

General Practitioner Fees Information

**A summary of key findings
from five reports**

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Introduction

This report is about the affordability of general practitioner (GP) fees in New Zealand. A summary of relevant key findings is provided from the following studies/surveys:

- A. **First Report and Recommendations of the Commonwealth Fund's International Working Group on Quality Indicators – A Report to Health Ministers of Australia, Canada, New Zealand, the United Kingdom and the United States, June 2004**
- B. **Cost Barriers to Health Care: Provisional Analysis from the New Zealand Health Survey 2002/03 – Antony Raymont, Senior Research Fellow, Health Services Research Centre, Victoria University of Wellington, June 2004**
- C. **Primary Health/PHO Communications Campaign Research, June 2004, Alan Wylie (PhD), Phoenix Research**
- D. **National GP Fee Survey, CBG Health Research Limited, February 2004**
- E. **Information on fees notified by Interim PHO practices to be charged from 1 July 2004 to those aged 65 years and more.**

Overall Key Findings

The five studies/surveys referred to in this report all used different survey methods. As a result, none of the studies/surveys are strictly comparable. However they do show consistent themes. These are outlined below.

Before the implementation of the Primary Health Care Strategy there were significant cost barriers to accessing GP care in New Zealand. A comparative study of five countries (Australia, Canada, New Zealand, United Kingdom and the United States) indicated 20 percent of those surveyed in New Zealand reported financial barriers to getting medical care. This was the second highest rate behind the United States at 24 percent.

The New Zealand Health Survey taken in 2002 showed that three main groups of people have the greatest difficulty paying for GP services. These three groups were those living in areas of high deprivation (NZDep 9 and 10), Māori and Pacific peoples. The survey showed that 9.0 percent of those living in NZDep areas 9 and 10, 11.4 percent of Māori and 8.0 percent of Pacific peoples decided not to visit a GP in the previous 12 months because of cost. Only 5.8 percent of the total population sampled reported the same decision. This supports the Government's decision to start the implementation of the Primary Health Care Strategy by providing extra funding to PHOs who serve high proportions of these groups (Access PHOs).

Access PHOs, by definition, have higher proportions of enrolled people from those groups of the population with the worst health status (people from the most deprived areas and Māori and Pacific peoples). These groups also face the greatest financial barriers to care.

Fees charged by Access PHO practices are significantly lower than those charged by Interim funded PHO practices. This is true even for those age groups (children and the older people) for which the remaining (Interim) PHOs are receiving similar levels of capitation.

The February 2004 survey of all GPs showed that 82 percent of all practices did not charge children under six. A further breakdown of this figure shows that this was true for 93 percent of Access PHO practices, 78 percent of Interim and 80 percent of non-PHO.

In October 2003 funding for 6–17-year-olds in Interim PHOs was increased to a rate based on \$25 per expected consultation. It was expected that most of this funding benefit would be passed on to patients by lowering fees. The February 2004 fees survey showed that fees for 6–17-year-olds without Community Services Cards (CSCs) were, on average, about \$22 less than non-CSC adults. Fees for 6–17-year-olds who were CSC holders were \$24.50 less than non-CSC adults.

In response to the 1 July 2004 increase in capitation funding for those 65 and over, Interim funded PHO practices have committed to fee reductions for this age group which are, on average, \$23.40.

The February survey showed that fees charged by Interim funded PHO practices were, on average, slightly higher across all age groups than those charged by non-PHO practices. In July the average unsubsidised fee for patients 65 and over was \$48.05 based on the fees of Interim funded practices that PHOs notified DHBs. This indicates that there was a rise in charges since the February survey when the average fee for this age group was \$43.00 (a 11.7 percent increase). One explanation for the higher fees is that when PHO practices notify future fees, they tend to review their current fee upwards before committing to it.

PHOs have now committed to notifying any further increases in fees. In addition, DHBs are able to set up a fee review committee if they consider any rises are unreasonable.

