



# Support for medical equipment users: A new approach to meeting electricity costs

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## Summary

This paper proposes establishing a service dedicated to providing users of home medical equipment support with their electricity costs. The existing NHS electricity rebates schemes, available to users of certain types of medical equipment such as dialysis machines, appear to be reaching a relatively low proportion of eligible consumers and often fail to reflect the costs of running the relevant technology. A new service, potentially managed through the Retail Energy Code, could maintain the principle of tailored cost support for patients while addressing the weaknesses in delivery that have undermined the effectiveness of the NHS electricity rebates. Central to this would be replacing the rebates with a process for crediting consumers' electricity supply accounts by calculating a rate for each type of medical equipment.

## Context

Over the past year, several reports in both national and local media have highlighted the pressures that rising electricity costs are putting on consumers who are dependent on running medical equipment at home and the difficult choices they are making to be able to pay their bills.<sup>1</sup> Alongside these anecdotal reports, surveys undertaken by disability charities have demonstrated that a high proportion of disabled households are deeply concerned about their energy usage after last year's price increases and

have sought to reduce their consumption. Many have also rationed their spending on other basic necessities, such as food, while recognising that this might result in additional risks to their health and wellbeing.<sup>2</sup>

Many different types of medical equipment are used within homes in the UK; these include oxygen concentrators, dialysis machines, ventilators, positive airway pressure devices and feeding pumps. The electricity costs of running this equipment varies considerably, depending on the types of technology being used, the number of hours per day it is being operated, and the electricity tariff being applied.

Kidney Care UK has suggested that, following the price increases in October 2022, the electricity costs of home dialysis could be as high as £1,918 per year for some users.<sup>3</sup> The British Thoracic Society said last June that respiratory patients, dependent on home mechanical ventilation, reported five-fold increases in annual electricity bills.<sup>4</sup> A survey undertaken by children's charity Contact before last October's increase found that, on average, households with seriously ill children were paying £1,596 extra per year by running essential equipment such as ventilators, heart monitors and feeding pumps.

As Contact noted, it is very often the case that consumers will be using several types of medical equipment at home and that their conditions will also demand higher levels of cooling or heating.<sup>5</sup> The latter is particularly significant: households who, owing to financial pressures, feel unable to heat their homes to an adequate level risk exacerbating a range of health problems and adding to the already high cost to the health service of illnesses linked to cold homes.<sup>6</sup> Notably, as will be discussed in this paper, the

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<sup>1</sup> See, for example, BBC News, [Cost of Living: 'my daughter wraps me in a blanket to keep warm'](#) (November, 2022).

<sup>2</sup> Euan's Guide, [Cost of Living Crisis](#) (January, 2023).

<sup>3</sup> Kidney Care UK, [Energy costs: kidney patients are unfairly impacted](#) (September, 2022).

<sup>4</sup> British Thoracic Society, [Impact of the rising cost of electricity on home mechanical ventilation patients](#) (June, 2022).

<sup>5</sup> Contact, [Out of energy](#) (November, 2022).

<sup>6</sup> AgeUK estimated this cost in 2012 of being £1.3bn. See Age UK, [Cold homes cost NHS £1.36bn](#) (November, 2012).

NHS has, in recent years, been working with stakeholders in the energy industry to examine preventative solutions to this issue.

## NHS electricity rebates

At present, the NHS rebates to households the cost of the electricity used by two types of medical equipment: oxygen concentrators and dialysis machines. It does not provide information publicly about the functioning of these schemes, the number of users receiving the rebates, or the tariffs being applied. Nor is it clear why rebates are provided for these technologies but not the other types of vital medical equipment widely used within households.

The rebate for oxygen concentrators is delivered through the providers of the units: Dolby Vivisol, Baywater Healthcare, BOC Home Oxygen Service, and Air Liquide Healthcare UK. The level of the rebates, which are paid directly into users' bank accounts, is based on bi-annual readings of the machines' meters conducted by healthcare technicians during routine servicing of the equipment. These services then facilitate estimated readings for the intervening quarter.

