

Attention:

Ref. No.: 20071937

Jodi Yeats



# HEALTH REPORT

**Subject:** AFTER-HOURS SERVICE COVERAGE AND HIGH FEES  
**Date:** 18 October 2007 **File Ref:** HC13-01-4  
**Attention:** Hon Pete Hodgson (Minister of Health)  
**CC:** Hon Damien O'Connor (Associate Minister of Health)

## PURPOSE OF HEALTH REPORT

The purpose of this report is to advise you of the extent to which high fees are charged by a number of after-hours service providers around the country and to outline options for responding to this situation.

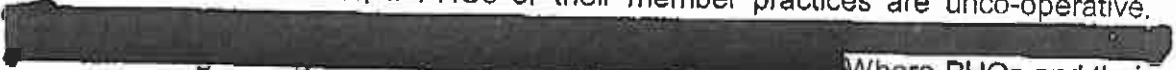
## TIMING IMPLICATIONS

Priority:	Routine	Semi-Urgent (5 Days)	Urgent (3 Days)	24 Hours
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## EXECUTIVE SUMMARY

All District Health Boards (DHBs) confirm that the service coverage requirement of after-hours services available for 95 percent of their population, twenty-four hours a day, seven days a week (24/7) within 60 minutes travel time is being met.

The problem of high \$66 - \$85 plus for over 18s) after-hours fees is however more widespread than previously thought and extends outside metropolitan areas. DHBs are finding it difficult to address the problem of high after-hours fees through their District After-hours Plans, if PHOs or their member practices are unco-operative.



Where PHOs and their practices refuse to contribute to after-hours or, in the case of some rural practices, agree to provide the service but charge high fees even to their enrolees, there is little action the DHB can take against the PHO or practice.

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The Ministry's approach to date has been to leave it to the DHBs to seek collaborative solutions with PHOs and after-hours service providers through their District After-hours Plan process. The Ministry anticipates that leaving the problem of high after-hours fees to DHBs to sort out will have mixed success. We request this issue be placed on the agenda for our meeting with you on 6 November 2007. We have presented a range of possible responses to the high fees issue as talking points for this meeting.

## FINANCIAL IMPLICATIONS

## COMMUNICATIONS

- *Details of significant milestones e.g. project milestones, dates of publications, dates of any public consultation, details of launches/speeches etc.*

The Health Select Committee is conducting an inquiry into the ambulance services and it is likely that ambulance providers will site the decreasing availability of after-hours primary care as one reason for their increasing volumes.

- *Has there been public (media) interest in this area in the past, if so provide details.*

NZ Doctor has highlighted after-hours issues from time to time.

Some local newspapers such as Queenstown and Wanaka have recently run articles about the high level of after-hours fees being charged by GPs, claiming they are not funded for this by Government.

- *Is the current issue likely to attract public (media) attention?*

There is only isolated media coverage currently but it could increase.

- *Does this issue require the development of a Communications strategy?*

A Communication Strategy is not required at this time.

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**Recommendations**

It is recommended that you:

- (a) **note** that the recent DHB survey of high fees for after-hours services indicated that this issue is more widespread than previously indicated. Yes/No
- (b) **note** that the earlier agreed approach of DHBs seeking collaborative workable solutions with PHOs and after-hours service providers through the District After-hours planning process is unlikely to be widely successful. Yes/No
- (c) **note** that the Ministry will further analyse possible responses to the problem of after-hours fees as outlined in this report. Yes/No
- (d) **agree** to discuss the possible responses outlined in this report at our meeting with you on 6 November 2007. Yes/No

Margie Apa  
Deputy Director-General  
Sector Capability & Innovation Directorate

