “nothing is agreed until everything is agreed”, we welcome the progress that the Joint Report has made in providing some reassurance to the millions of UK and EU citizens who currently reside in other Member States. (Paragraph 50)

The Government also welcomes the progress made. Throughout the negotiations the UK Government and the European Commission have stated that providing certainty for citizens is a priority.

We have since made considerable progress with the Commission in converting the commitments made in the Joint Report into the Withdrawal Agreement. We have also reached a reciprocal agreement in principle to extend the current EU rules and regulations on healthcare arrangements to those UK and EU citizens who move countries during the implementation period. This was reflected in the updated draft Withdrawal Agreement text presented at the March European Council.

After the implementation period ends, those who fall within scope of the Withdrawal Agreement for social security coordination purposes will be entitled to reciprocal healthcare cover on the terms laid out under that deal, the details of which includes the situations set out below:

- We have agreed with the EU that the eligibility criteria for settled status will be the same as, or more favourable than, those set out in the Free Movement Directive for acquiring permanent residence. Decisions will be based on objective criteria, with no discretion to refuse status other than for reasons allowed by the Withdrawal Agreement.

- The UK will set the eligibility criteria to suit the demands of this unique situation. For example, we will no longer require evidence that economically inactive EU citizens have previously held “comprehensive sickness insurance”.

- The UK’s position is that EU citizens will need to apply for settled status in the UK. Subject to agreement on this, it will remain open to the EU27 to take a similar approach and require applications, or simply to carry on with their current ‘declaratory’ system of documenting permanent residence rights.

- Obtaining settled status will mean that those EU citizens who qualify will have no immigration conditions placed on their residence in the UK, provided they remain resident here. UK settled status means equal treatment to UK nationals with respect to social security, social assistance, health care, employment and self-employment, education and training, and tax.
Individuals who are, or have been, subject to the legislation of an EU27 Member State prior to the end of the implementation period, or who are resident in another Member State at the end of the implementation period (and vice versa) are protected for reciprocal healthcare cover (S1, EHIC and S2 rights) once they start exporting a relevant benefit or pension. For example, a UK national who has worked for a year in Spain, but has returned to live in the UK prior to the end of the implementation period and retires to France upon reaching state pension age, could be covered for reciprocal healthcare in France when they export their state pension. This would also include a UK national who is exporting a UK state pension to Spain at the end of the implementation period.

On EHICs, we have also agreed to protect the rights of individuals who are temporarily staying in an EU27 MS at the end of the implementation period and entitled to a UK EHIC, to continue to benefit from that scheme for as long as that stay continues. This includes, for example, for holiday or study purposes.

On planned healthcare treatment, both sides also agreed to protect the position of people visiting the EU or UK for planned medical treatment on or over the end of the implementation period (using the ‘S2 route’) so they are able to complete their treatment. This guarantees that patients will be able to complete a course of treatment and provides the certainty that patients will want during a vulnerable time in their lives.

5. We would not wish to see this progress reversed in the future. This Committee has already called upon the Government to make a unilateral guarantee to protect the rights of the lawfully resident three million EU citizens who have, on the basis of EU free movement rights, made their lives in the UK. We therefore support proposals to ‘ring-fence’ in law the agreement on citizens’ rights embodied in the Joint Report, to provide clarity both to patients and to providers of reciprocal healthcare in the UK and EU. (Paragraph 51)

Throughout negotiations we have been clear that we want to protect the broad range of rights and entitlements currently enjoyed by EU citizens already in the UK. This deal allows for that to happen.

The Withdrawal Agreement and Implementation Bill will give effect to the Withdrawal Agreement (including the reciprocal healthcare aspects of the citizens’ rights agreement) in domestic law. It is the intention of the UK and the EU that the final Withdrawal Agreement will protect reciprocal healthcare rights for UK nationals resident in the EU at the end of the implementation period (and vice-versa on a reciprocal basis).

The UK Government and the Commission have stated that providing certainty for citizens was a priority and we believe it would be unlikely for any deal on citizens’ rights agreed early on to be reopened.
6. We note that the Joint Report does not cover the right of UK citizens resident in the EU to move between EU Member States. Nor does it cover the position of EU27 citizens resident in the UK covered by the Withdrawal Agreement who subsequently leave the UK and then return. These are significant omissions, and we urge the Government to ensure that the final text of the Withdrawal Agreement includes provision for onward free movement rights, including the right to healthcare provision for UK citizens on the same terms as are enjoyed by EU citizens, and vice versa. If this proves impossible, we ask the Government, when replying to this report, to set out a detailed and clear position addressing this issue. (Paragraph 52)

We understand that onward movement is an important issue for many UK nationals living in the EU, and the UK pushed strongly for this to be included during the first phase of negotiations. However, the EU made clear that it was not ready to include it in the Withdrawal Agreement.