NHS England has advised individual trusts to develop their own schemes to reimburse the electricity costs of home dialysis.<sup>7</sup> However, this has resulted in an inconsistent approach across the regions: whilst some of the 219 NHS trusts,<sup>8</sup> at least in principle, offer full reimbursement, others have yet to put reimbursement policies in place at all. NHS England recommitted in July

2022 to work with the trusts to ensure that all of them had implemented functional and accessible reimbursement schemes.<sup>9</sup> Charities such as UK Kidney Association have published guidance and tools to support the trusts in developing these.<sup>10</sup>

It is clear, however, that a large majority of households operating life-supporting medical equipment are not receiving any support for the consequent electricity costs. Indeed, Contact's survey indicated that the proportion of such households receiving electricity rebates might be as low as 3%.<sup>11</sup>

Disability charities have, through engagement with patients, noted a number of further issues that arise from the current arrangements. For one, it appears that in many instances, rebates, even where they are applied, are not set at the standard electricity rate; or that they are not necessarily uplifted promptly when electricity prices rise. This means that they often fail to cover the cost of the electricity being used by the equipment. The rebates are also often slow to be delivered, leaving the households to meet the upfront cost of the power supply.

A survey of NHS trusts has provided some insights into the trusts' challenges in delivering home dialysis rebates. Many highlighted the complexity involved in calculating the appropriate level of reimbursement and suggested that addressing the issue on a national basis would be preferable to ensure consistency. Some trusts also highlighted the challenges they encountered in establishing an effective payment process.<sup>12</sup> This is the context in which home dialysis patients, despite ostensibly having the electricity costs of their treatment covered, have continued to experience

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<sup>7</sup> NHS England, [Haemodialysis to treat established renal failure performed in a patient's home](#) (Accessed January, 2023)

<sup>8</sup> This figure includes 10 ambulance trusts; The Kings Fund, [Key facts and figures about the NHS](#).

<sup>9</sup> NHS England, [Reimbursement of additional utility costs for patients receiving home dialysis](#) (July, 2022)

<sup>10</sup> UK Kidney Association, [Reimbursement of additional utility costs for patients receiving home dialysis](#) (April, 2022).

<sup>11</sup> Contact, [Out of energy](#)

<sup>12</sup> Kidney Care UK, [What are the barriers to consistent reimbursement for home dialysis patients?](#) (June, 2022).

considerable distress associated with their energy bills during the past year.<sup>13</sup>

## Regulatory protection

The extent to which the regulatory framework offers adequate support and protection to vulnerable customers who fall into energy debt is a highly pertinent issue given recent concerns about the force-fitting of prepayment meters: a topic that is now being examined in further detail by Ofgem.

The electricity supply licence provides disabled consumers with a measure of protection from some of the possible consequences of falling into energy debt. For example, Standard Licence Condition (SLC) 27.5 states that suppliers should only seek to install prepayment meters where it is “safe and reasonably practicable”; the regulator’s guidance on the application of this phrase notes that suppliers should consider “whether the customer requires a continuous supply for health reasons, such as dependency on medical equipment”.<sup>14</sup>

Further, SLC 27.11 says that electricity suppliers must take all reasonable steps to avoid disconnecting in winter at the home of a disabled or chronically sick person. Energy UK’s *Vulnerability Commitment*, which 11 suppliers have signed, provides a further layer of protection, stating that signatories must not knowingly disconnect consumers at any time of year if – for reasons related to disability and health, among others – they are unable to safeguard their personal welfare or that of other members of the household.<sup>15</sup>

<sup>13</sup> The i, “[If I don’t have dialysis, I’m dead: Fears for the lives of kidney patients who can’t afford to heat homes](#)” (February, 2023).

<sup>14</sup> Ofgem, [Authority’s Decision to Modify the Safe and Reasonably Practicable Guidance](#) (March, 2016), p3.

