

Michelle Te Kira

Sustainable, viable and high quality General Practice for all New Zealanders

The mandated voice of general practice providers

Working unashamedly to support sustainability and viability on behalf of general practice and urgent care business owners - and ultimately the New Zealand population they serve.

**Media Statement:
Concerned about going broke, general
practices hike fees & reduce services: survey**

2 September 2024

General Manager

Nine out of 10 general practices are increasing their patient fees to keep afloat as a new report shows the government is drastically underfunding primary healthcare.

A survey by the General Practice Owners Association (GenPro) also showed there are not enough doctors and nurses to meet patient demand, with nearly 60 percent of general practices saying they have vacancies.

The survey carried out last month (August) had 244 respondents, about a quarter of all general practices in New Zealand.

GenPro Chair Dr Angus Chambers said the responses showed general practices are in crisis, squeezed by rising costs, high patient demand and staff shortages.

“The key reason is that government funding has not kept pace with the cost of running a general practice,” Dr Chambers said.

GenPro also released an independent report today by business consulting firm Grant Thornton which concluded that recent increases in government funding had not made up for historic shortfalls.

General practices are funded roughly half by a government contribution based on patient numbers, and half by patient fees or “copayments”.

GenPro’s annual survey of members found that 89 percent of respondents had recently increased, or were about to increase, their fees, and that 70 percent were in a worse financial position than a year ago.

“Given the deteriorating state of the books, it’s sadly very predictable that the survey shows nearly 83 percent of general practices are concerned about their financial viability,” Dr Chambers said.

“One bright spot is that only 24 percent of general practices had stopped taking on more enrolments, about the same result as last year’s survey, with slightly more general practices (36 percent versus 29 percent) accepting new

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“While slightly fewer (41 percent versus 54 percent) said they had reduced services in the past six months, about 70 percent of general practices are now charging for services which used to be free.”

GenPro commissioned Grant Thornton to examine government and copayment funding and cost pressures faced by general practice. The report highlights that demand for general practice is increasing but funding has historically fallen short of both general and GP-specific cost pressures.

Demand had risen because GPs were seeing patients more often, with the patient attendance or utilisation rate rising 20.5 percent in the decade to 2022.

Grant Thornton also examined funding increases and cost pressures (represented by industry-specific indices and CPI) over a 20-year period, finding that capitation rates had on 10 occasions fallen short of cost increases. This year’s four percent increase, which applies to the end of June 2025, is the largest shortfall in 20 years, the report said.

Dr Chambers noted that the contract between general practices and primary healthcare organisations says it is the “government’s intention to maintain the value of (capitation and other) payments”.

“So the government has a contractual commitment to maintain the value of general practice funding - a commitment it has consistently dishonoured.

“If the government had followed the agreed and independent methodology for assessing cost increases, funding for general practices would be \$102 million a year higher – it’s the minimum to honour their commitment,” Dr Chambers said,

“As a result patients are paying the price through higher doctors’ fees and lost access to their general, urgent, mental health care.

“The government must as a matter of urgency increase its support of primary healthcare, overhaul the current out-of-date funding model, and help increase the supply of medical professionals into primary healthcare,” Dr Chambers said.
“GenPro, which represents more than half of all general practices in Aotearoa,

www.drivers.co.nz with the Minister and Commissioner to develop the solutions needed.”

For more information:

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GenPro Annual Pulse Survey 2024

Financial Analysis and Benchmarking 2024

By general practice, for general practice.

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