Janice Wilson  
Deputy Director-General  
Population Health Directorate

**MINISTER'S SIGNATURE:****DATE:**

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## REPORT

### BACKGROUND INFORMATION

1. The Ministry recently sought information from DHBs on service coverage and high fees charged by after-hours service providers.
2. DHBs were asked to confirm that after-hours services were available 24/7 within a 60 minute travel time for 95 percent of their population. They were also asked to identify any communities that may have to travel further for after-hours service even though the DHB may meet the requirement for 95 percent of its population.
3. The Ministry defined "high fees" as \$15 or more for children 0-5 years, \$45 or more for children 6-17 years and \$65 or more for adults 18 years and over. These fee levels are slightly above the median fee charged to casual non Community Services Card (CSC) holders reported to the Cabinet Social Development Committee in March 2007.
4. The recommendations of the After-hours Primary Health Care Working Party 2005 concentrated primarily on the District After-hours Plan process. DHBs have completed or are in the process of completing these plans. They have met with varying levels of cooperation from PHOs. Some PHOs refuse to contribute to after-hours provision, while others have demonstrated a high level of responsibility to ensure accessible and affordable after-hours services are available for their patients.
5. The After-hours Primary Health Care Working Party 2005 recommendations also included:
  - that the Ministry, in collaboration with DHBs, explore the feasibility of integrating telephone health advice with after-hours primary health care services; and
  - that the Ministry of Health and ACC, in consultation with key stakeholders, should complete the review of Primary Response in a Medical Emergency (PRIME) as a matter of urgency.

### CURRENT SITUATION

#### Service coverage

6. All DHBs confirm that they meet the service coverage requirement of after-hours services available 24/7 within 60 minutes travel time for 95 percent of their population.
7. MidCentral DHB advises that while the [REDACTED] centre closes at 9pm, GPs are on call to cover the gap until 11pm when the Emergency Department provides the overnight service.

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8. Bay of Plenty DHB identified small South East Coast communities that needed to travel further than 60 minutes.
9. Tairāwhiti DHB identified that some of their small communities needed to travel further than 60 minutes.
10. Otago DHB advised it had yet to complete its stock-take of after-hours services in rural communities.

#### High fees for after-hours

11. The problem of high after-hours fees is more wide spread than previously thought and extends outside metropolitan areas.
12. Appendix One identifies the after-hours service providers that are charging high fees for adults 18 years and over. They are divided into three fee levels; \$66 - \$75; \$76 - \$85 and \$86 and over and apply to three patient groups; PHO enrolees, and casual visitors with and without community service cards (CSC and non CSC). In some cases a surcharge is charged for overnight services – for example, [REDACTED] service has a \$10 surcharge. Home visits are excluded from these fees and these can be high – for example, a \$400 home visit fee applies in Western Bay of Plenty. Similar tables showing fees for children 6-17 years and under six years are provided in the Appendix.
13. Only 7 DHBs (Counties Manukau, Bay of Plenty, Taranaki, Hawkes Bay, Wanganui, Manawatu, and Waikato DHBs) reported no adults' fees above \$65. In the West Coast and Tairāwhiti DHBs the high fees applied to casual visitors and were only charged by one or two practices, with lower fees for PHO enrolees.
14. After-hours service providers in Canterbury, South Canterbury and Northland DHBs charge the highest adult fees and these include rural practices. With the exception of [REDACTED] practice in Northland, these high fees apply to casual visitors, with PHO enrolees paying significantly less. For example, the [REDACTED] in Christchurch charges \$55-\$65 for PHO adult enrolees (depending on CSC status), the practice at [REDACTED] charges \$60 for PHO enrolees and [REDACTED] charges \$50 - \$55 (depending on CSC status). By contrast, the [REDACTED] posts a fee of \$250 for all patients including PHO enrolees although the DHB advises this fee is rarely charged.
15. In the high fee range of \$76 - \$85 for adults, at least one after-hours service provider in each of Lakes, Otago, Southland, Waikato, Waitemata and West Coast districts also feature. The high after-hours fee in this range do not apply to PHO enrolees at [REDACTED] (charged \$50), [REDACTED] (also charged \$50), [REDACTED] in South Canterbury (charged \$55) or South Westland. However, PHO enrolees attending after-hours services at [REDACTED] practices in Canterbury, and the [REDACTED] PHO practice roster including Turangi in Lakes DHB are charged these high fees. The [REDACTED] clinic serving Hamilton and surrounding areas

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9(2)(b)(i) in Waikato and the [redacted] in Waitemata DHB treat all patients as casuals.

- 16. High fees in the \$66-\$75 range are more common and extend to after-hours services in Auckland, more practices in Canterbury, Capital and Coast, Hutt Valley, Nelson Marlborough, more practices in Northland, Dunedin, Otago, South Canterbury and [redacted] in Tairāwhiti DHB.

**REASON FOR HIGH FEES**

9(2)(b)(ii)

[redacted]

9(2)(c)

- 17. The PHO Agreement requires PHOs to provide access to First Level Services 24/7 for all service users. First Level Services must be available for 95 percent of enrolled population after-hours within a 60 minute time frame. PHOs are meeting the 60 minute travel time requirement. After-hours fees, however, are outside the PHO Fees Framework. This means after-hours fees are outside the reasonable fees process and there is no requirement to report after-hours fees or fee increases.

- 18. Earlier this year, you advised SDC (as drafted by the Ministry) that:

*"I believe the DHB-led approach being taken is appropriate to the New Zealand setting and, provided the key stakeholders contribute, enables the most cost effective after-hours arrangement to be delivered best suited to local circumstance".*

There is however, a problem when PHOs contribute little or nothing to the after-hours service, or a PHO (for example, [redacted] in Auckland) is unresponsive to DHB approaches, and the [redacted]

9(2)(c)

- 19. [redacted]

9(2)(c)

**PHO practices consider funding inadequate**

- 20. PHOs are firmly of the view that after-hours services are inadequately funded through PHO first contact funding. Some rural practices, such as [redacted] that provide after-hours services charge high fees to 'make a statement' about what they consider inadequate funding for after-hours. (PHOs with rural practices already receive a rural premium to acknowledge the more onerous on-call duties of a rural service).

9(2)(b)(i)

- 21. First contact funding is based on historical national average utilisation regardless of the time of day or night. The Ministry has recently compiled utilisation data for each DHB that shows the number of consultations funded are greater than the number provided so arguably PHOs have received surplus

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first contact funding that could be contributed to after-hours services. However, the PHOs continue to claim they are not funded and decline to contribute financially to after-hours service provision.

### DHBs' RESPONSE TO HIGH AFTER-HOURS FEES

22. DHBs are having mixed levels of success in effecting the lowering of after-hours fees.
23. Some DHBs and/or PHOs have fully implemented successful approaches to after-hours service provision that have resulted in low fees which were initiated prior to the requirement for District After-hours Plans. For example:
- Wanganui – an integrated co-location model applies. The [REDACTED], owned by the PHO, is located on the hospital site and is open until 9 pm seven days per week. After 9 pm the Emergency Department takes over
  - Capital and Coast – operates an Accident and Medical (A&M) centre at Kenepuru hospital with local GPs contracted to provide medical staffing during evenings and weekends. The DHB aims to change the governance arrangements for the A&M so that PHOs are more closely involved. Capital and Coast also provides a transport hardship fund to subsidise the cost of travelling from Kapiti for over night services where that travel poses significant hardship
  - West Coast – in Greymouth the local GPs provide on-call services until 8 pm seven days a week. After 8 pm the ED takes over
  - A number of after-hours services in rural areas encourages an enhanced role for nurse and/or rural hospitals.

### DHBs that have not fully implemented successful approaches to after-hours service

24. Auckland DHB has completed consultation on its District After-hours Plan which proposes establishing an after-hours fund to which all PHOs contribute. [REDACTED] already has an arrangement with [REDACTED] whereby fees for its adult enrollees are \$35. [REDACTED] advises that without an additional \$500,000 it will need to increase its adult fee to \$100. The DHB has had a mixed response to its proposal with [REDACTED] firmly opposed.
25. Canterbury DHB advises it is working with its PHOs to address the cost issues around after-hours care as a high priority. The DHB has engaged an external facilitator to meet with GPs to identify issues and potential solutions.
26. Capital and Coast DHB approached the Ministry with a proposal from [REDACTED] to allow their practices to increase their standard consultation fee without going through a fees review process in return for agreeing to contribute a percentage of first contact funding to the after-hours service. The Ministry did not consider the \$10 reduction in after-hours fee proposed sufficient to warrant agreeing to the fees review process being bypassed.

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27. Hutt DHB advises that the PHO (through a top slicing of first contract funding) is already contributing to reduce the cost of the overnight service.

9(2)(b)(i) 28. Lakes DHB and [REDACTED] will discuss after-hours charges for enrolees and seek a resolution to the current wide range of fees depending on which GP is on call.

9(2)(b)(i) 29. Northland DHB is in discussions with [REDACTED] regarding alternative models of after-hours care for Whangarei and with other PHOs and GPs in its region regarding exploring a joint venture to develop a centralised after-hours service.

9(2)(b)(i) 30. South Canterbury DHB already provides \$120,000 to the practice at [REDACTED] to assist with practice viability including after-hours and does not plan to take any further action.

9(2)(b)(i) 31. Waikato DHB is looking at funding options to achieve reduced fees at [REDACTED] in Hamilton.

32. Waitemata DHB advises it is engaging with PHOs and after-hours service providers on the issue.

#### POSSIBLE RESPONSES

9(2)(F)(iv) 33. [REDACTED]

9(2)(F)(iv) 34. [REDACTED]

35. Outlined below are some of the possible options (or combination of options) for responding to this situation. The Ministry would like to discuss these options and the associated benefits and risks of each with you at the Primary Health Care meeting scheduled for 6 November 2007.

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Supporting DHB led approaches			
Number	Option	Benefits	Risks
1	[REDACTED]	[REDACTED]	[REDACTED]
2	[REDACTED]	[REDACTED]	[REDACTED]
3	[REDACTED]	[REDACTED]	[REDACTED]
4	[REDACTED]	[REDACTED]	[REDACTED]

9(2)(F)(W)

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## LINKAGES WITH OTHER SERVICES

36. Primary care inter-relates with other services. The problems with accessible after-hours services has an impact on the services below.

### Impact on Ambulance Services

37. Ambulance providers report significant increase in low acuity volumes (between 5-10 percent) over recent years, particularly in rural areas. They claim the decreasing availability of primary after-hours care contributes directly to this volume increase as ambulance services provide the fall back service to people without access to local primary care.
38. Treating and transporting these low acuity patients decreases the capacity of the ambulance service to respond to emergency patients.

### Impact on EDs

39. A number of DHBs report that they are seeing an increasing number of ambulatory low acuity presentations. Treating these patients is impacting on the DHB's ability to reach their triage targets and deal with emergency patients in a timely manner. They consider that high after-hours fees are contributing to this as people are choosing to access the ED services which do not charge patients.
40. EDs are working on plans to deal with 'Acute Demand' to decrease the volume of ambulatory presentations that could be better dealt with by primary care providers.
41. Other services can also have an impact on accessible after-hours services.

### PRIME

42. Rural practices are amongst those practices charging the highest after-hours fees.
43. Some of the rural practices charging high fees are PRIME providers. PRIME providers have historically complained about the lack of funding they receive to provide PRIME services. The current level of funding is \$13,000 per annum per PRIME location (meaning that total may be split between several practices that provide cover that equates to 24/7). The practitioners (as represented by the RGPN) claim this in no way recognises the burden that providing PRIME services place on rural practitioners.
44. As recommended by the After-hours Working Party report, a PRIME Advisory Group (led jointly by Sector Capability and Innovation and Section Accountability and Funding) has been reviewing the service over the last two years. [REDACTED]

9(2) (F) (iv)

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45. Rural patients are charged a co-payment by the GP for medical PRIME calls (ACC's contract with the PRIME providers prohibits co-payments to patients) that result from a 111 ambulance call, while urban patients attract no medical co-payment for 111 calls.

#### Healthline

46. Healthline is a national telephone triage and advice service contracted for by the Ministry from McKesson. It is not currently contracted to integrate fully with after-hours primary care providers in terms of data transfer and facilitation of face-to-face consultations.

#### MEETING ON 6 NOVEMBER 2007

47. Option 1 has been our preferred approach to date but we are concerned that it is not going to solve the problem of high after-hours fees in all areas and the problem could worsen. The Ministry will continue to analyse the options for achieving more affordable access to after-hours service prior to our meeting with you on 6 November 2007.

#### IMPLICATIONS FOR REDUCING INEQUALITIES

48. After-hours fees even below the level of high fees as defined in this paper are likely to be a significant barrier to access for high needs populations.
49. Medical rural patients, unlike urban patients (where a GP will not be responded to the 111 call) and ACC rural patients, may have to pay a co-payment to the GP for services provided through PRIME as a result of a 111 call.

#### Consultation

50. ACC and the Sector Accountability and Funding Directorate within the Ministry, have been consulted on the contents of this paper and agree with the outlined responses.

