



Department  
of Health &  
Social Care

# **First Annual Report on payments made under the Healthcare (European Economic Area and Switzerland Arrangements) Act 2019 for the period 31 December 2020 to 31 March 2021**

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# **First Annual Report on payments made under the Healthcare (European Economic Area and Switzerland Arrangements) Act 2019 for the period 31 December 2020 to 31 March 2021**

**Presented to Parliament pursuant to Section 6 of the Healthcare (European Economic Area and Switzerland Arrangements) Act 2019**



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## **The Healthcare (European Economic Area and Switzerland Arrangements) Act 2019**

The Healthcare (European Economic Area and Switzerland Arrangements) Act 2019 (HEEASAA) provides the Secretary of State with a legal framework to implement comprehensive reciprocal healthcare agreements with countries in the EEA and with Switzerland following the UK's departure from the European Union.

Under Section 6 of the 2019 Act, the Secretary of State has a duty to lay an annual report before Parliament providing details of payments made under the powers conferred by or under the Act. The report must be laid before Parliament as soon as practicable after the end of each financial year.

This first annual report covers the period between the end of the EU Exit Transition Period on 31 December 2020 and the end of the financial year on 31 March 2021. Future reports will cover payments made under the 2019 Act for subsequent financial years.

For this first report, very limited expenditure took place under the 2019 Act due to the lag in receiving claims from Member States. All EEA expenditure for the financial year 2021/2020 – including that incurred under EU law (Regulation 883/04) as well as payments under the 2019 Act - are covered in the Departmental Annual Report and Accounts, published on 31 January 2022.

## **Reciprocal Healthcare arrangements following the UK's exit from the European Union**

Reciprocal healthcare agreements with other countries strengthen international healthcare cooperation. They support UK residents to access necessary and emergency healthcare when they travel abroad and can facilitate cooperation on planned treatment and other areas of healthcare policy. They support tourism and short-term business travel and can particularly benefit those with long-term health conditions. The most frequently used element of reciprocal healthcare for UK residents, and the most familiar, is the access to necessary healthcare in other countries.

Following the UK's departure from the European Union, the UK Government reached an agreement with the EU to ensure that UK residents will continue to benefit from reciprocal healthcare arrangements when in the EU.

Under the powers in the 2019 Act, the Government implemented separation agreements with the EU, Switzerland, and the EEA EFTA states (Norway, Iceland and Liechtenstein),

namely the UK-EU Withdrawal Agreement<sup>1</sup>, the UK-Switzerland Citizens' Rights Agreement<sup>2</sup> and the UK-EEA EFTA Separation Agreement<sup>3</sup>. These agreements ensured there was no cliff-edge for citizens' rights, including reciprocal healthcare rights, when the UK departed from the EU by protecting those with residence rights.

The Government subsequently agreed further comprehensive arrangements with the EU and Switzerland, which have been implemented using HEEASAA powers. These provide reciprocal healthcare coverage to those travelling to the EU and Switzerland. These agreements (The Social Security Coordination Protocol to the UK-EU Trade and Cooperation Agreement<sup>4</sup> and the UK-Switzerland Convention on Social Security Coordination<sup>5</sup>, respectively) mean continued healthcare support for UK residents when they travel or move to the EU or Switzerland.

Finally, the UK negotiated a Memorandum of Understanding (MOU) in 2020 with Ireland on reciprocal healthcare, which is also implemented under the powers under the 2019 Act. This MOU was negotiated with partners in Ireland to ensure continuity of most elements of reciprocal healthcare in the event of no negotiated outcome with the European Union on a future relationship. It specifically recognises the unique relationship of the UK with Ireland and broader Common Travel Area arrangements. Following the agreement of the EU arrangements, the UK and Ireland have agreed that the provisions in the Trade and Cooperation Agreement will apply for reciprocal healthcare, but with some enhanced elements to support further cooperation.

The UK is currently negotiating a further agreement with the EEA EFTA States of Norway, Iceland and Liechtenstein. Once negotiated, this agreement will also be implemented under the powers under the 2019 Act. UK nationals can use their passports to access necessary healthcare in Norway in the meantime.