The fees to those 65 years and over notified by DHBs for Interim PHOs show some quite marked variations between DHBs. Fees are highest in DHB districts comprising the urban areas of Auckland and Wellington and generally lower in DHB districts with rural hinterlands. However there are exceptions. Fees are low in the urban Hutt Valley DHB district and high in largely rural Southland and South Canterbury.

Actions to ensure access to affordable care

Under the Primary Health Care Strategy the Government has recently announced an acceleration in future funding increases to Interim PHOs. The aim is to enable all New Zealanders to have access to primary health care services regardless of their ability to pay.

DHBs, supported by the Ministry, will continue to work with PHOs to achieve reductions in GP fees as this future funding is rolled out. Reduced fees will reach those aged 18–24 years from 1 July 2005, those aged 45–64 from 1 July 2006, and the remainder (those aged 25–44) from 1 July 2007.

Information about what is charged for access to primary health care is important. It has never before been captured in the detail shown by these reports and they represent one measure of the success of the Primary Health Care Strategy. From now on, DHBs will report each quarter to the Ministry of Health on any increased fees that have been notified by their PHOs.

To ensure better access to primary health care services, the public need to know what they can expect to pay. Such information is an important part of an individual's decision to seek care for themselves or their family. Under the terms of the agreements for receiving public funding, all general practices are required to display their charges in a place where people can easily see them. Charges are public information and PHOs, DHBs and the Ministry of Health have a role to support people's access to care by helping making such information easily available.

Report Summaries

A. First Report and Recommendations of the Commonwealth Fund's International Working Group on Quality Indicators – A Report to Health Ministers of Australia, Canada, New Zealand, the United Kingdom and the United States, June 2004

About this study

This report provides comparative results of five countries (Australia, Canada, New Zealand, the United Kingdom and the United States) against 40 quality indicators. Included among those indicators were:

- financial barriers to getting medical care
- financial barriers to filling a prescription.

In 2001, in each of the five countries, 1400 people were asked if they had forgone needed medical care or prescription drugs in the past 12 months.

Key findings

Twenty percent of those surveyed in New Zealand reported financial barriers to getting medical care. This was the second highest rate behind the United States at 24 percent. The rates in New Zealand were worse than those in Australia (11 percent), Canada (5 percent) and the United Kingdom (3 percent).

Fifteen percent of people surveyed in New Zealand reported financial barriers to filling a prescription. This was greater than Canada (13 percent) and the United Kingdom (7 percent), but less than Australia (19 percent) and the United States (26 percent).

B. Cost Barriers to Health Care: Provisional Analysis from the New Zealand Health Survey 2002/03 – Antony Raymont, Senior Research Fellow, Health Services Research Centre, Victoria University of Wellington, June 2004

About this study

This study was undertaken at the Ministry of Health's request. It is intended to serve as part of the baseline for evaluating the effects of the New Zealand Primary Health Care Strategy (2001). It reviewed data obtained by the New Zealand Health Survey 2002/03 (the Health Survey) concerning barriers, specifically cost barriers, experienced by individuals in accessing health care.

This report presents data on the self-reported cost of care and barriers to care. The Health Survey asked individuals to indicate their actual experience of health care. Information included the actual out-of-pocket cost of the most recent primary health care visit, the frequency with which a visit was forgone and the frequency with which prescription items had not been collected. The analysis is based on data from 12,929 adults aged 15 years and over. The sample was stratified to obtain an adequate representation for Māori and Pacific and Asian peoples.

Key findings

In 2002, people on lower incomes paid less for health care from general practitioners (GPs). For the whole sample, the median cost of the last GP visit (in 2002) was between \$21 and \$30. However those within the top two out of four income ranges, or from one of the six less deprived areas (NZDep 1–6 out of 10), reported a median charge in the \$31–\$40 range.

