

CHANGES REQUIRED TO THE PASSPORTING OF INDIVIDUALS TO HELP WITH HEALTH COSTS AS A RESULT OF THE INTRODUCTION OF UNIVERSAL CREDIT

A CONSULTATION DOCUMENT

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ACTION REQUIRED: Responses by 10 March 2025

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1. MINISTERIAL FOREWORD

The Help with Health Costs scheme provides individuals, primarily on low incomes, with help towards the cost of dental treatment, eyesight tests, glasses or contact lenses, and travel costs for Health and Social Care treatment, on referral by a doctor or dentist. Individuals in receipt of certain legacy benefits are entitled to help from the scheme without having to make an application, that is they are 'automatically passported'.

This is not the case for individuals in receipt of Universal Credit as the legislation has not been amended to reflect its introduction in Northern Ireland, therefore it is not an automatically passporting benefit. This consultation seeks your views on potential changes to the eligibility criteria for automatic support being provided under the scheme for Universal Credit recipients.

An interim measure is in place for individuals who have migrated from a legacy benefit. These individuals currently have to apply through the Department's Low Income Scheme and complete a paper based application form. The interim measure is not an automatic process which has obvious implications for some of our most vulnerable people and it is clear that there is an urgent need to update our legislation to reinstate automatic passporting to those eligible.

I recognise that in reviewing the criteria for the Department's Help with Health Costs scheme, it is important and necessary that we balance a desire to continue to protect the health of vulnerable members of society as intended without adding to pressures on Health and Social Care budgets. This consultation process is seeking your views on the proposed eligibility criteria with the aim of ensuring that those most in need automatically receive help to access these very important healthcare services. Until changes to the eligibility criteria are introduced, those receiving Universal Credit can continue to receive support through the Low Income Scheme.

Mike Nesbitt, Minister of Health

2. CONSULTATION OVERVIEW

- 2.1** The purpose of this consultation is to outline the potential changes to the eligibility criteria for automatic support being provided under the Help with Health Costs (HwHC) scheme for Universal Credit (UC) recipients. The HwHC scheme provides individuals, primarily on low incomes, with help towards the cost of dental treatment, eyesight tests, glasses or contact lenses, and travel costs for Health and Social Care (HSC) treatment, on referral by a doctor or dentist.
- 2.2** The eligibility criteria are set out in the *Travelling Expenses and Remission of Charge Regulations (Northern Ireland) 2004* and individuals in receipt of certain legacy benefits are entitled to help from the scheme without having to make an application, that is they are 'automatically passported'. This is not the case for UC recipients as the legislation has not been amended to reflect its introduction in Northern Ireland.
- 2.3** The Department currently has an interim measure in place for UC recipients who need financial assistance with their health costs. This is via the Health Service Low Income Scheme. This scheme was already established before UC, and is to help those who had a low income but were not a recipient of eligible benefit for HwHC. It is a complex paper-based application process, which creates an extra obstacle for individuals to overcome to access the healthcare they require.
- 2.4** This consultation presents analysis on the HwHC scheme, in order to inform the selection of automatic passporting eligibility criteria for the HwHC scheme under UC. The Department wish for you to engage and provide input on the two options outlined in the consultation for amending the eligibility criteria for the HwHC scheme to include UC. The Department is committed to progressing this legislative change in a way that is really going to have a positive impact and ensure that eligible UC recipients receive the automatic help they need to access these crucial healthcare services.

3. BACKGROUND

- 3.1** The UK Government embarked on a wide-ranging programme of welfare reform. A number of changes have been made to the benefit system in Northern Ireland. These continued changes will result in many of our working-age benefits being abolished in their current form and replaced with UC.
- 3.2** UC is a working age payment for people over 18 but under State Pension age who are on a low income or out of work. It includes support for the cost of housing, children and childcare, financial support for people with disabilities, carers and people too ill to work. UC is being implemented in Northern Ireland as agreed by the NI Executive. It has been in place since 2017 for all new claims for benefit support.
- 3.3** The final stage of implementation, known as Move to UC, is the managed migration of those people who remain in receipt of the following benefits and credits onto UC:
- Tax Credits
 - Income Support
 - Income Related Employment and Support Allowance
 - Income Based Jobseeker's Allowance
 - Housing Benefit (Rental)

It is envisaged that Tax Credits will be coming to an end from the start of the financial year in 2025.