<sup>15</sup> Energy UK, [The Vulnerability Commitment](#) (December, 2022) p2.

The need to protect households running medical equipment from exposure to higher electricity costs has recently had consequences for regulatory decision-making that are arguably detrimental to other vulnerable consumers. For example, it played an important role in Ofgem’s thinking last year about how the costs of supplier failure would in future be recovered from electricity consumers. The regulator consulted in July 2022 on the possibility of moving this cost out of the standing charge and instead recovering it volumetrically; this followed concerns from consumer groups and others about increases in the standing charge and recognition, in particular, that the costs of supplier failure – previously a few pence a year on household electricity bills – would increase to over £34/ year in 2022-23.<sup>16</sup>

In its decision to leave these costs in the standing charge, Ofgem cited its concern that the proposed change would have affected disabled customers with greater heating requirements and those who needed more electricity to run medical equipment at home.<sup>17</sup> Its distributional analysis suggested that such households might pay a small amount more per year if supplier failure costs were recovered volumetrically (though the greatest detriment was to those homes on electric heating).<sup>18</sup>

Ofgem’s analysis was based on its consumer archetypes, and users of home medical equipment could reasonably be allocated to one of several of these groups. But given the generalisation that this process necessarily entails, the regulator did not consider the extent to which outcomes would be influenced if the electricity rebates received by, for example, users of oxygen concentrators were taken into account. A more consistent policy of electricity cost support for such consumers might have given the regulator the comfort to reach a different conclusion on its preferred approach.

<sup>16</sup> Ofgem, [Open letter: review of how the costs of supplier failure are recovered](#) (July, 2022) p2.

<sup>17</sup> Ofgem, [Follow up on our review into the arrangements for recovering the cost of supplier failure](#) (August 2022), p3.

<sup>18</sup> *Ibid*, p5.

## International approaches

As we shall see, the organisations most prominent in advocating reform to the existing NHS rebate schemes are pressing for solutions to benefit a much wider range of vulnerable consumers. If, however, the UK decided to preserve and reform the bespoke electricity cost support policy it currently operates for these users, it could seek lessons in the approaches adopted within other electricity markets around the globe.

Many governments, at national and regional levels, operate policies to support home users of medical technologies with their electricity costs. Indeed, one need not look far to find schemes that, in light of last year's energy price increases, are similarly scrutinised by charities and other campaign groups concerned by their effectiveness.

In Ireland, for example, home dialysis patients can claim tax relief on the associated electricity costs. Last year, this relief was worth up to €3,260.<sup>19</sup> But this arrangement means that eligible consumers must cover those electricity costs for 12 months before they are reimbursed. It is only effective if there is a taxpayer in the household. The Irish Kidney Association last August also noted that there had been “no talk of increasing the amount available in response to the energy price hikes”.<sup>20</sup>

Elsewhere, a number of schemes are in place that operate in distinct ways but that are related by important underlying principles. Electricity suppliers in US states such as California<sup>21</sup> and Colorado<sup>22</sup> implement reduced tariff rates for medical equipment users on a defined quantity of their power

consumption or in certain periods of the year. Meanwhile, various Australian states apply a daily rate at which suppliers discount the electricity costs of different types of medical equipment based on whether they are being run 24 hours per day or fewer.<sup>23</sup>

Italy's hardship policy provides discounts directly on patients' electricity bills on the basis of applications that note the particular medical equipment used by the household and the length of time each day it is running. As of the end of 2021, just over 41,000 electricity consumers in Italy were being supported through this scheme.<sup>24</sup>

The aforementioned policies are consistent in a couple of important respects. Firstly, each of them supports users of a comprehensive range of medical equipment: a significantly wider range than allowed under the approach currently taken by NHS England. Secondly, none of them facilitate auto-enrolment: each requires that the user submits an application to demonstrate their eligibility and that this application is validated by a medical practitioner. In this way, the discount on electricity bills can be tailored to the particular circumstances of individual households.

