



Department
of Health &
Social Care

Second Annual Report on payments made under the Healthcare (European Economic Area and Switzerland Arrangements) Act 2019 for the period April 2021 – March 2022

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



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Introduction

Reciprocal healthcare agreements with other countries strengthen international healthcare cooperation. They support UK residents to access necessary and emergency healthcare when they travel abroad, through the European/Global Health Insurance Card (E/GHIC); and can facilitate cooperation on planned treatment and other areas of healthcare policy. They support tourism and cross border working and can particularly benefit those with long-term health conditions.

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 European Economic Area (EEA) and with Switzerland following the UK's departure from the European Union (EU).

Under Section 6 of the 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 annual report covers the period between 1 April 2021 and the end of the financial year on 31 March 2022.

Healthcare (International Arrangements) Act 2019

Section 162 of the Health and Care Act 2022 contains provisions to amend the existing powers in HEEASAA¹. The amendments will enable the Secretary of State to support the healthcare needs of UK Nationals across the world by allowing us to implement comprehensive reciprocal healthcare agreements with countries outside the EU. Once these amending provisions come into force, HEEASAA will be known as the Healthcare (International Arrangements) Act 2019 (HIAA). The Government is anticipating commencing the provisions and replacing the Healthcare (European Economic Area and Switzerland Arrangements) (EU Exit) Regulations 2019 this year.

During the passage of the Health and Care Act 2022 the Government agreed to set out our intention with regards to future reciprocal healthcare arrangements in this annual report. For this purpose, we have included a “forward look” in the annual report this year.

¹ [s.162 Health and Care Act 2022 – International healthcare arrangements](#)

Reciprocal Healthcare Arrangements with the EEA and Switzerland

The 2019 Act provides the legal basis for the implementation of the healthcare elements of the Government's separation agreements with the EU, Switzerland, and the EEA European Free Trade Association (EFTA) states (Norway, Iceland and Liechtenstein), namely the UK-EU Withdrawal Agreement², the UK-Switzerland Citizens' Rights Agreement³ and the UK-EEA EFTA Separation Agreement⁴.

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 Agreement⁵ and the UK-Switzerland Convention on Social Security Coordination⁶, respectively) mean continued healthcare support for UK residents when they travel or move to the EU or Switzerland.

The UK negotiated a Memorandum of Understanding (MOU) in 2020 with Ireland⁷ on reciprocal healthcare, which is also implemented under the 2019 Act. This MOU specifically recognises the unique relationship of the UK with Ireland and broader Common Travel Area arrangements.

The UK is currently negotiating further social security coordination agreements with the EEA EFTA States of Norway, Iceland and Liechtenstein, and with the EU on behalf of Gibraltar. Once finalised, these healthcare elements of the agreement will also be implemented under the powers under the 2019 Act.

Coverage of Reciprocal Healthcare Arrangements under HEEASAA

Under our reciprocal healthcare arrangements where either the UK or an EEA state or Switzerland is responsible for the healthcare of an individual, also known as the 'competent state', the individual will be entitled to receive state-funded healthcare paid by the competent state. This includes healthcare cover for visitors to another state, certain categories of cross-border workers and state pensioners who retire to the EEA and Switzerland.

² Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community

³ [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](#) (GOV.UK)

⁴ [EEA EFTA Separation Agreement](#)

⁵ [Trade and Cooperation Agreement between the United Kingdom of Great Britain and Northern Ireland and the European Union and the European Atomic Energy Community](#)

⁶ [UK/Switzerland Convention on Social Security Coordination](#)

⁷ [Memorandum of understanding: Common Travel Area healthcare arrangements between the UK/Northern Ireland and Ireland](#)

In summary, the agreements implemented under HEEASAA during the reporting period cover:

(1) UK funding of the healthcare of around 220,000 UK-insured individuals living in the EEA/Switzerland as of 31 March 2022. This includes:

- *UK-insured state pensioners and their dependents* - as of 31 March 2022, there were around 210,000 UK state pensioners and their dependents with UK-issued S1s registered in EEA Member States and Switzerland.
- *Individuals exporting benefits to the EEA/Switzerland and their dependents whose healthcare is funded by the UK* - as of 31 March 2022, there were around 7,000 UK-issued S1s registered in EEA Member States and Switzerland by people under this group.
- *Workers* - consisting of 'detached workers' who are employed or self-employed in the UK but are temporarily working in the EEA/Switzerland, 'frontier workers' who work in the UK but travel to work from the EEA/Switzerland, and dependents of these groups. As of 31 March 2022, there were around 1,500 UK-issued S1s registered in EEA Member States and Switzerland by people under this group.
- *Dependents S1 holders* – around 300 people who are residing in a different state to the person they are considered to be dependant of, under the UK's Social Security Coordination arrangements with the EU.

(2) Funding of necessary healthcare (EHIC/GHIC) for UK-insured individuals. This covers approximately 68m visits to Member States each year⁸. UK nationals can also use their passports to access necessary healthcare in Norway.

(3) Funding of around 1,300-1,500 UK residents per year to travel overseas to receive planned treatment in Member States. These are known as S2 provisions and cover procedures unavailable in the UK within a medically justifiable timescale or returning home to give birth⁹.

⁸ ONS (2019) Travel Trends estimates for [UK resident visits to the EU](#)

⁹ European Commission S2 Questionnaire (for reference years 2017 - 2019), EU Member States only

Reciprocal Healthcare Arrangements outside of the EEA and Switzerland

The UK currently has reciprocal healthcare arrangements with a range of countries and jurisdictions outside of the EEA and Switzerland which support UK residents to have access to medically necessary healthcare throughout the duration of a temporary stay. The Government has committed to expanding these arrangements in the interests of UK nationals.

Under these arrangements participating countries currently absorb the costs of the necessary healthcare provisions and no funds are exchanged between partners. Once the provisions amending the 2019 Act are brought into force later this year the Government will have the option of negotiating full reimbursement arrangements.

The countries and territories with which the UK currently has reciprocal healthcare agreements outside of the EEA and Switzerland include:

- Crown Dependencies
 - Bailiwick of Guernsey
 - Bailiwick of Jersey
 - Isle of Man
- British Overseas Territories
 - Anguilla
 - Ascension Island, St. Helena and Tristan da Cunha (concluded May 2023)
 - British Virgin Islands
 - Falkland Islands
 - Gibraltar
 - Monserrat
 - Turks and Caicos
- Australia
- New Zealand
- Israel
- Serbia
- Montenegro
- North Macedonia
- Kosovo
- Bosnia and Herzegovina
- Faroe Islands

Forward look of Healthcare Agreements

Since the last annual report was published, the UK concluded a new necessary healthcare arrangement with the Bailiwick of Guernsey and St Helena, Ascension and Tristan de Cunha and refreshed necessary healthcare arrangements with Jersey.

The UK Government is currently in the process of negotiating or considering reciprocal healthcare agreements with countries listed in the table below.

Table 1: Forward look of agreements

Country/State	Status	Summary
Gibraltar	Negotiations Underway	The UK and Gibraltar are negotiating a Social Security Coordination agreement with the EU.
EEA EFTA	Negotiations Underway	The UK and EEA EFTA States are negotiating a Social Security Coordination agreement which will include similar healthcare rights as the EU – UK Trade and Cooperation Agreement.
Overseas Territories (OTs)	Discussions Underway	Ongoing negotiations to refresh existing reciprocal healthcare arrangements and add the GHIC as an eligibility document and to extend arrangements to further territories.

Early initial outreach is underway with a range of other international partners, and the forward look will be updated once any formal negotiations commence.