Nevertheless those on lower incomes more often said that they had forgone GP visits and prescription items because of cost. This is illustrated by the fact that 5.8 percent of the sample population said that they had forgone a GP visit in the previous year. However within that group, 9.0 percent of those in NZDep areas 9 and 10 had forgone a visit compared with 2.5 percent of those in NZDep areas 1 and 2. Also from the whole sample population, 4.6 percent said they had forgone a drug because of cost. Of those in NZDep 9 and 10, 8.8 percent reported an uncollected drug item compared with 2.1 percent of those in NZDep areas 1 and 2.

Māori and Pacific peoples also reported more frequent forgone GP visits (11.4 and 8.0 percent respectively versus 5.8 percent for the total population). Māori and Pacific peoples also reported more frequent forgone prescription items (13.0 percent and 8.4 percent versus 4.6 percent for the total population).

Users of services from Māori and Pacific providers reported lower fees (\$10 or less compared with \$21–\$30 for those who used services from other providers). Users of services of Māori providers reported fewer forgone visits (2.3 percent).

Not surprisingly, those with chronic diseases reported more than the average number of visits to a GP in the previous year (4.2 versus 3.2). However members of this group also had more often forgone visits (6.6 percent versus 5.8 percent) and prescription items (5.4 percent versus 4.6 percent) in the previous year due to cost.

C. Primary Health/PHO Communications Campaign Research, June 2004, Allan Wyllie (PhD), Phoenix Research

About this survey

A national survey of 1018 household health decision makers was undertaken between 19 March and 2 May 2004. The main purpose was to benchmark public awareness and understanding of Primary Health Organisations (PHOs) and the Primary Health Care Strategy. The survey was undertaken at the request of the Ministry of Health to inform the development of communication strategies about PHOs and the Primary Health Care Strategy. The total sample of 1018 included supplementary Māori and Pacific peoples' samples giving a final sample of 308 Māori, 298 Pacific peoples and 478 of other ethnic groups. The survey included questions about fees paid for the most recent visit to a GP and financial barriers to access to primary health care.

Key findings

The mean average fee reported by those attending an Access funded PHO was \$16. The average fee was \$33 for those attending an Interim funded or mixed Access and Interim funded PHOs.

Reported fees progressively increased with increasing income. Fees ranged from \$24 (for those whose household income was up to \$20,000) to \$38 (for those whose household income was over \$70,000).

Māori and Pacific respondents reported lower fees than average (\$23 for the most recent visit by Māori and \$20 for Pacific respondents).

Three percent of respondents put off at least one visit to the GP in the last 12 months, mainly because of cost. Another 1 percent made the same decision partly because of cost. The 3 percent rose to 12 percent among Pacific respondents. The rate was 10 percent among respondents with children aged both under five years and from five to 15 years.

D. National GP Fee Survey, CBG Health Research Limited, February 2004

About this survey

The Ministry of Health contracted CBG Health Research to undertake a survey of the fees that general practices stated they charged for standard consultations. The survey was conducted during the first two weeks of February 2004. Responses were obtained from 1088 practices, a response rate of 91 percent. Information was collected on fees reported by practices for the age groups 0–5 years, 6–17 years and adults 18 years and over. The fees information could be broken down into the following categories: registered patients and casual patients, patients who held Community Services Cards (CSC) and those who did not (non-CSC), Access and Interim funded PHOs and non-PHO practices. The survey established a baseline for planning and evaluating further moves to reduce financial barriers to access.

Key findings

Patient fees for enrolled patients in Access, Interim and non-PHO practices by age group

Age group	Average all practices	Average Access PHO	Average Interim PHO	Average non-PHO	Maximum	90th centile*
Child 0–5	1.59	0.37	2.10	1.73	35.00	7.00
Youth 6–17 non-CSC	18.97	7.90	21.10	21.90	48.00	31.00
Youth 6–17 CSC	15.73	7.00	18.50	17.30	60.00	25.00
Adult non-CSC	36.65	17.20	43.00	40.10	65.00	50.00
Adult CSC	24.81	13.80	28.90	26.40	55.00	35.00

- Ninety percent of practices charge less than this amount (this statistic gives a clearer picture of the distribution and helps show when maxima are rare outliers).