The approach taken to the administration of these programmes varies considerably; in some examples, electricity suppliers deal directly with the applications from customers. In other cases, local government and not-for-profit organisations undertake the verification process and then liaise with the suppliers to confirm eligibility. Each of these programmes is, of course, responsive to the electricity market and governmental and regulatory structures within the relevant jurisdiction, but it is reasonable to consider

<sup>19</sup> Irish Tax and Customs, [Health Expenses](#) (Accessed February, 2023).

<sup>20</sup> Irish Kidney Association, [Statement on the need for reliable affordable electricity supply for home dialysis patients](#) (August, 2022).

<sup>21</sup> California Public Utilities Commission, [Medical Baseline](#) (Accessed November, 2022).

<sup>22</sup> Chronic Care Collaborative, [Colorado Medical Exemption Program](#) (Accessed November, 2022).

<sup>23</sup> For example, New South Wales' [Life Support Energy Rebate](#) and Western Australia's [Life Support Equipment Energy Subsidy](#) (Accessed December, 2022).

<sup>24</sup> ARERA, [Annual Report to the international Agency for the Cooperation of Energy Regulators](#) (July, 2022), p28.

whether the UK's scheme might be more efficiently administered outside the NHS.

## The Warm Homes Prescription scheme

A project recently established in the UK to pilot the provision of support to vulnerable households with the cost of heating their homes also offers some useful lessons. The Warm Homes Prescription scheme, led by the Energy Systems Catapult, was successfully piloted in Gloucestershire between December 2021 and March 2022 with 28 customers and is now being implemented in four areas of Great Britain, including Aberdeenshire and Middlesbrough. The scheme sought to consider whether prescribing a “warm home” to certain vulnerable patients might save the NHS money in avoided care costs.

In Gloucestershire, health and care teams identified eligible customers<sup>25</sup> for the project: either proactively by searching GP databases or reactively by asking social prescribers to identify patients during their normal working patterns. It was then the responsibility of the partner energy charity, Severn Wye, to engage with households to ensure that the heating systems could be effectively controlled and then to communicate with the suppliers to credit the customers' accounts.

The project created a tool that effectively calculated the credit to be provided to each customer's account based on their needs – taking into account factors such as the type and age of the home and the household's gas tariff – making it possible in some instances to implement the necessary arrangements remotely. Meter readings were sought only at the end of the pilot so that consumers could be credited if the methodology used had

<sup>25</sup> Patients were eligible if they had a qualifying health condition and were either under 60 and received free NHS prescriptions or over 60 and struggled to pay their heating bill.

resulted in an underpayment; however, given the vulnerability of the patients, a conservative approach was taken to calculating consumption, and in no instance was a further payment required.

Under this structure, payments were added to consumers' accounts within a few days of a prescription. Energy Systems Catapult was also part of the service delivery, answering any questions that households had about the scheme. A GP involved in the project noted that the support services had ensured that the scheme was responsive and made the process function efficiently.<sup>26</sup>

Some important questions about this project remain to be considered: above all, what were its effects on NHS costs? But the pilot itself has provided much evidence of the positive effect that a prescription had had on users' lives and, in particular, the speed with which it was possible, through effective collaboration between the organisations involved in delivery, to provide the necessary support to eligible homes.

## Options for reform

While the increase in cost-of-living pressures has led to calls for further policy interventions to support vulnerable users dependent on home medical equipment, few tailored solutions have so far been proposed.

There is little appetite for expanding the existing policy so that electricity rebates from NHS England cover a wider range of medical equipment. This would be problematic for the reasons that have already been outlined. As well as the danger of poor outcomes for consumers that should, in theory, be receiving support, a further consequence of broadening eligibility within the existing arrangements – at least based on current evidence – is likely to

<sup>26</sup> Energy Systems Catapult, [Could keeping people warm and well at home reduce their need for health services?](#) (Accessed January, 2023) p23.

be a lack of transparency and difficulty accessing information about the level of the rebates being applied.

