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UPLOAD: Minor tweaks to final capitation offer including new \$65 patient fee benchmark



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3

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Te Whatu Ora is to set a threshold of practices being able to raise adult patient fees up to \$65 before fees review kicks in [Image: Studiocasper on iStock]

In a nutshell

- Te Whatu Ora had budgeted only slightly on its 4 per cent capitation funding increase offer with the total value increasing from \$81.9 million to \$85.3 million.
- The changes are to be introduced via a compulsory variation to the PHO Services Agreement
- Practices will be able to increase copayments up to \$65 before fees review kicks in

Te Whatu Ora has not budged on the rejected 4 per cent capitation increase for 2024/2025 but the final offer tabled yesterday does include some minor tweaks.

The agency this morning released living well director Martin Hefford's final offer paper which, as expected, was largely unchanged from the draft offer made four weeks ago.

Some slight tweaks will bring the value of the offer, to be introduced via compulsory variation, up from an initial \$81.9 million to \$85.3 million.

New elements in the offer include introducing allowing Very Low Cost Access practices to charge patients without Community Services Cards \$29.50 in recognition that many VLCA practices are "struggling financially".

Also, setting a "no fees review" threshold allowing other practices (non-VLCA) to raise general adult patient fees to \$65 before going to a fees review committee.

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Unchanged elements

To be introduced unchanged under a compulsory variation to the PHO Services Agreement and back paid to 1 July is a:

4 per cent capitation increase to first level services – which is about 80 cent of capitation funding – and a 7.76 per cent increase in average allowable fee increases (costing \$44.7 million)

5.88 per cent equivalent total increase to VLCA, Community Services Card and under-14s capitation funding. Community Services Card fee to remain at \$19.50 (costing \$34.5 million)

Minor tweaks

Small changes made to the offer since the draft was released include:

Slight increase to rural funding from \$0.3 million to \$1.1 million

Shift from zero funding to \$2 million for flexible funding streams “with a priority to support frontline GP teams”

\$0.13 million to start bringing access first level services capitation rates in line with non-access rates

\$0.3 million increase to System Level Measures incentive funding

To be introduced under voluntary variation is:

14.3 per cent increase to childhood immunisation funding to bring rate to \$41.20 (costing \$2.6 million)

Provisional enrolment of newborns at general practices extended from 3 months to 13 months

Allowing VLCA practices to charge non-Community Services Card card holders \$29.50 in recognition that in many cases VLCA practices are “struggling financially”

Outside of PHO Services Agreement:

Te Whatu Ora is to extend nurse pay parity funding contracts for another eight months until the funding is incorporated into capitation rates. The pay parity funding will be increased by 2.51 per cent. The equity adjustor funding (also currently outside of agreement) is not increased.

After hours

The final offer paper from Te Whatu Ora notes the pressure that urgent and after-hours services are under and commits to working with the sector to review and revise the urgent care service requirements under the PHO Services Agreement.

In the interim, the offer says, for the 2024/2025 year Te Whatu Ora is proposing to develop a protocol that includes prioritising day-time general practice access over after-hours when resources are under pressure, and to work collaboratively with PHOs and contracted providers to plan and jointly fund services when after-hours services obligations can't be met.

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