

DEPARTMENT OF HEALTH ~~AND SOCIAL SECURITY~~

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From the Secretary of State for ~~Social Services~~ Health

SECRET

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3 November 1988

NHS REVIEW

I attach seven of the papers commissioned for next Tuesday's meeting of the Ministerial Group. The paper on capital, which reports the outcome of this morning's meeting between the Chief Secretary and the Secretary of State, will follow tomorrow.

The Secretary of State has been considering how the papers might be handled in a way that is most helpful to his colleagues. His conclusion is that it would not be possible to do justice to each of the eight papers if they were all put down for discussion at next Tuesday's meeting. Mr Clarke suggests therefore, if the Prime Minister is agreeable, that the following four papers are put on the agenda for discussion in the order given:

Medical Audit
Funding
Reconstituting Health Authorities
Managing the FPS

The other four papers cover:

Capital
A better service
Public and private sector
Professional and employment practices

Mr Clarke suggests that colleagues might like to let him have any comments on these papers so that if there are any major issues arising they can be discussed at a later meeting.

I am copying this letter and enclosures to the Private Secretaries to the Chancellor of the Exchequer, to the Secretaries of State for Scotland, Wales and Northern Ireland, to the Chief Secretary and to the Minister of State and to Sir Roy Griffiths in this Department, and also to Professor Griffiths and Mr Whitehead in the No. 10 Policy Unit and to Mr Wilson in the Cabinet Office.

Yours etc

ANDY McKEON

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HEALTH AND MEDICINES BILL: TEETH AND EYES

There will be widescale exemptions from charges on sight tests and dental examinations:

- exemptions for both sight/dental -
children under 16, full-time students under 19, those receiving/eligible for income support/family credit;
- further exemptions for dental -
expectant/nursing mothers, 16/17 year olds in work;
- further exemptions for sight tests -
registered blind/partially sighted and complex lens wearers.

The area of exemptions has been extended during the passage of the Bill by:

- free sight tests for diabetics (£8m, 1m people);
- free sight tests for glaucoma sufferers and their relatives aged over 40 (£0.5m, 50,000 people);
- some help for the 'nearly poor', ie those who would qualify for income support if they were to pay the charge (£0.1m, 10,000 people).

The Secretary of State for Social Security's announcement last Thursday on up-rating of benefits means that a further 90,000 people will be exempt from the charge.

Substantial additional expenditure (£2 billion) has been made available to the NHS in the last year. The House will see, when my Right Honourable Friend the Chancellor of the Exchequer has announced the Autumn Statement, that further substantial sums will be made available next year.

The income from charges in the Health and Medicines Bill is part of the extra £1.1 million committed for the NHS in 1988/89 in last year's public expenditure round. The then

Minister of Health made it quite clear to the House that the passage of this Bill is necessary to honour that commitment.

I must make it quite clear to the House myself that if the House does not accept the charges in the Bill for sight tests and dental examinations, the shortfall in NHS resources - amounting to some £134 million in a full year - will not be made up by the taxpayer. There will have to be compensating savings elsewhere in the Health Service budget. So a vote against charges in sight tests and dental examinations would cut spending on the NHS by £134 million.