- 3.4** The Department for Communities (DfC) are continuing the roll-out of UC in line with Great Britain (GB). By the end of 2024/25, all tax credit benefit and income support recipients will be invited to move to UC. Income based tax credit benefits below a specific threshold are currently an automatically passported benefit for HwHC.

- 3.5** Once UC is fully rolled out, the Department loses the ability to use existing income-related benefits as a passport for entitlement. As UC will be a single benefit award it is not possible to pick out the individual components that make up the award. Therefore, extending automatic passporting to all those on UC would result in significant net increases to the eligible pool of applicants and would place undoubted pressures on HSC budgets.
- 3.6** Currently in GB in order to be automatically passported to HwHC on the grounds of UC, the UC claimant must be in receipt of a positive award of UC. A positive award means a payment of UC of at least 1 penny at the end of the monthly assessment period, and earnings in the last assessment period must meet the earnings thresholds i.e. £435 or less, or £935 or less if their UC includes a payment for a child, or they have a limited capability for work (LCW) or limited capability for work and work related activity (LCWRA). If UC is claimed as a couple, the threshold applies to the couples' combined earned income.
- 3.7** The Department previously considered this work in 2016/2017, prior to the introduction of UC. However, it did not proceed with amending the legislation and implementing UC as an automatic passporting benefit for HwHC. This was due to a number of factors that were relevant in 2017, including; the absence of the Assembly, general concerns around the introduction of UC in Northern Ireland, problems GB were experiencing regarding the implementation of the UC earning thresholds and the low number of individuals who would be in receipt of UC in 2017. More recently this work was not undertaken due to the response to the COVID-19 pandemic.

4. MODELLING AND REVIEWING OF THE CRITERIA FOR PASSPORTING

- 4.1** The Department recognises that in reviewing the automatic exemption criteria for HwHC it is important and necessary that we balance a desire to continue to protect the health of vulnerable members of society as intended without adding to pressures on HSC budgets. In other words, it is essential that in determining the criteria for passporting to HwHC the Department considers the most effective way to target its resources in a cost neutral way and to support the people who need it most.
- 4.2** It is not the Department's policy intention to restrict access to its passported benefits by narrowing the eligibility criteria for providing HwHC or to cut the HSC budget in this area.
- 4.3** In order to inform the selection of automatic passporting eligibility criteria for the HwHC scheme the Department consulted with:
- other Northern Ireland departments who have similar schemes also impacted by the introduction of UC
 - DfC to discuss opportunities to improve our interim measure and to ensure they could undertake the required statistical analysis
 - GB jurisdictions who are responsible for their HwHC scheme
- 4.4** Two options that could be adopted for the future delivery of the HwHC scheme have been modelled on behalf of the Department by statisticians from DfC. The analysis received provided a time series on the caseload of HwHC recipients each year from 2017 to date.
- 4.5** However, as engagement was ongoing, it highlighted that GB thresholds have not been reviewed or revised since 2016. This is despite the considerable increase in national minimum wage/living wage and the significant cost of living increase since they were set. Therefore, it is no longer the case that these thresholds broadly align with legacy benefits for HwHC eligibility.

- 4.6** It was not possible to rerun the Policy Simulation Modelling that DfC statisticians conducted in 2017, as some of the survey data used is no longer collected in Northern Ireland. However, contrary to 2017, data is now available for UC recipients, which is helpful for this analysis.

Modelling

- 4.7** The current method of passporting relies on the following qualifying benefits that deem the applicant and/or their partner eligible:
- Income Support;
 - Income Related Employment and Support Allowance;
 - Income Based Jobseeker's Allowance;
 - Pension Credit Guarantee Credit;
 - Child Tax Credits (CTC) or Working Tax Credits (WTC) and has an annual taxable income not exceeding an amount as determined by the Department (£16,063, 2018/19 price);
 - WTC with a disability element and has an annual taxable income not exceeding an amount as determined by the Department (£16,063, 2018/19 price);
 - CTC and not eligible for WTC and has an annual taxable income not exceeding an amount as determined by the Department (£16,063, 2018/19 price).
- 4.8** Analysis has been carried out on the current thresholds for support with health costs applied to the both the legacy caseload and with the various UC thresholds for January 2017 to November 2023. Therefore, we have compared the number of individuals who were eligible for HwHC in January 2017 with those who are likely to be eligible if an earnings threshold was applied for UC recipients in 2024.
- 4.9** This comparison is purely based on the number of individuals eligible at two points in time (January 2017 and November 2023), it does not take into account wider economic factors which may have disproportionately impacted the most vulnerable individuals in society such as the cost-of-living crisis.

