

Submission on ACC regulated payments for treatment

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Business or organisation name (if applicable)

GPNZ

Position title (if applicable)

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Is this an individual submission or on behalf of a business or organisation?

Behalf of group or organisation

Do you have a view on the proposed 1.72 percent and 2.05 percent increases to the payments to treatment providers listed in Table 1 in the discussion document? Please provide reasons for your view.

GPNZ Members (PHOs who provide services to 3.8million New Zealanders) DISAGREE with the proposed increase. It is inadequate.

The largest single cost in primary care is labour – because it operates from a low overhead and in a relatively low technology model. Labour is about 80% of the cost of providing general practice.

The best indicator of changes in cost for general practice is therefore not the CPI, but rather the Labour cost index. Annual labour cost inflation at the most recent quarter was 3.9% for the year to end Sept.

Adding another 12 months should increase this to around 7.8%. Underfunding of the workforce is particularly felt in general practice where the knock on effects of MECAs for Hospital based staff (such as nurses, docs) results in workforce challenges particularly attraction, recruitment and retention. 2.05% increase would result in an underfunded service which would either have a negative workforce response or would drive up co-payments leading to potential inequities or unsustainable primary care services.

Do you have a view on the proposal to split out classes of Specified Treatment Providers into the separate classes shown in Table 1 in the discussion document, so payment rates can be differentiated in the future? Please provide reasons for your view.

This may be helpful given the developing of new roles within the general practice team. As the general practice workforce is changing, these roles may need to be re-confirmed every time the cost of treatment regs are reviewed. However, because we now have regulations making NPs and GPs equivalent in terms of GMS subsidy – we need to ensure the fee is aligned to the service in general practice and we don't start paying different professions different rates for the same service.

Do you have a view on the proposed 2.05 percent increase to the payments to Audiologists listed in Table 2 in the discussion document? Please provide reasons for your view.

No

Do you have a view on removing all provisions that require deductions from regulated dental payments? Please provide reasons for your view.

GPNZ Members agree. The current deductions process penalises those who have taken care of their teeth to date and creates additional costs for these patients. The increased co-payment for affected patients could create an inequity between those who can afford the additional cost and those who can't.

Do you have any overall comments that you would like to make on the review or recommendations?

1. Whilst the benefits of moving to a biennial process can be appreciated, there needs to be a mechanism for making exceptional changes.
2. The aim of GP Connect is to do away with regulations in favour of contracts with GPs, how does this fit?

Date submitted

11/12/2019 9:38