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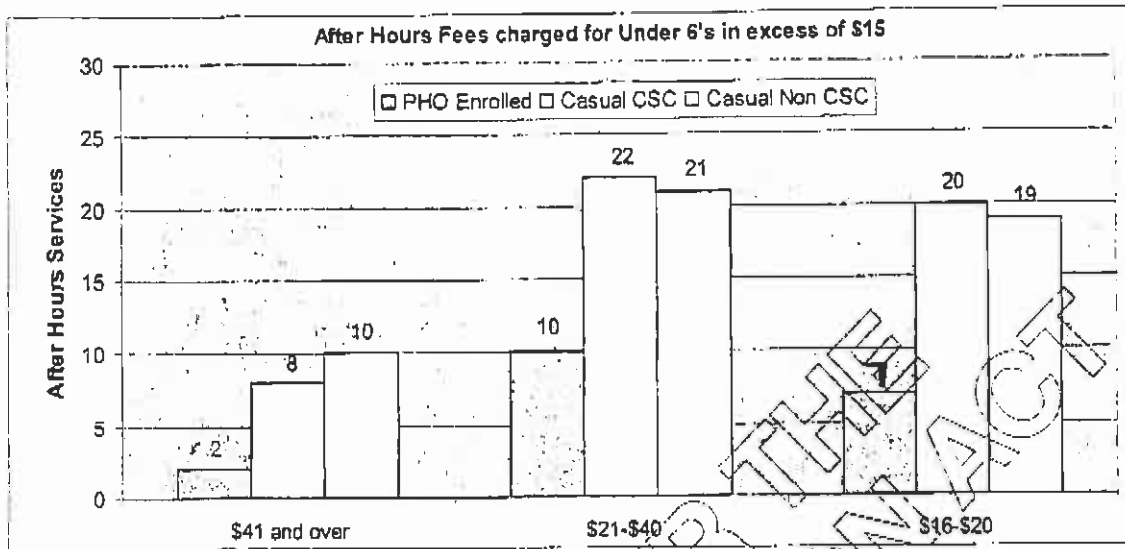
Contact for telephone discussion (if required)

Name	Position	Telephone		Suggested First Contact
		Direct Line	After-hours	
(b)(2)(a)	[REDACTED] Primary Health Care Group	[REDACTED]	[REDACTED]	1
(b)(2)(a)	[REDACTED] Primary Health Care Group	[REDACTED]	[REDACTED]	2
Janice Wilson	Deputy Director-General, Population Health	496 2298		3

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**APPENDIX ONE: Tables of high fees for under sixes**



**DHB & Practices \$41 and over**

- Canterbury [Redacted]
- MidCentral [Redacted]
- Northland [Redacted]
- Otago [Redacted]
- South Canterbury [Redacted]
- Southland [Redacted]

**DHB & Practices \$21-\$40**

- Canterbury [Redacted]
- Capital & Coast [Redacted]
- Hutt Valley [Redacted]
- Lakes [Redacted]
- Nelson/Malborough [Redacted]
- Northland [Redacted]
- Otago [Redacted]
- South Canterbury [Redacted]
- Tairāwhiti [Redacted]
- Waikato [Redacted]
- Waitemata [Redacted]
- West Coast [Redacted]