Financial Reimbursement Arrangements of Current Agreements listed under HEEASA

Under the UK arrangements with EEA Member States and Switzerland, the costs of healthcare are principally reimbursed on the basis of actual cost (i.e., the cost of actual use of healthcare). However, states that operate healthcare systems whose administrative structures do not facilitate reimbursement on an actual cost basis are able to opt for a reimbursement model on the basis of fixed sums (average cost per person) for certain groups. Arrangements also allow states to bilaterally enter into other types of reimbursement arrangements such as formula agreements or waive all reimbursement between institutions coming under their jurisdiction (cost-waiver agreements).

The UK operates an actual cost reimbursement model with most of the Member States and has opted to charge other states on the basis of fixed sums (average costs) for the cost of healthcare of their pensioners in the NHS. The UK also operates a small number of formula agreements for temporary visitors accessing necessary healthcare in the UK, which are based on visitor numbers from the Office of National Statistics, as well as a small number of cost-waiver agreements under which both sides agreed to absorb the costs of healthcare. A comprehensive table listing the reimbursement arrangements between the UK and each Member State for each eligible group is included in **Annex A** of this report.

All payments to Member States are made in arrears and claims may take between 1 – 4 years until they are fully settled due to the timeframes of the reimbursement processes that are set out in the implementation parts on the UK – EU reciprocal healthcare arrangements.

EEA HEEASAA Expenditure from April 2021 – March 2022

The table below outlines the expenditure incurred under HEEASAA to EEA Member States and Switzerland from the period of April 2021 - March 2022. These figures give a representation of the total expenditure and income transactions between the UK and each of the Member States for the period 1 April 2021 to 31 March 2022.

The table also includes total expenditure for discretionary payments and direct reimbursement.

Discretionary payments

Discretionary payments are made to support the healthcare needs of British residents when they are abroad in circumstances which fall narrowly outside the scope of a reciprocal healthcare agreement and concern mostly, but not exclusively, planned healthcare treatments. These payments are most likely to be used when the refusal to fund healthcare treatment would result in unjustifiably harsh consequences for the individual.

Direct reimbursement

Under the terms of our European reciprocal healthcare arrangements people are entitled to a reimbursement of the cost of treatment they incurred in Member States, if the treatment in question is confirmed to be covered by GHIC by the treating Member State.

Table 2: UK Government's EEA expenditure and income under HEEASAA (2019) for Financial Year 2021/22

Member State	Expenditure, £000's	Income, £000's
Austria	4,654	215
Belgium	2,794	2,897
Bulgaria	582	2,758
Croatia	770	508
Cyprus	2,953	316
Czech Republic	933	536

Member State	Expenditure, £000's	Income, £000's
Denmark	-	-
Estonia	-	59
Finland	16	537
France	151,658	2,853
Germany	62,548	1,430
Greece	7,472	- 895
Hungary	3	116
Iceland	63	136
Ireland	230,047	35,625
Italy	12,967	2,363
Latvia	2	1,392
Liechtenstein	1	- 0.08
Lithuania	496	1,993
Luxembourg	650	341,343
Malta	-	48
The Netherlands	6,759	3,315
Norway	-	-
Poland	10,782	5,960
Portugal	183	1,205
Romania	22	5,332
Slovakia	1,695	1,165
Slovenia	300	1,013
Spain	315,095	2,327

Member State	Expenditure, £000's	Income, £000's
Sweden	1,774	1,156
Switzerland	8,250	- 445
Total expenditure to Member States	823,297	74,255
Discretionary payments and direct reimbursement to	866	-
GRAND TOTAL	824,163	74,255

Annex A: EEA Switzerland Reciprocal Healthcare Reimbursement Arrangements

Country	Necessary healthcare	Family member of insured person S1s	Pensioner S1s	Worker S1s	Planned treatment
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 cost	Average cost	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
Norway	Waiver	Waiver	Waiver	Waiver	Actual cost

Country	Necessary healthcare	Family member of insured person S1s	Pensioner S1s	Worker S1s	Planned treatment
Poland	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost
Portugal	Formula	Average cost	Average cost	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 cost	Average cost	Actual cost	Actual cost
Sweden	Actual cost	Waiver	Average cost	Actual cost	Actual cost
Switzerland	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost

