



NEW ZEALAND MEDICAL ASSOCIATION

7 February, 2008

Concerns have been expressed by some members about the NZMA's statement last week about the use of the term "capped fees". Some GPs feel that fees are in fact capped, as they would be referred for a Fees Review if they raised their fees above a set level.

GP Council Chair Dr Mark Peterson reiterates:

There is no cap on fees (with the exception of the Very Low Cost scheme). GPs are free to adjust their fees as they see fit. There is no reason to do this only once a year and there is also no set percentage that fees can be increased by.

The problem arises when GPs notify their PHO of their "standard" fees. The PHO then notifies the DHB which has the option of referring the Practice to a regional Fees Review Committee (FRC). The current situation is that under Ministry of Health policy the DHB is required to make this referral if the percentage fee rise is more than a defined percentage (set nationally by consulting company LECG).

The FRC is an independent body and will look at the particular situation and make a determination as to whether this increase is "acceptable". Even if the fee increase is not accepted it can be appealed to a national FRG. Until the national review is finalised GPs are free to continue charging the usual fee, and even if the result goes against the GP there is no mechanism to repay any of the increased fee charged up to that time.

This is obviously a very bureaucratic and stressful process but history shows that 80-90% of the reviews which have taken place have found in favour of the practice. Some PHOs are putting pressure on practices not to increase their fees past the LECG guideline, and many other practices are simply electing to increase their fee in a way that avoids the likelihood of a review.

We actually need practices to make adjustments to their fees on the basis of their own business requirements. If this leads to a review then so be it. The end result of practices not making their own assessment, and simply accepting the guideline, is a fee cap by stealth. It is up to us to avoid this happening.

We need to try to stop GPs accepting there is a cap when there isn't one, and encourage proper business practice.

Mark Peterson
Chairman
NZMA GP Council