The interventions currently being advocated by disability charities, among others, prioritise eligibility criteria that would achieve broad coverage and auto-enrolment over payments that would accurately reflect users' costs. The latter point, in particular, is highly valued by disability charities given the well-known difficulties of raising awareness about schemes that can help households in vulnerable situations, as evidenced by the seemingly significant proportion of disabled households not registered on their suppliers' Priority Services Registers (PSRs).

One of the most widely-discussed options is a social tariff that would supply power to vulnerable households at a lower cost than is set through the price cap (or the current price guarantee policy). These tariffs are already applied in markets such as water and broadband, with the level of support left to suppliers to determine. Ofgem recently set out its view that the introduction of a social tariff in the energy market should be under consideration.<sup>27</sup>

Several variations of the social tariff have been proposed in the past year. The Fair By Design campaign has suggested that, in the first instance, it should be targeted at prepayment meter customers through a reduced unit price and that a wider range of vulnerable users could benefit from a bespoke tariff during the second phase of implementation.<sup>28</sup> Scope has argued that a unit rate discount could be targeted at households with high energy usage linked to their condition and that the tariff could also consider income by using DWP benefit and claimant data.<sup>29</sup>

Most recently, the Social Market Foundation (SMF) has proposed a formula-based lump sum payment for eligible households; it argues for a payment of

up to £1,500, which would be determined by a household's income and energy consumption. However, the SMF evaluated a number of other options: it concluded that a simple fixed payment would not be appropriate as it could not take into account the particular needs of vulnerable households with high energy costs. At the same time, it also suggested that the unit rate discount being advocated by some would blunt the incentive to reduce energy usage.<sup>30</sup>

Alongside proposals for a social tariff, Contact has advocated the introduction of a government assistance payment to those dependent on home medical equipment, arguing that this could either supplement or replace the existing system of rebates. The attraction of this approach, the charity claims, is that the payment could be administered automatically by DWP to households in receipt of Disability Living Allowance or the Personal Independence Payment.

The effectiveness of such an approach would, however, depending on complementary policies, be likely to vary considerably between consumers with very different needs. For example, the Australian Government makes such a payment – currently set at \$170 annually – to medical equipment users (one payment for each type of equipment and any specific heating or cooling needs), but as already discussed, this is supplemented by state-level schemes that account for the particular running costs of each technology.<sup>31</sup>

## A tailored support policy

One of the constraints in considering how best to approach this issue is the paucity of information available on the current system of rebates and their effectiveness. The anecdotal evidence on the functioning of the electricity

<sup>27</sup> Ofgem, [Jonathan Brearley's speech at the Institute for Government](#) (January, 2023).

<sup>28</sup> Fair By Design, [Solving the Cost of Living Crisis: The case for a new social tariff in the energy market](#) (July, 2022).

<sup>29</sup> Scope, [Do The Right Thing](#) (November, 2022), p28.

<sup>30</sup> Social Market Foundation, [Fairer, Warmer, Cheaper](#) (March, 2023), p36.

<sup>31</sup> Services Australia, [Essential Medical Equipment Payment](#) (December, 2021).

rebates schemes is not encouraging but leaves plenty of questions. How many households are dependent on the types of home medical equipment covered by them? How many currently receive those rebates from NHS England, and at what cost? Why are certain types of equipment recommended for support but not others? How are decisions about how and when to set the applicable tariffs approached?

As outlined above, the preferred solution of many organisations advocating for disabled households is one that automatically enrolls eligible households. The biggest challenge with this – one acknowledged by the proponents themselves – is in effectively targeting such a policy, given the data that is available at present through the benefits system and other sources.

