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NHS in Scotland  
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NHS Management Executive  
St. Andrew's House  
Edinburgh EH1 3DG  
5th December 1997

Dear Colleague

**CHANGES TO THE PROVISIONS OF THE ROAD TRAFFIC ACT**

**Summary**

1. The purpose of this letter is to:
  - outline proposed changes to the provisions of the Road Traffic Act and;
  - seek immediate action under the current provisions.
2. The purpose of the changes and action is to increase, with immediate effect, the amount of income NHS Trusts overall receive for treating victims of road traffic accidents (RTAs).

**Background**

3. In his Budget statement on 2 July the Chancellor of the Exchequer announced that action would be taken to recoup in full the cost of treating RTA victims from insurance companies.
4. Under Section 157 of the Road Traffic Act 1988 hospitals may claim reimbursement for the cost of treatment, up to a ceiling of £2,949 for in-patient treatment and £295 for an out-patient, where payment is made to the patient by a compensator (usually an insurance company). The claim is made directly to, and is settled by, the compensator and not the patient. There is also provision under Section 158 of the Act which allows hospitals and GPs to collect an emergency treatment fee from the driver of a vehicle involved in an accident.

December 1997

**Addressees**

**For action:**  
Chief Executives,  
NHS Trusts.  
General Managers,  
Islands Health Board

**For information:**  
Director of Finance,  
NHS Trusts.  
General Managers,  
Health Boards.  
General Manager,  
Common Services Agency.  
General Manager,  
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The Director,  
Mental Welfare Commission.  
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**Proposals**

5. The intention is, when Parliamentary time permits, to introduce legislation that will require insurance companies which receive claims for compensation from persons injured in road accidents to notify a central administration point. That central administration point will be used to collect the monies due and transfer them, on a regular basis, to the Trusts or Health Boards where appropriate. A new, simple, tariff will be introduced to ease the difficulty of establishing actual costs. At the same time, the intention is to remove the provision for the collection of Section 158 Emergency Treatment Fees by NHS Trusts, although GPs and other hospitals will continue to be able to collect the fees if they wish.

6. Depending on timing and other practical considerations, it may be necessary to introduce an interim scheme under which insurers would be required to notify Trusts of settled claims that involve road accident victims but where the central administration point would not be involved. The payments under this scheme would also be on a tariff basis.

7. However, it may take some time for the new statutory arrangements to be put into place and the Government is keen that action is taken now to recoup the money available under the current provisions as a prelude to new the arrangements.

**Action**

8. Trusts are required to:

- look closely at their current arrangements for recouping monies due to them under the Road Traffic Acts, and take steps to ensure that the identification and collection of monies due is taking place with immediate effect;
- report to the ME by 13 February 1998 on the action taken, and likely financial effect of the steps taken.

Yours sincerely



PP DR P COLLINGS  
Director of Finance