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Practice viability under threat and patients lose tax cuts to higher fees



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The Government has handed out tax cuts but is now looking for patients to pay more of the cost of going to their GP



Specialist GP and Nelson-Tasman PHO clinical director Graham Loveridge is disappointed the funding package does nothing to recognise the work of practices in supporting patients on hospital waiting lists
[Image: Nelson Bays Primary Health]

“It will be alright if you are practising in a wealthy area, patients can stand it”

The Coalition Government’s tax cuts may be “neutralised” for many people by increased GP copayments and the prescription charge, Nelson specialist GP Graham Loveridge says.

Dr Loveridge, the clinical director of Nelson-Tasman PHO and a former practice co-owner, says while the plan to increase the targeting of government funding towards those in greater need is a good thing, the overall increase just isn’t enough for general practice sustainability.

He says that with the 4 per cent lift in capitation proposed by Te Whatu Ora, the Government is “doing a little” for general practice.

But with the corresponding 7.76 per cent increase in allowable fee increases – intended alongside the capitation boost to produce a 5.88 per cent revenue rise, in line with the Annual Statement of Reasonable Fee Increases – he says the Government is expecting patients to pay the rest in an attempt to make practices more financially viable.

Overlooks Sapere report

“It goes nowhere close to meeting the recommendations of the Sapere report,” Dr Loveridge says.

“For many people, any tax benefit they have had will be neutralised by potentially increased costs at the GP, increased prescription fees and they’re still stuck with limited access to secondary services.”

He is disappointed the Te Whatu Ora proposal contains no funding to recognise the role general practice plays in protecting the rest of the health system. “It still seems far more efficient to have

good front-end care in general practice and try and keep people out of the emergency departments in hospitals.”

Dr Loveridge had hoped to see more funding for the work general practice does in caring for patients on hospital waiting lists and those who need follow-up work after outpatient visits.

He recalls the General Practice Owners Association finding in the middle of last year that around a third of practices in its survey had been running financial losses in the preceding months and says many will be in areas where they would struggle to put up patient fees.

“It will be alright if you are practising in a wealthy area, patients can stand it. But we know that out in the community a lot of people are struggling. I don’t know that [the Te Whatu Ora proposal] is enough to ensure financial viability of many practices. It’s highly reliant on patients stumping up, rather than the Government.”

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