It is possible that home medical equipment users – and indeed other vulnerable customers with high electricity consumption requirements, such as those who depend on it for heating – might ultimately be put on a social tariff that has been calibrated for other vulnerable customers who depend on significantly lower levels of consumption. Analysis of the social tariff in the broadband market has highlighted the difficulty in appropriately setting the level of the discount; this is a challenge that would be magnified in the energy market, which for all consumers, has a much greater impact than broadband on the cost of living.<sup>32</sup>

The SMF's formula-based approach seeks to address this shortcoming and could clearly be of great benefit to many of the households dependent on medical equipment. However, given current electricity prices, even the £1,500 maximum sum outlined as part of SMF's proposal would, according to the figures released by disability charities, fall significantly short of the costs of running a dialysis machine at home for some patients. Moreover, it is possible that those patients who are currently having their electricity costs

covered through NHS rebates would face higher bills if this reimbursement were replaced by a less targeted approach.

Notwithstanding the administrative complexities, an electricity cost support policy that is based on application and can thereby be tailored to the needs of each customer should remain under consideration. Longstanding schemes operating elsewhere point to the value in exploring ways to reform the current rebates scheme and developing a solution that directly addresses the issues that have been raised with it, rather than trusting better outcomes for vulnerable consumers to an auto-enrolment policy that will be exceptionally difficult to target and could be politically contentious.

Disabled consumers should be confident that the support mechanism will meet the costs of their medical equipment's electricity usage and should not feel any need to ration the time it is operated. Energy Systems Catapult noted that, in the delivery of the Warm Homes Prescription pilot, some patients continued to worry that the credit that they received would be insufficient to cover their heating costs.<sup>33</sup> Some dialysis users have also raised concerns with charities about the decision made by certain trusts to pay a standard amount as reimbursement, arguing that this does not reflect the additional costs that they experience in practice.<sup>34</sup> Failing adequately to address such concerns in the design of the scheme could undermine the purpose of the policy.

However, rebating eligible consumers based on machine meter readings that are needed every six months, or requiring consumers to submit utility bills, carries clear risks to the timely delivery of the support. It would be preferable to consider a proactive approach more closely aligned to those in place in a number of locations internationally, namely to calculate a set of rates based on the power consumption of the equipment and the extent of

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<sup>32</sup> Citizens Advice, [Current impact and future potential of broadband social tariffs](#) (October, 2022), p10.

<sup>33</sup> Energy Systems Catapult, [Could keeping people warm and well at home reduce their need for health services?](#), p28.

<sup>34</sup> Kidney Care UK, [What are the barriers to consistent reimbursement for home dialysis patients?](#) (June, 2022).

its daily usage. This is an approach adopted by around a third of those NHS trusts that are reimbursing home dialysis users.<sup>35</sup> It would serve as a basis for crediting customers' supply accounts, helping to address the current challenges involved in ensuring prompt reimbursement to patients.

A new service could be established to administer the scheme, removing this responsibility from the NHS. It would manage customer applications and process the necessary payments to electricity suppliers once the appropriate level of support for the relevant technology had been determined. This service could also be tasked with monitoring electricity prices: it could make recommendations to the NHS on the levels of the tariffs set for the various technologies and be tasked with keeping these under review. Such an arrangement would, of course, involve complex data requirements, and the service would need consent from the customer to act on their behalf in engaging with the relevant electricity supplier. However, this approach would absolve suppliers of the onerous administrative responsibilities that would apply were they directly responsible for processing applications. Furthermore, it is possible in any event that a proportion of eligible customers would not be agreeable to sharing information about their condition with their suppliers.

Administering the scheme through a dedicated service would have the added benefit of ensuring that communications to customers about the scheme are consistent in a way that is more challenging if, at present, several different companies implement the policy on behalf of the NHS. Healthcare professionals will need to remain active participants in the application process to ensure the validity of claims and raise awareness, both proactively and reactively, amongst potential customers.

Electricity suppliers' PSRs could also play an important role in engaging prospective customers about the scheme. Each supplier will have on its

<sup>35</sup> Ibid.