4.10 In January 2017, there were 320,900 individuals on legacy benefits (note: only including legacy benefits that are passporting benefits within the HwHC scheme) and by November 2023 this number decreased to 165,300 but we also have 146,600 individuals in receipt of UC (total 311,900).

4.11 Two main policy options are now under the consideration of the Department of Health. These options are as follows:

- **Option 1** – Having automatic passporting for HwHC based on 2 earnings thresholds (higher and lower, mirroring the existing GB earning thresholds) for those in receipt of UC, with a higher threshold for those receiving payments under UC for a disability and/or for a child / children
- **Option 2** – Passporting everyone on UC (no earnings threshold applied).

4.12 Statistical data related to both options can be found at **Annex A**. This includes the potential automatic passporting eligibility if implementing the existing thresholds in GB and if all UC claimants in payment are passported.

5. EVALUATION OF THE OPTIONS

5.1 Within this analysis a number of assumptions have been made. Firstly, that all individuals currently on a legacy benefit will remain eligible for HwHC following migration to UC. This is a reasonable assumption to make for most legacy benefits but for those on Tax Credits, as they are currently working, their eligibility on migration will depend on their earnings.

5.2 Therefore, the findings set out below are the maximum number of people who will be eligible for automatic passporting under each option modelled. Furthermore, it should be noted that while figures from 2017 have been used, a significant number of these people have already migrated to UC and have lost their automatic passporting. This number will continue to rise significantly.

Option 1 – GB thresholds

5.3 The automatic passporting criteria for UC recipients would be two tiered:

- Receive UC, with no earnings or had take-home pay of £435 or less in your last UC assessment period.

- Receive UC, which includes an element for a child, or you (or your partner) had limited capacity to work and work-related activity (LCWRA), and you either had no earnings or take-home pay of £935 or less in your last UC assessment period.

- 5.4** The impact of implementing these tiered thresholds would be that the vast majority, **some c82% or approximately 264,200 of UC recipients would have automatic passporting benefit to HwHC introduced**, meaning they would no longer need to apply through the interim measure (paper based application form). This would ensure that those who are most vulnerable in our society, based on their low earnings, would have automatic access to free of charge dental and ophthalmic treatment.
- 5.5** This option does not reduce overall eligibility for HwHC, however it would mean that c18% of individuals who would have been automatically passported under pre- Universal Credit arrangements will no longer be eligible for automatic passporting, which equates to around 56,700 individuals.
- 5.6** Those on UC who are not eligible for automatic passporting would still be eligible to apply through the Department's Low Income Scheme using the same application form as the current interim measure. This is clearly not an ideal situation and the Department is separately carrying out work to further mitigate the impact of this which is outlined below.
- 5.7** Further impacts of Option 1 include:
- The automatic passporting criteria for HwHC would be aligned with GB, with the expectation that any future amendments to the earning thresholds would be considered at a UK wide level, although this cannot be guaranteed. In comparison to option 2, this option would ensure that we are consistent and unified with the approaches currently being taken in GB ensuring that the long-standing policy of parity in respect to UK entitlement to HwHC continues to be maintained.
 - In 2017 this approach was considered to be more equitable to align with the legacy benefits. However, this is based on the analysis undertaken in 2017. Therefore, the thresholds could be considered out of date as

they have not been revised to reflect changes in society over this seven-year period.

Option 2 - All UC recipients (no earning thresholds applied)

- 5.8** The eligibility criteria would be that all UC recipients in payment would be automatically passported on to the scheme, with no earning thresholds applied. The impact of expanding HwHC to include all UC recipients could see **an increase of some c8% in the number of individuals** who would have been automatically passported under pre- Universal Credit arrangements, which equates to around 26,300 individuals.
- 5.9** The impacts of Option 2 include:
- This is the riskiest option for HSC budgets, as it will likely lead to an increase in the eligibility population and potentially increased costs, at a time when budgets are already under extreme pressure. This option also presents a further risk as it would expose HSC budgets fully to any sharp increases to the uptake of UC, specifically if there was an increase in the number of UC claimants who were also earning an income.
 - This option may lead to a greater increase in access to both dental and ophthalmic services for individuals, which could result in earlier intervention for the relevant diseases and reduce health inequalities between the highest and lowest socio-economic groups. Although this impact would depend upon good access to service providers and also the uptake rate of the scheme.