With regard to the position of EU27 citizens covered by the Withdrawal Agreement, who leave and return to the UK, as outlined above, we agreed that those granted settled status in the UK under the Withdrawal Agreement can benefit from retaining this status unless they have been continuously absent for over five years.

7. It is essential that, as well as having a continuing right to access long-term healthcare, EU citizens lawfully resident in the UK should be provided with a practical means by which to exercise that right. We call on the Government to use domestic legislation to clarify the means by which all EU citizens lawfully resident in the UK at the time of Brexit will be able to continue to access essential healthcare. We note the suggestion that anti-discrimination legislation might assist in confirming the rights of EU citizens to continue to access healthcare post-Brexit, and look forward to further detail in the final text of the domestic legislation that implements this aspect of the Withdrawal Agreement. (Paragraph 53)

The current EU principles of equal treatment and non-discrimination will apply in the UK during the implementation period.

UK settled status means equal treatment with UK nationals with respect to social security, social assistance, health care, employment and self-employment, education and training, and tax.

EU citizens and their family members who obtain settled status under the Withdrawal Agreement will be guaranteed Indefinite Leave to Remain (ILR). This status will provide the holder with the same rights and accesses to healthcare as those who acquire permanent residence under EU law.

In some instances, those granted settled status in the UK can also benefit from certain more favourable entitlements. This means, for example, that their settled status will not lapse unless the holder has been continuously absent from the UK for
over five years, as opposed to a maximum of two years which is the case under EU law.

The Withdrawal Agreement and Implementation Bill will legislate for the Withdrawal Agreement, including the Citizens’ Rights deal. However, it is simply too early to say what the detail of this legislation will look like.

The future relationship and reciprocal healthcare

8. The Joint Report covers only the free movement healthcare rights of UK and EU citizens who are resident in another Member State before Brexit. It says nothing of whether and how the reciprocal healthcare entitlements of other UK and EU citizens will be protected post-Brexit. In the absence of an agreement on future relations that covers this topic, the rights currently enjoyed by 27 million UK citizens, thanks to the EHIC, will cease after Brexit. Other rights, provided for by the S2 scheme and Patients’ Rights Directive, will likewise come to an end. (Paragraph 73)

11. More generally, reciprocal healthcare arrangements will only be achieved by agreement between the UK and the EU. The Government has not yet set out its objectives for the future UK-EU relationship. We therefore urge the Government to confirm how it will seek to protect reciprocal rights to healthcare of all UK and EU citizens post-Brexit, as part of any agreement on future relations. (Paragraph 76)

The Withdrawal Agreement does not cover, for example, reciprocal healthcare rights for UK nationals, living and working in the UK at the end of the implementation period, who have never worked in the EU.

We will return to reciprocal healthcare arrangements for people not within scope by the end of the implementation period, in the next phase of negotiations. We welcome the progress that has been made so far but are clear that we want a wider agreement with the EU on reciprocal healthcare into the future, including:

- the rights of UK state pensioners who retire to the EU (and vice versa) after the end of the implementation period to benefit from a reciprocal healthcare scheme;
- the rights of UK residents to continue to receive needs-arising treatment in the EU under the EHIC scheme (and vice versa); and
- the rights of UK residents to be able to receive planned treatment in an EU Member State when this is pre-authorised by the UK (and vice versa).

We expect negotiations on reciprocal healthcare, and the UK / EU relationship more generally, to cover the various aspects of the Patient’s Rights Directive (such as
European Reference Networks). The UK’s continuation of each of the elements of the Directive will be subject to those future discussions.

**9. Our evidence suggests that it is not in the UK’s interest for reciprocal healthcare arrangements to cease. Because of higher insurance costs—and in the case of dialysis patients, people living with rare diseases, and disabled people, the difficulty of obtaining travel insurance at all—without EHIC or an equivalent arrangement it will become much more expensive for UK citizens with chronic conditions to travel to the EU post-Brexit, for holidays, recuperation or treatment. (Paragraph 74)**

We understand the importance of maintaining reciprocal healthcare arrangements for needs-arising treatment for those with chronic conditions, disabilities or other long-term conditions that require ongoing medical attention. This is why we have been clear that we want to continue with the EHIC scheme in any future agreement.

We will return to the rights of people not in scope by the end of the implementation period in future talks.

**10. The Department of Health and Social Care wishes to continue to maintain reciprocal healthcare arrangements, including the EHIC, post-Brexit. We applaud the spirit underlying this ambition, but it is difficult to square it with the Government’s stated aim of ending freedom of movement of people from the EU. (Paragraph 75)**

Freedom of movement is ending but there will continue to be migration and mobility between the UK and the EU after the UK leaves. We have been clear that we want a wider agreement on reciprocal healthcare and will return to this as part of the coming phase of negotiations.