<sup>36</sup> Research by Kidney Care UK suggested that just over a third of kidney patients had not even heard of the PSR. See Kidney Care UK, [Cost of Staying Alive](#) (November, 2022), p4.

register a proportion of its customers who depend on the use of medical equipment at home and who have therefore registered for the PSR so that they can, for example, receive notice of planned power cuts. The PSRs are imperfect – not least because a significant proportion of vulnerable customers are not registered on them<sup>36</sup> – but various industry initiatives are exploring enhancements to the service, which should increasingly help eligible households to identify clear benefits to ensure that their particular needs are known to their suppliers.<sup>37</sup>

## Next steps

Whilst the approach outlined above is more closely related to the current rebates scheme than, for example, a social tariff, key questions would have to be addressed in several areas should the proposal be developed further. These include:

- The medical equipment that would be supported and the mechanisms for determining and maintaining the relevant rates of support.
- The approach to developing awareness about the scheme and ensuring the application process is as user-friendly as possible.
- The development of a service that can validate applications and manage the necessary relationships with suppliers so that accounts can be credited.
- The management of changes in consumers' circumstances: for example, if the customer switches electricity supplier or no longer requires their medical equipment.

<sup>37</sup> Retail Energy Code Company, [Strategy and Forward Work Plan, 2023-26](#) (January, 2023), p24.

The Retail Energy Code Company (RECCo) has explored this issue as part of its commitment to delivering better consumer outcomes in the retail energy markets. It is a commitment relevant to this issue because certain users of medical equipment at home are being disadvantaged relative to others without obvious justification; for example, their health is dependent on a type of technology that is not supported by electricity rebates, or they live in an area in which the NHS trust has not established an effective scheme for reimbursing the costs.

Work is also ongoing on several other aspects of the market arrangements covered by the Retail Energy Code – in particular, the potential for improvements to the PSR and better understanding of consumers’ needs about their data – that could be directly relevant to the establishment of an enhanced scheme for patients running medical equipment at home.

The above paper is not intended to lay out a detailed design for this scheme, but it is at least worth considering whether a future service, intermediating between eligible consumers and electricity suppliers, could be housed within the REC. Perhaps the most complex element of such an approach would be the development of the funding arrangements, given that the proposal here is that the electricity costs to be covered would continue to be met by the NHS. But these options could be explored at the next stage, and other related designs could also be evaluated. One possibility – as is the case under the Italian scheme – would be for the costs of the policy to instead be recovered from other consumers via their electricity bills. This would also be consistent with the funding arrangement of the Warm Home Discount (WHD) scheme(s), which currently offers a £150 rebate to fuel-poor pensioners and other benefit recipients.<sup>38</sup> Such targeted support for medical equipment users could also form a component part of any social tariff that may be funded through general taxation.<sup>38</sup>

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<sup>38</sup> <https://www.ofgem.gov.uk/environmental-and-social-schemes/warm-home-discount-whd>

## Conclusion

The NHS has acknowledged in recent months the acute challenges that rising electricity costs have placed on patients using life-saving equipment at home. Over the winter, it launched its *Stay Switched On* campaign, calling on patients that needed extra support to register for their supplier’s PSR. At the same time, clinicians have continued to advocate the benefits of patients receiving their treatment at home, highlighting research that indicates that this can support their recovery while minimising the various risks associated with hospital admission.<sup>39</sup> By working with disability groups, the energy industry and other stakeholders, the NHS could rethink the electricity rebates scheme it currently delivers to these patients, making such home treatment a more attractive proposition. We consider the REC could be an important tool in delivering those better outcomes.

Submit your feedback on this paper and this topic to [RECCo\\_Strategy@retailenergycode.co.uk](mailto:RECCo_Strategy@retailenergycode.co.uk)

<sup>39</sup> For example, see North Cumbria Integrated Care, [Getting Help to Power Your Health](#) (January, 2023).