



STATUTORY INSTRUMENTS

S.I. No. 228 of 2008



RISK EQUALISATION (AMENDMENT) SCHEME, 2008

(Prn. A8/0925)

RISK EQUALISATION (AMENDMENT) SCHEME, 2008

I, MARY HARNEY, Minister for Health and Children, in exercise of the powers conferred on me by sections 3 and 12 of the Health Insurance Act, 1994 (No. 16 of 1994) as amended and substituted by sections 9, 10 and 13 of the Health Insurance (Amendment) Act, 2001 (No. 17 of 2001), section 5 of the Health Insurance (Amendment) Act, 2003 (No. 11 of 2003) and section 2 of the Health Insurance (Amendment) Act, 2007 (No. 3 of 2007), hereby make the following Scheme—

1. This Scheme may be cited as the Risk Equalisation (Amendment) Scheme, 2008.

2. The Risk Equalisation Scheme, 2003 is hereby amended—

(a) by the substitution in Article 3 for the definition of “scheme undertakings” of the following:—

“ “scheme undertakings” means all registered undertakings, having regard to the definitions of “registered” and “undertaking”; ”

(b) by the substitution in Article 11 for sub-articles 11(3) to 11(5) of the following:—

“ (3) Following receipt of a return as specified under Article 9 from all scheme undertakings, the Authority shall determine as part of its evaluation and analysis an equalisation contribution for each scheme undertaking for the period concerned (referred to in this Article as the “current period”), in accordance with the Second Schedule, provided that if the Authority is of the opinion, following, inter alia, an analysis of the returns, that a scheme undertaking has, for whatever reason,

(a) ceased to provide cover to insured persons; or

(b) has very substantially curtailed its operations,

so that, as a result, there is in the opinion of the Authority, a material lack of correspondence during the period between its number of insured persons and

(a) its amount of cell equalised benefits; or

(b) its cell claim value

Notice of the making of this Statutory Instrument was published in “Iris Oifigiúil” of 4th July, 2008.

for a particular cell, then the Authority shall disregard that particular return in its calculation of equalisation contributions for the current period and instead it shall allocate that return (to be known for the purposes of this Scheme as a “curtailment adjustment”) to the latest preceding period in respect of which the Authority did not form such an opinion.

(4) The Authority shall determine in accordance with the Second Schedule in force at the end of each previous period to which this Article refers for each scheme undertaking, for each previous period in respect of which a material calculation error has occurred and has not previously been corrected:

- (a) the equalisation contribution for that period, based on the returns or the most recent previous data adjustments received and before making any adjustment for that calculation error, increased by the addition of interest at a compound annual rate equal to the prevailing European Central Bank marginal lending facility rate during the term between the last day of that period and the last day of the current period (referred to in this Article as the “former incorrect equalisation contribution”), and
- (b) the equalisation contribution for that period, based on the information specified in paragraph (a) of this sub-article, but after making any adjustment for that calculation error, increased by the addition of interest at a compound annual rate equal to the prevailing European Central Bank marginal lending rate during the term between the last day of that period and the last day of the current period (referred to in this Article as the “corrected former equalisation contribution”),

provided that no such determination shall be made for any period before the first period.

(5) The Authority shall determine in accordance with the Second Schedule in force at the end of the previous period to which this Article refers, or if the data adjustment results wholly or mainly from a curtailment adjustment, in accordance with the Second Schedule currently in force, for each scheme undertaking, for each previous period in respect of which a new data adjustment has arisen:—

- (a) the equalisation contribution for that period, based on the returns received or the most recent (previous) data adjustments which have arisen and after making any adjustment for a calculation error for that period

in accordance with sub-article (4)(b), increased by the addition of interest at a compound annual rate equal to the prevailing European Central Bank marginal lending facility rate during the term between the last day of that period and the last day of the current period (referred to in this Article as the “former equalisation contribution”), and

- (b) the equalisation contribution for that period, based on the information specified in paragraph (a) of this sub-article, but incorporating any new data adjustment which has arisen increased by the addition of interest at a compound annual rate equal to the prevailing European Central Bank marginal lending rate during the term between the last day of that period and the last day of the current period (referred to in this Article as the “revised equalisation contribution”),

provided that

- (i) no such determination shall be made for any period before the first period,
- (ii) the Authority shall disregard any part of the interest addition which it determines to have arisen as a result of a curtailment adjustment, and
- (iii) in the case of the first such determination following the commencement of the amended scheme (being the scheme as amended by the Risk Equalisation (Amendment) Scheme, 2008) and relating to a curtailment adjustment allocated to the period commencing on 1st January 2007 the former equalisation contribution shall be determined in accordance with the Second Schedule of the Scheme which was in force on the last day of that previous period, and the revised equalisation contribution shall be determined in accordance with the Second Schedule currently in force.”
- (c) by the substitution in the Second Schedule for the definition of “cell standardised benefits — age, gender and health status basis” and “CSBAGHS” of the following:—

“ “cell standardised benefits — age, gender and health status basis” and “CSBAGHS” with respect to a specific period, each scheme undertaking and a specified cell, means an amount calculated in accordance with the formula:

$$\text{CEBA} \times \text{MP}(\text{Cell}) \times \text{MU}(\text{Cell}) \times \text{UIP}$$

Except where CEB is less than €5,000, or if CIP is less than 20, or if CCV is less than 20 for that cell, in which case, CSBAGHS shall be the lesser of the amount already calculated herein and

$$\text{MEBA}(\text{Cell}) \times \text{MP}(\text{Cell}) \times \text{MU}(\text{Cell}) \times \text{UIP} \text{ ”}$$

- (d) by the substitution in the Second Schedule for the definition of “cell standardised benefits — age and gender basis” and “CSBAG” of the following:—

“ “cell standardised benefits — age and gender basis” and “CSBAG” with respect to a specific period, each scheme undertaking and a specified cell means an amount calculated in accordance with the formula:

$$\frac{\text{CEB} \times \text{UIP} \times \text{MP}(\text{Cell})}{\text{CIP}}$$

Except where CEB is less than €5,000, or if CIP is less than 20, in which case CSBAG shall be the lesser of the amount already calculated herein and

$$\frac{\text{MEB}(\text{Cell}) \times \text{UIP} \times \text{MP}(\text{Cell})}{\text{MIP}(\text{Cell}) \text{ ”}$$

3. This Scheme shall come into operation on the 30th day of June, 2008.



GIVEN under my Official Seal,
27 June 2008

MARY HARNEY,
Minister for Health and Children.

EXPLANATORY NOTE

(This note is not part of the Instrument and does not purport to be a legal interpretation).

This scheme amends the Risk Equalisation Scheme, 2003 in relation to provisions of the Health Insurance (Amendment) Act, 2007, and in respect of the small value calculation.

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ARNA FHOILSIÚ AG OIFIG AN tSOLÁTHAIR
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