We note that the UK and indeed a number of EU Member States have bilateral and multilateral reciprocal health agreements with third countries (such as Australia and New Zealand) largely covering access to emergency healthcare. This demonstrates that reciprocal healthcare agreements are not dependent upon EU free movement rules.

**The implications of Brexit for the NHS and insurers**

**12. We received a large amount of evidence expressing concern both that the loss of existing reciprocal healthcare rights would impose significant additional future costs upon the NHS, and that the introduction of new reciprocal healthcare arrangements might impose a significant administrative burden. (Paragraph 86)**

The UK recognises the importance of evaluating domestic impacts resulting from potential changes to the current reciprocal healthcare arrangements and the impact
of any returners on the NHS and social care system. Any change to the existing arrangements, and therefore the impact, is of course subject to future negotiations.

The UK has made encouraging progress in withdrawal negotiations with the EU and, whilst nothing is agreed until everything is agreed, the UK Government and the Commission have stated that providing certainty for citizens is a priority.

With regard to NHS administration, NHS Trusts are already required to determine whether patients are eligible for NHS care and whether their costs should be met by another Member State – and providing there is a reciprocal healthcare agreement with the EU then these responsibilities are likely to continue.

This is all of course subject to negotiation, but we will seek to minimise administrative burdens if the current arrangements change.

13. We urge the Government, as part of its contingency planning, to clarify further whether it will seek UK participation in the EHIC, S1 and S2 schemes as a non-EU Member State; set up a separate scheme with the EU27; or explore the possibility of reaching bilateral arrangements with individual Member States. (Paragraph 87)

14. Whichever is the case, we call on the Government to ensure that NHS procedures and practices are sufficiently robust to secure reimbursement for the healthcare of EU27 citizens provided by the NHS post-Brexit. Should the Government look to establish an independent scheme for reciprocal healthcare, we propose that it set out publicly its financial modelling of that scheme, including how the extra administrative costs will be met. (Paragraph 88)

The Government has been clear that we will indeed seek UK participation in the EHIC, S1 and S2 schemes as a non-EU Member State. The exact nature of these arrangements is a matter that will be discussed during the next phase of negotiations. We are confident of securing a comprehensive deal but, to fully prepare for the unlikely event the UK and the EU do not agree the Withdrawal Agreement and implementation period, or secure a deal on future reciprocal healthcare rights, we are further developing contingency plans to minimise disruption for patients after the UK exits the EU. This includes building our understanding of the systems, processes and infrastructure needed in Member States to prioritise the safety of both UK and EU patients in all scenarios.

On the question of reimbursement, the Government made a manifesto commitment to continue to prioritise effective NHS cost recovery. This commitment applies in relation to all overseas visitors using the health system.

At this stage, we are not in a position to reveal further details of our contingency planning as our primary focus is on securing a reciprocal deal with the EU. We will
certainly seek to minimise administrative burdens should the current arrangements change.

15. In the event that no future reciprocal healthcare agreements were agreed with EU countries, we would ask the Government to explain how NHS and social care capacity planning will secure sufficient capacity to care for future generations of retired people. In so doing, we suggest that the Government engage closely with the NHS and with those groups that will potentially be affected. (Paragraph 89)

We are committed to the Withdrawal Agreement reached with the EU on reciprocal healthcare and believe it would be very unlikely for the deal on citizens’ rights agreed early on to be reopened.

At every step of our exit negotiations, we will work to ensure the best possible outcome for the British people. Planning for the long-term sustainability of the health and care sector as a whole is a very important priority for the Government and we will of course continue to work closely with the NHS and other groups in doing so.

16. Time is now short for the Government to provide much-needed clarity to the insurance industry to help with planning, particularly for multi-trip travel insurance policies that will include the period beyond March 2019. The European Commission has proposed a transition period that will expire on 31 December 2020, during which existing reciprocal healthcare arrangements will be maintained. This period will be essential for the insurance industry as it plans for the future arrangements that the UK agrees with the EU. (Paragraph 97)

There is an important relationship between EHIC and travel insurance and DHSC has always, and will continue to, encourage individuals to purchase travel insurance alongside their EHIC when they are visiting another European country. All UK residents are entitled to a UK EHIC and most are likely to benefit from associated reduced-cost travel insurance. This benefit is likely to be felt more by some groups, such as those with certain pre-existing medical conditions such as diabetes or kidney conditions.

DHSC engages regularly with the ABI to discuss matters relating to reciprocal healthcare and this will continue.

