

4 February 2013

Dianne Trewavas
Consultation on Cost of Treatment Regulations change proposals
Accident Compensation Policy Team
Labour and Commercial Environment Group
Ministry of Business, Innovation, and Employment
PO Box 3705
Wellington 6140

By email: COTconsultation@dol.govt.nz

Consultation on proposed changes to the Injury Prevention, Rehabilitation, and Compensation (Liability to Pay or Contribute to Cost of Treatment) Regulations 2003

Dear Dianne

Thank you for inviting the NZMA to provide opinion on the proposed changes to ACC's Cost of Treatment Regulations.

The NZMA is New Zealand's largest medical organisation and has a pan professional membership. We have more than 5,000 members who come from all areas of medicine, including general practice. The NZMA aims to provide leadership of the medical profession, and promote:

- professional unity and values, and
- the health of New Zealanders.

The key roles of the NZMA are to:

- provide advocacy on behalf of doctors and their patients;
- provide support and services to members and their practices;
- publish and maintain the Code of Ethics for the profession; and
- publish the New Zealand Medical Journal.

Our submission has been informed by internal consultations with our General Practice Council in addition to feedback received from our members. Of the five changes that are proposed to the

Cost of Treatment Regulations, we provide feedback on the following two areas: Part 1: Increase for general practitioners and nurses for under-six year old consultations; Part 3: Rate increase for treatment providers. Given that our comments are limited to these two areas, we have opted to provide our feedback by way of this letter rather than by using the feedback form.

Part 1: Increase for general practitioners and nurses for under-six year old consultations

The NZMA notes that the proposed change under this area entails increasing by \$5 (GST inclusive) per visit the general practitioner rate for all visits by under-six year olds, under the Cost of Treatment Regulations. We understand that this change is intended to encourage compliance with Government policy to provide fully funded ('free') ACC visits for under six-year olds. We also note that ACC cannot require providers to provide 'free' after-hours ACC visits for under-six year olds through the Cost of Treatment Regulations and that co-payments may still be charged to the public.

The NZMA is not able to provide a simple 'yes' or 'no' regarding whether we support this proposed change. Our organisation supports the provision of fully subsidised services for under sixes and the need to try and align ACC services with this policy. However, we acknowledge that the treatment fee - referred to as a co-payment in the consultation - is part of the contract of the service between the doctor and patient (unless services are provided via contract with a third party funder). As such, while we believe that it should remain the right of general practitioners to set and charge an appropriate fee, the NZMA also hopes that the increase in ACC's contribution towards the treatment costs for under sixes will facilitate the reduction of co-payments for this group, where feasible.

It is important to recognise that the proposed increase is insufficient to fully subsidise even a daytime consultation. Therefore, providing this consultation 'free' means that it is actually being cross-subsidised by other age groups. The actual proposed increase for under six-year olds is \$4.35 (with the other 65c going to the government as GST). This gives a new subsidy rate of \$36.87 for a consultation with this age group at any time of the day or night. The unsubsidised standard charge for a 15 minute consultation varies around the country but feedback from our general practitioners suggests this probably averages around \$60 – \$75. The unsubsidised standard charge for an out-of-hours consultation varies even more widely, but our general practitioners indicate this is often over \$100. The NZMA believes that these are the benchmarks that the new proposed subsidy of \$36.87 should be measured against.

We also wish to draw attention to the fact that in cities, the services that deliver after hours care are often different financial entities to those that deliver services during the day, even if they are staffed by the same doctors. So while the proposed extra \$4.35 may be relatively good for practices that provide care during the daytime, it is not nearly enough for after hours surgeries with their associated extra costs. This provides further grounds for why we believe it is important to retain the right to set and charge an appropriate fee. The NZMA is aware that some after hours practices are on an ACC contract and have relinquished this right, although this particular consultation is not intended to address these practices.

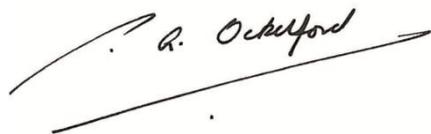
Part 3: Rate increase for treatment providers

The NZMA notes that consultation rates for treatment providers under regulation are proposed to be increased by 1.9%, and that this proposal is consistent with movement in the Labour Cost Index and with funding adjustments in the health sector.

The NZMA supports rate increases that demonstrate continued recognition of the importance of treatment providers in the treatment of ACC claimants and contribute to the maintenance of parity of payments with those made in the health sector in general.

We hope our comments on this consultation are helpful. The NZMA supports an ACC scheme that is fair to all parties, sustainable and transparent. We believe that such a scheme is integral to the health and well being of New Zealanders. The NZMA would welcome the opportunity to work with ACC on further issues relating to this consultation document and on future matters of importance.

Yours sincerely

A handwritten signature in black ink, reading "Dr Paul Ockelford". The signature is written in a cursive style with a long horizontal stroke underneath.

Dr Paul Ockelford
NZMA Chair