6. MITIGATION AGAINST IMPACT ON LOSS OF AUTOMATIC ENTITLEMENT

- 6.1** Those who are in receipt of UC but are outside of the thresholds for automatically passporting can apply under the Department's Low Income Scheme (LIS) for HwHC. The Department intends to ensure that the relevant regulations and LIS will offer the necessary help to both cohorts of Universal Credit recipients who are eligible for HwHC.

- 6.2** Simultaneously with the legislative process we will carry out work to streamline the LIS application process for those in receipt of UC who are not automatically passported to HwHC.
- 6.3** Secondly, we will continue to engage with colleagues across the other administrations in GB on any potential to revisions to the thresholds, so we can ensure these are reflected in legislation and develop a more streamlined process for any future threshold changes.

7. WAYS TO RESPOND

- 7.1** We are keen to hear the view of all stakeholders, and particularly those who may be directly impacted by the proposed automatic passporting criteria options set out in this consultation, including but not limited to:

- people and their families directly impacted by the proposed automatic passporting options;
- community and voluntary sector organisations;
- HSC sector;
- legal sector;
- health bodies;
- health professionals;
- departmental officials and other agencies or arm's length bodies.

- 7.2** The consultation will run for six weeks from **Monday 27 January 2025** and end **Monday 10 March 2025**.

Consultation Response

- 7.3** You can respond to the consultation online by accessing Northern Ireland Government Citizen Space website and completing the online survey. If you do not wish to use Citizen Space, a Consultation Response Form is provided (separate attachment). This can be downloaded, completed and returned to the email address below, or completed by hand and sent to the postal address.

- 7.4** Following the conclusion of the consultation we will consider all responses and publish a report on our findings on the Department of Health website.

Enquires

- 7.5** For any enquires in relation to this consultation please email the Department at helpwithhealthcosts@health-ni.gov.uk or write to:

Department of Health
Access to Healthcare and EU Citizens' Rights Branch
Room D3, Castle Buildings
Stormont Estate, Belfast, BT4 3SQ

Impact Assessments

- 7.6** In accordance with the relevant statutory requirements, the following impact assessment screening documents have been prepared and are available on the Department's website for consideration during this consultation:

- Equality Screening, Disability Duties and Human Rights Assessment
- Rural Needs Impact Assessment

Feedback on the Consultation Process

- 7.7** We value your feedback on how well we consult. If you have any comments about the consultation process, or suggestions on how we could improve this process please address them to the address or email address outlined above.

Privacy, Confidentiality and Access to Consultation Responses

- 7.8** For this consultation, we may publish all responses except for those where the respondent indicated that they are an individual acting in a private capacity (a member of the public). All responses from organisations and individuals responding in a professional capacity may be published. When doing so, we will remove any email address and telephone numbers from these responses but apart from this we may publish them in full.
- 7.9** For more information about what we do with personal data please see the link to our consultation privacy notice at paragraph 7.12.

- 7.10** Your response, and all other responses to this consultation, may also be disclosed on request in accordance with the Freedom of Information Act 2000 (FOIA) and the Environmental Information Regulations 2004 (EIR); however, all disclosures will be in line with the requirements of the General Data Protection Regulation (GDPR) (EU) 2016/679.
- 7.11** If you want the information that you provide to be confidential it would be helpful if you could explain to us why, so that it may be considered if the Department should receive a request for this information under the FOIA or EIR.
- 7.12** The Department of Health is the data controller in respect of any personal data that you provide, and the Department's Privacy Notice, which gives you details of your rights in respect of the handling of your personal data, can be found at [DoH Privacy Notice | Department of Health \(health-ni.gov.uk\)](https://www.health-ni.gov.uk/privacy-notice)

Table 1 – Summary of the options considered by DfC Statisticians

	Option 1 (GB thresholds)	Option 2 (All UC recipients)
January 2017		
No. eligible for automatic passporting (baseline prior to UC)	320,900	320,900
November 2023		
No. eligible on passporting legacy benefits	165,300	165,300
No. of UC recipients within thresholds	98,900	146,600
No. currently not eligible but would become eligible on migration to UC	0	35,300
Total	264,200	347,200
Difference to numbers eligible for automatic passporting between 2017 and 2023		
Numbers	-56,700	+26,300
%	-18%	+8%