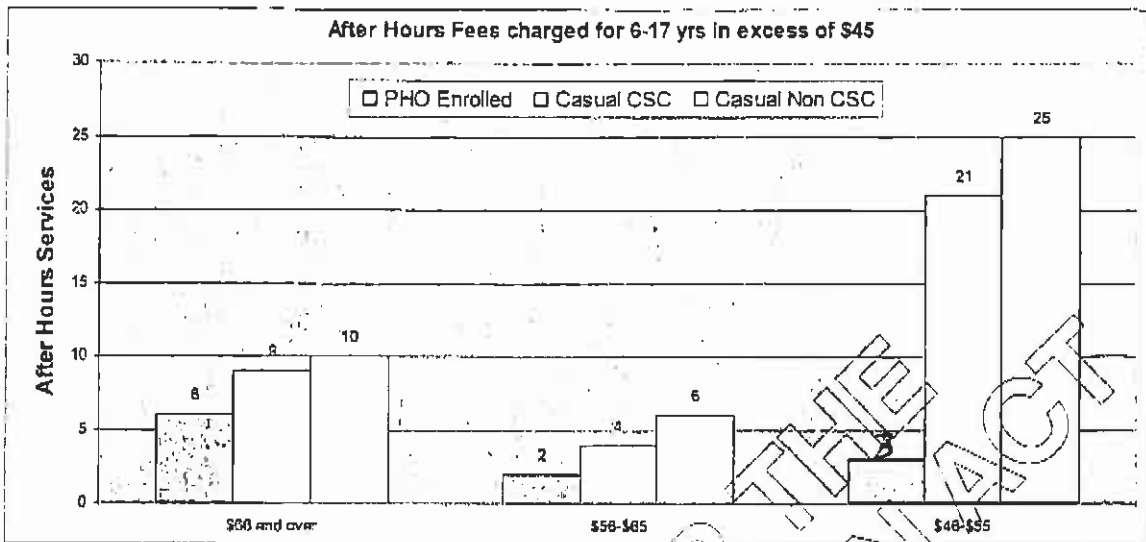
**DHB & Practices \$16-\$20**

- Auckland [Redacted]
- Canterbury [Redacted]
- Lakes [Redacted]
- Nelson/Malborough [Redacted]
- Northland [Redacted]
- Otago [Redacted]
- South Canterbury [Redacted]
- Waitemata [Redacted]
- West Coast [Redacted]

9(2)(b)(ii)

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APPENDIX TWO: Tables of high fees for 6-17 years



DHB & Practices \$41 and over

Canterbury

Northland

Otago

South Canterbury

Southland

DHB & Practices \$21-\$40

Canterbury

Lakes

Otago

South Canterbury

Tairāwhiti

Waikato

West Coast

DHB & Practices \$16-\$20

Auckland

Canterbury

Capital & Coast

Counties Manukau

Hutt Valley

MidCentral

Nelson/Marlborough

Northland

Otago

South Canterbury

Waikato

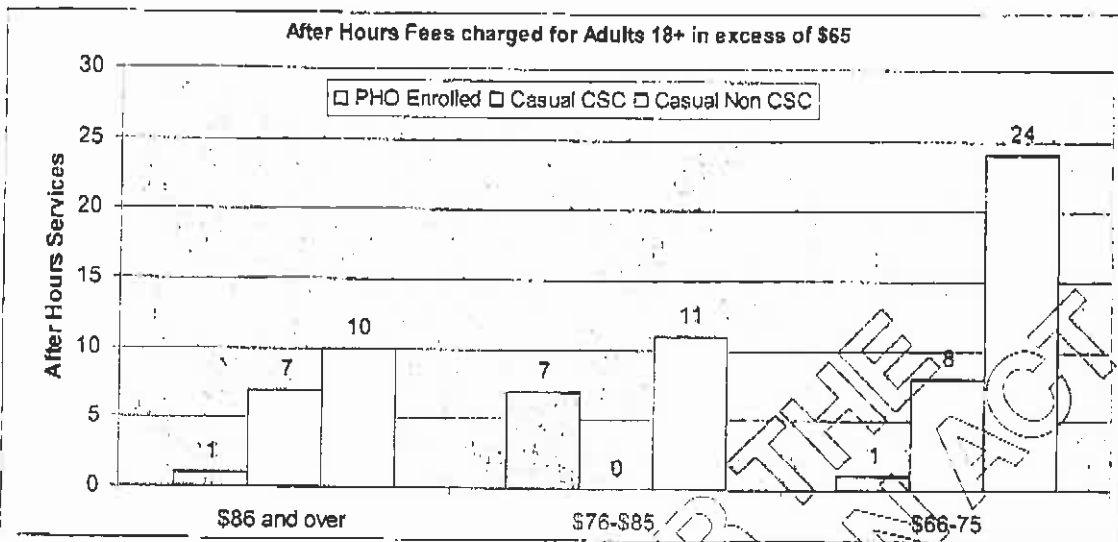
Waitemata

West Coast

9 (2) (b) (11)

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APPENDIX THREE: Tables of high fees for under Adults 18+



DHB & Practices \$41 and over

Canterbury

[Redacted]

Northland

[Redacted]

South Canterbury

[Redacted]

Southland

[Redacted]

DHB & Practices \$21-\$40

Canterbury

[Redacted]

Lakes

[Redacted]

Northland

[Redacted]

Otago

[Redacted]

South Canterbury

[Redacted]

Southland

[Redacted]

Waikato

[Redacted]

Waikato

[Redacted]

West Coast

[Redacted]

DHB & Practices \$16-\$20

Auckland

[Redacted]

Canterbury

[Redacted]

Capital & Coast

[Redacted]

Hutt Valley

[Redacted]

Nelson/Marlborough

[Redacted]

Northland

[Redacted]

Otago

[Redacted]

South Canterbury

[Redacted]

Tairāwhiti

[Redacted]

Waikato

[Redacted]

Waitemata

[Redacted]

West Coast

[Redacted]

9(2)(b)(v)

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