In March, the UK reached an agreement in principle with the EU on an implementation period that would ensure continuation of current reciprocal healthcare rights until 31 December 2020. While the insurance sector by its nature is well placed to anticipate changes in market conditions, this agreement gives the industry valuable assurance that there is less likely to be disruption on 29 March 2019.
17. There will be consequences not just for the insurance industry, but for tourism and individual travellers. While the industry might derive some benefit should it be required to play an expanded role in providing cover, we recommend that any move to greater reliance on private medical insurance by UK citizens travelling within the EU post Brexit be subjected to careful scrutiny, particularly in terms of the further regulatory oversight that might be needed to ensure that patients and consumers are protected fairly. (Paragraph 98)

As stated, the UK wants to continue participation under the EHIC scheme in a wider agreement on reciprocal healthcare. This is a shared ambition between DHSC and industry. Together we have a good understanding of the relationship between EHIC and travel insurance and believe the current system works well. We do not want or expect an expanded role for industry in providing healthcare cover to tourists, where this is already covered by EHIC, although we are considering all scenarios and appropriate steps as part of our contingency planning.

Reciprocal healthcare provision in Northern Ireland and Ireland

18. We note the success of cross-border collaboration on healthcare between Northern Ireland and the Republic of Ireland, particularly in radiotherapy and Ear, Nose and Throat services. We also note that ambulances are currently able to travel freely across the border, that medical professionals from one country can work in the other, and that patients can easily cross the border to access healthcare. (Paragraph 121)

19. We welcome the assurances contained in the Joint Report about the importance of maintaining freedom of movement under the Common Travel Area and cooperation under the 1998 Belfast/Good Friday Agreement. Regardless of the other arguments against a hard border, any such barrier would be highly detrimental to healthcare for patients on both sides of the border, including children and other vulnerable patients. (Paragraph 122)

20. We urge the Government to avoid such a hard border for patients and the health professionals who treat them, and to secure continued access under the Common Travel Area to emergency, routine and planned treatment. (Paragraph 123)

We agree with the Committee about the value of the Common Travel Area and maintaining the UK’s unique healthcare arrangements with Ireland (which includes extensive cross-border collaboration between Northern Ireland and Ireland in relation to activities and services that fall within policy areas that are devolved in respect of Northern Ireland). We, along with Ireland, have been clear on the shared commitment to maintaining the Common Travel Area. We will protect the ability to move freely between the UK and Ireland, recognising the special importance of this to people in their daily lives. UK and Irish citizens are currently afforded a range of
reciprocal rights in each other’s state, including the right to enter, reside and work in each other’s jurisdiction without being subject to a requirement to obtain permission, as well as other reciprocal rights including the right to access health services, and we are committed to ensuring that those rights continue to be protected.

21. Given the key role that bilateral and EU-level cooperation has played in improving access to healthcare in the border areas, we call on both sides of the negotiations to treat healthcare as a priority in the final settlement of issues relating to the island of Ireland. (Paragraph 124)

We agree this is a priority. The UK has been clear that we are committed to turning all of the commitments made under the Joint Report into legally binding text.

We are committed to protecting the rights of UK and Irish citizens to enter, reside and work in each other’s state without being subject to a requirement to obtain permission, as well as other reciprocal rights including the right to access health services, and to maintaining the ongoing cooperation between the UK and Ireland. For example, patients currently cross the border to access specialist treatments and there are a number of cross-border initiatives. For example, children regularly travel from Northern Ireland for cardiac surgery in Dublin and there is a radiology unit in Derry that is a cross-border initiative available to patients on both sides of the border. It is co-staffed and co-funded.

The UK wants to ensure continued collaboration on healthcare with Ireland and that there are no barriers to the movement of patients, staff or resources on the Island of Ireland.

Reciprocal healthcare provision and devolution

22. We call on the Government to ensure the active participation of the devolved administrations in setting the UK’s position on future arrangements for reciprocal healthcare, so that the implications of any potential changes fully reflect perspectives and powers across the United Kingdom. (Paragraph 130)

We have been clear from the start that the devolved administrations should be fully engaged in preparations for the UK’s exit from the EU. The UK Government is committed to negotiating a deal with the EU that works for the entire UK. It is therefore vital that the devolved administrations are able to contribute to the UK negotiating line in areas that intersect with the devolution settlements or have a significant impact on the devolved nations in advance of the UK Government undertaking negotiations. Much progress has already been made.

At the last Joint Ministerial Committee on EU negotiations (JMC(EN)) on 2 May 2018, the UK Government proposed a process to enhance engagement with the devolved administrations in the next phase of negotiations. The Committee noted the proposal for enhanced engagement with the devolved administrations as key to
progress with both the Ministerial and official level discussions. These discussions are already underway and JMC(EN) will continue to oversee this work. We will continue to engage the devolved administrations as we seek a deal that works for all parts of the UK, including Scotland, Wales and Northern Ireland.