The average fees reported by Access PHO practices were significantly lower than the average of all practices across all age groups.

In Interim funded PHO practices, fees for 6–17-year-olds with Community Services Cards (CSCs) were, on average, about \$21.90 less than non-CSC adults. CSC holders received a \$24.50 reduction. This reflects the October 2003 funding change for 6–17-year-olds in Interim PHOs. At that time funding was increased to a rate based on \$25 per expected consultation. It was expected that most of this funding benefit would be passed on to patients by lowering fees.

The February survey shows that some practices are still setting different fees according to CSC status. The capitation funding formula for all people in Access PHOs and those aged 6–17 in Interim PHOs does not differentiate between CSC and non-CSC holders.

The average fees reported by non-PHO practices were slightly lower than the average of Interim funded practices. This applied across all age groups except for non-CSC holding 6–17-year-olds. One explanation is that when PHO general practices notify future fees, they tend first to review all their current fees upwards.

Further analysis of the data after the report was completed showed that 82 percent of all practices did not charge children under six. A breakdown of this figure shows that this was true for 93 percent of Access PHO practices, 78 percent of Interim and 80 percent of non-PHO.

E. Information on fees charged by Interim PHO practices from 1 July 2004 to those aged 65 years and more

About this information

Prior to 1 July 2004 PHOs notified DHBs of the fees that would be charged by their member practices for those aged 65 years and over. The notifications showed the new fees and how much of a reduction these fees represented compared to the previous fees charged for a person who did not hold a CSC.

Notified fees to be charged and the amount of reduction in fees for previously unsubsidised people 65 years and over in Interim PHO practices from 1 July 2004

DHB	Average reduction for non-CSC holders	Average new fee for all 65 and over in Interim PHOs
Auckland	22.18	27.17
Bay of Plenty	24.96	21.42
Canterbury	23.98	23.05
Capital and Coast	25.72	28.15
Counties Manukau	21.42	27.50
Hawke's Bay	22.00	21.80
Hutt Valley	24.87	20.43
MidCentral	25.64	19.36
Nelson Marlborough	24.72	25.69
Otago	24.05	25.90
South Canterbury	23.81	25.50
Southland	24.33	26.44
Taranaki	20.04	23.07
Waikato	22.37	24.28
Wairarapa	23.14	20.43
Waitemata	22.19	25.63
West Coast	24.00	22.75
Whanganui	24.10	21.48
National average	23.40	24.65

- (1) The DHB averages in this table are aggregated at the practice level and do not reflect differences in practice size. It has not been possible to derive true averages per person since not all practices are identified in the data.
- (2) The national average is the average for all Interim funded PHO practices. It is not a DHB average.

Interim PHO practices, on average, reduced fees for those aged 65 and over (without CSC) by \$23.40. (The capitation rate from 1 July 2004 is based on \$26 per estimated visit for that age group.) The average fee charged to those 65 years and over is \$24.65.

There are wide variations in average fees for those 65 and over charged by Interim funded PHO practices in different DHB districts. Fees are highest in DHB districts comprising the urban areas of Auckland and Wellington and generally lower in DHB districts with rural hinterlands. However there are exceptions. Fees are low in the urban Hutt Valley district and high in largely rural Southland and South Canterbury.

Points to note

The increased funding for those aged 65 and over is irrespective of CSC status. This ensures that everyone gets low or reduced cost access even if they fail to qualify for the card. Previously CSC subsidies meant that CSC holders were already paying \$15 less than those without cards. Since the reductions shown in the table are for non-CSC holders, the fee reductions will be \$15 less for those with CSCs.

When the notified fees and the reported reductions that they represent are added together, it appears that the average unsubsidised fee for Interim funded PHO practices was \$48.05 (\$23.40 + \$24.65). This is based on figures at the time of the notification in June 2004.