In summary, the UK has successfully negotiated and implemented six agreements under the powers conferred under HEEASAA with countries and blocs in Europe. In the future, it is expected that further agreements will be reached with countries in Europe and outside of Europe; the Government has brought forward provisions in the Health and Care Bill to

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<sup>1</sup> Officially, [Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community](#), signed on 24 January 2020

<sup>2</sup> Officially, [Agreement between the United Kingdom of Great Britain and Northern Ireland and the Swiss Confederation on citizens' rights following the withdrawal of the United Kingdom from the European Union and the Free Movement of Persons agreement](#), signed on 25 February 2019

<sup>3</sup> Officially, [Agreement on arrangements between Iceland, the Principality of Liechtenstein, the Kingdom of Norway and the United Kingdom of Great Britain and Northern Ireland following the withdrawal of the United Kingdom from the European Union, the EEA Agreement and other agreements applicable between the United Kingdom and the EEA EFTA States by virtue of the United Kingdom's membership of the European Union](#), signed on 28 January 2020

<sup>4</sup> Officially, [Protocol on Social Security Coordination contained in the Trade and Cooperation Agreement between the European Union and the European Atomic Energy Community, of the one part, and the United Kingdom of Great Britain and Northern Ireland, of the other part](#), signed on 30 December 2020

<sup>5</sup> Officially, [Convention on Social Security Coordination between the United Kingdom of Great Britain and Northern Ireland and the Swiss Confederation](#), signed on 9 September 2021

enable the Government to implement comprehensive healthcare agreements with countries outside of the EEA and Switzerland.

## Coverage of the Agreements

Where the UK or an EU Member State is responsible for the healthcare of an individual, they will be entitled to reciprocal healthcare cover. This includes certain categories of cross-border workers and state pensioners who retire to the EU.

In summary, the agreements in place during the report period cover:

- The healthcare costs of UK-insured state pensioners and their dependants living in the EEA/Switzerland – around 201,000<sup>6</sup> in total. These are known as S1 arrangements.
- Individuals exporting benefits to the EEA/Switzerland (and their dependants) whose healthcare is funded via the S1 form - around 7,200<sup>7</sup> in total.
- Around 42,000<sup>8</sup> workers from the UK who are on a temporary posting in the EU and access healthcare using their EHIC/GHIC<sup>9</sup>. There are also around 2,100<sup>10</sup> S1 certificates issued to workers or their dependants to access healthcare in the EEA/Switzerland, although there may be overlap between these two groups.
- The cost of necessary healthcare (EHIC/GHIC) of UK-insureds of approximately 67m visits to Member States each year - once travelling patterns return to their long-term trend<sup>11</sup>. UK nationals can also use their passports to access necessary healthcare in Norway.
- We also fund around 1,300-1,500 UK residents per year to travel overseas to receive planned treatment in Member States (e.g. for procedures unavailable in the UK within a medically justifiable timescale or returning home to give birth)<sup>12</sup>. These are known as S2 provisions.

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<sup>6</sup> Data provided by NHS Business Services Authority (End 2020/21), including 2012 estimates for Ireland.

<sup>7</sup> Data provided by NHS Business Services Authority (End 2020/21)

<sup>8</sup> Number of individuals issued A1 certificates (2018); note this includes certificates issued for EFTA countries. [A1 certificates](#) are proof that an individual pays UK National Insurance contributions. Anecdotal evidence from industry, as well as business traveller volumes published by the ONS, suggest that the number of individuals going to work in the EU is much higher.

<sup>9</sup> EHICs are valid for 5 years; EHICs issued prior to the introduction of GHIC are valid until their expiry. New UK EHICs are also issued to those with rights under the Withdrawal Agreement

<sup>10</sup> Data provided by NHS Business Services Authority (End 2020/2021), S1 workers could also have an A1

<sup>11</sup> ONS (2019) Travel Trends estimates for [UK resident visits to the EU](#)

<sup>12</sup> European Commission S2 Questionnaire (for reference years 2017 - 2019), EU Member States only

## HEEASAA Annual Reporting and explanation of reimbursement procedures

Prior to EU Exit, the UK was obliged to reimburse healthcare costs for which we were liable under Regulation (EC) No 883/2004 and in accordance with procedures set out in Regulation (EC) No 987/2009. Treatment in the EEA and Switzerland incurred since 31 December 2020, for which the UK is liable, is now mainly reimbursable under the 2019 Act.

For the reporting period of this report, the UK has been responsible for funding those covered by the Separation Agreements and the Social Security Coordination Protocol to the UK-EU Trade and Cooperation Agreement<sup>13</sup> (including the MOU with Ireland). The UK-Switzerland Social Security Convention came into force in November 2021 and therefore no payments have been made under this agreement during this reporting period.

Different reimbursement mechanisms are in place for the different reciprocal healthcare provisions and vary by Member States, and Table 1 below outlines the specific detail for each Member State:

- For necessary healthcare, our reciprocal healthcare arrangements enable the UK to charge EEA/Swiss States based on the actual costs for the use of NHS services or to agree an alternative form of charging, such as cost-waiver agreements (where each country underwrites the healthcare costs of the services used by people of the other state) or formula agreements (where a model is agreed between the UK and a Member State based on factors such as travel numbers). The UK has formula agreements in place to estimate the value of NHS services used in the UK by temporary visitors from: Spain, France, Portugal, Belgium, Sweden and Ireland; and the UK has opted to enter into cost waiver agreements with some of the smaller Member States, such as Norway and Malta, where the total flow of people between the UK and these states is broadly similar in both directions.
- The UK pays the actual costs for all those receiving planned treatment (S2).
- Pensioner healthcare (S1) is charged at an average cost in Cyprus, Portugal, Spain, Ireland and Sweden, and actual cost (or through the waiver) for all other Member States and Switzerland. Workers eligible for an S1 are all charged at actual cost.

