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## **Pushed practices increase patient fees by 7-16% to offset underfunding**



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Patients in some practices are already facing fee increases of up to 16 per cent or an extra \$10 a visit [Image: Rhonda Milner]

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“There’s undoubtedly significant upward pressure on fees. And it’s really unfortunate as it going to mean accessibility to primary care is getting further out of reach for some people”

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Some general practices have already increased patient fees by 7 to 16 per cent from 1 July because the anticipated 4 per cent capitation increase falls far short of covering cost pressures.

The **“absolutely inadequate” capitation increase offer**, well below the 5.88 per cent cost-pressure figure, is expected to come into force this week after Wednesday’s PHO Services Agreement Amendment Protocol meeting.

Te Whatu Ora **and health minister Shane Reti have both told practices they can make up for the underfunding by increasing patient fees on average by 7.76 per cent** which, when combined with the capitation increase, would result in a 5.88 per cent increase in revenue. The agency has also indicated increased flexibility and a “higher threshold” for when practices are referred to the Fees Review Committee to justify higher patient fee increases.

A quick survey by *New Zealand Doctor Rata Aotearoa* shows that some practices have already increased fees well beyond the 7.76 per cent “average allowable” fee increase in the Te Whatu Ora offer. Some fee increases are also beyond the **13.39 per cent maximum fee increase guide in consultants Sapere’s *Annual Statement of Reasonable Fee Increase*** report for practices that rely on capitation for 80 per cent of their funding.

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*New Zealand Doctor* has found two large North Island practices have increased their enrolled adult patient fees by about 12 per cent (\$7 to \$8), with one increasing fees from \$67 to \$75 and another from \$57 to \$64.

It also found two urban corporate practices with fee increases of 16.2 to 16.6 per cent (\$9 to \$10), bringing adult fees from \$60-\$61 up to \$70. A rural corporate practice also increased its adult fees by 16.2 per cent from \$43 to \$50.

A further two practices (one in Nelson-Marlborough and another in Auckland) were found to have increased their fees by 7.14 per cent (\$4 to \$5), bringing the Auckland practice adult fee (25 to 64 years) up to \$75 and the Nelson-Marlborough practice to \$60.

In an emailed response, Te Whatu Ora living well director Martin Hefford says the “higher threshold” for when fee increases are referred to the Fees Review Committee is still under discussion and yet to be finalised.

**‘No rules’ interregnum**

General Practice Owners Association chair and specialist GP Angus Chambers says that from 1 July, it has been like an “interregnum” due to the failure of funders to get all “their ducks in a row” and settle a capitation and reasonable fee increase for the start of the financial year.

“At the moment, there doesn’t appear to be any rules in place – so people can do what they like – and probably, but we don’t know for sure, won’t trigger fees reviews,” Dr Chambers speculates.

“There’s undoubtedly significant upward pressure on fees. And it’s really unfortunate as it going to mean accessibility to primary care is getting further out of reach for some people.

“Some people can afford it but there’s a bunch of people who can’t.

“We think it would be far better for the Government to honour its word in the contract, which it is intending to maintain the value of the payments. And it’s clearly not – even to the point of bad faith.”

Practices should put up their fees to what their business costs require, Dr Chambers says. “They shouldn’t be afraid of fees review because if you’ve got a justification, then the Fees Review Committee will pass it. I think it’s very, very rare for a Fees Review Committee to find adversely [against] a general practice.”

**‘Not surprised’ – GPNZ**

The range of fee increases does not surprise General Practice NZ chief executive Maura Thompson.

But Ms Thompson says that while practices technically have the right to increase fees from 1 July, they will not know the official allowable fee increases until after Wednesday's meeting.

"We know that some practices are talking about or have already instituted some increases because that's what they want to do," she says. However, some may potentially have to retrospectively amend them again depending on what is in the final prescription notice to the PHO Services Agreement.

PHOs and contracted providers have both asked Te Whatu Ora for "some flexibility", Ms Thompson says, and "a bit of a relaxation of the fees review process given the pressure that practices are under". To date, there has been no official information on what that "relaxation" threshold might be.

But many patients are simply unable to pay substantially increased fees or even slightly increased ones, she says.

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