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By Peter Pallot

(Filed: 22/03/2004) British expats may feel that the "health tourism" row bubbling in Westminster since late last year has nothing to do with them.

But many could be profoundly affected from April 1, when the UK Government imposes tough new restrictions on access to state healthcare. The crackdown has been partly prompted by fears that an influx of citizens of the 10 new states joining the EU this year will take advantage of Britain's benefits system and free health service. Another motive arises from long-running claims that the NHS in parts of the country is swamped by asylum seekers and people from Aids-ravaged Third World countries desperate for care. Health Secretary John Reid said he was determined to make the NHS "a British service for people who live in Britain". The result is that Britons who spend less than six months a year in the country will be denied access to hospitals and GP surgeries except in emergency cases. Among British expats to be hit will be those who have retired to continental Europe, but who planned to return home for elective treatment such as hernia repair, cataracts, non-urgent cardiac surgery, joint replacement and cancer treatment. Tougher restrictions will apply to those living outside the EU. They will be ineligible for NHS services if they are abroad more than three months a year. A lifetime's National Insurance contributions will count for nothing. However, expats who can show they have returned to spend their final years in the UK will get full access. A Department of Health spokesman said: "Basically, as soon as a British passport holder returns to the UK and resumes residency he or she will be fully eligible for NHS services." However, resuming residency has numerous tax and other implications for the individual. These could well deter former expats from taking up the option, thus excluding them from "free" treatment. Currently, non-emergency treatment can be refused for those out of the country for more than three months - but this restriction is widely ignored. Flouting the rules will end, said Dr Reid. His aim is to regularise access for growing numbers of Britons who spend a substantial minority of months abroad but a majority in UK. With mounting numbers of Britons settling abroad, the changes could stoke demand for international private medical insurance, say industry analysts. The type of policy bought will be important. Portability - covering the policyholder for private care within the UK as well as the relevant country of residence - will be crucial. According to the Department of Health, people who will be able to use the NHS without restriction include:

- charity aid workers and missionaries working abroad long-term
- Crown servants and other officials working in a foreign embassy, or UK citizens in long-term employment in extraterritorial international organisations such as United Nations agencies
- teachers of English as a foreign language
- those posted overseas for long-term contracts by UK based companies, and those who clearly have no intention of making their permanent residence abroad

In addition, people who are resident for tax purposes and therefore paying UK income tax are likely to be classed as resident and therefore exempt from charges even if living abroad.