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<sup>13</sup> Officially, [Protocol on Social Security Coordination contained in the Trade and Cooperation Agreement between the European Union and the European Atomic Energy Community, of the one part, and the United Kingdom of Great Britain and Northern Ireland, of the other part](#), signed on 30 December 2020



**Table 1: EEA Switzerland Reciprocal Healthcare Payment Arrangements**

<b>Country</b>	<b>Necessary healthcare</b>	<b>Family member of insured person S1s</b>	<b>Pensioner S1s</b>	<b>Worker S1s</b>	<b>Planned treatment</b>
Austria	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost
Belgium	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost
Bulgaria	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost
Croatia	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost
Cyprus	Actual cost	Average costs	Average costs	Actual cost	Actual cost
Czech Republic	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost
Denmark	Waiver	Waiver	Waiver	Waiver	Waiver
Estonia	Waiver	Waiver	Waiver	Waiver	Actual cost
Finland	Waiver	Waiver	Waiver	Waiver	Actual cost
France	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost
Germany	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost
Greece	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost
Hungary	Waiver	Waiver	Waiver	Waiver	Actual cost
Iceland	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost
Italy	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost
Latvia	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost
Liechtenstein	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost
Lithuania	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost
Luxembourg	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost
Malta	Waiver	Waiver	Waiver	Waiver	Waiver
Netherlands	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost

<b>Country</b>	<b>Necessary healthcare</b>	<b>Family member of insured person S1s</b>	<b>Pensioner S1s</b>	<b>Worker S1s</b>	<b>Planned treatment</b>
Norway	Waiver	Waiver	Waiver	Waiver	Actual cost
Poland	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost
Portugal	Formula	Average costs	Average costs	Formula	Actual cost
Ireland	Formula	Formula	Formula	Formula	Actual cost
Romania	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost
Slovakia	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost
Slovenia	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost
Spain	Actual cost	Average costs	Average costs	Actual cost	Actual cost
Sweden	Actual cost	Waiver	Average costs	Actual cost	Actual cost
Switzerland	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost

In terms of the payments, all EEA healthcare payments (including those under the 2019 Act) are made in arrears, usually between one to three years after the event.

If, for example, a UK national were to injure themselves on a holiday in Germany, they would present their GHIC at the German hospital and receive the necessary treatment. The hospital would then raise an invoice for the treatment with their liaison body. In the case of the UK, this liaison body is the NHS Business Services Authority (NHS BSA). The German liaison body would then submit a claim for the cost of that treatment to the UK based on receipts of the invoice from the hospital. Once the UK is satisfied that the claim is accurate and valid, the UK would release the payment to Germany. This process takes at least one year.

Routine payments for treatments covered under the 2019 Act are therefore unlikely to begin until early 2022, one year after the agreement came into force.

## HEEASAA Expenditure from 31 December 2020 to 31 March 2021

For the reasons outlined above, the only payments made under the HEEASAA legislation for the period between 11pm on 31 December 2020 and 31 March 2021 were for discretionary planned treatment care. These payments are made outside of the regular payments process and are therefore paid in a shorter time frame. Expenditure is outlined in Table 2 below.

Payments for discretionary planned treatment are made to support the healthcare needs of British residents when they are abroad in circumstances which fall outside of a reciprocal healthcare agreement. They are most likely to be used when the refusal to fund healthcare treatment would result in unjustifiably harsh consequences for the individual.

**Table 2: Payments made by the UK Government under HEEASAA for Financial Year**

<b>HEEASAA Expenditure Financial Year 2020/2021</b>	<b>Total Amount</b>
Necessary Healthcare (EHIC/ GHIC)	-
Pensioner and Eligible Worker Healthcare	-
Routine Planned Treatment	-
Discretionary Planned Treatment	£9,251.89

## EEA Healthcare Expenditure from 1 April 2020 to 31 March 2021

Alongside payments under HEEASAA, EEA payments have also been made for reciprocal healthcare claims from Member States, which took place whilst the UK was still a member of the EU, during the 2020/2021 financial year. These payments do not fall under the 2019 Act and are outlined in the DHSC Annual Report and Accounts. The DHSC Annual Report can be found here: [DHSC annual report and accounts: 2020 to 2021 - GOV.UK \(https://www.gov.uk/government/publications/dhsc-annual-report-and-accounts-2020-to-2021\)](https://www.gov.uk/government/publications/dhsc-annual-report-and-accounts-2020-to-2021)



