

2024 Guidance to practices with preparing information and evidence to the FRC

Practices with fees increases referred for consideration by a FRC must prepare the following information and evidence:

- A. 2024 Fees Review Financial Information Template July 2024 (Excel)
- B. 2024 Fees Review Evidence and Matters July 2024 (Word)

Notes on how to prepare both are provided here.

A. 2024 Fees Review Financial Information Template

Please enter values in white cells only and enter the GST exclusive amounts.

This is a template to provide financial information to be reviewed by the Fees Review Committee.

Explanations for significant changes in income and costs will also need to be commented on in the word document “Fees Review: Evidence and matters for consideration template”.

Cell F5 - Enter the month for which you have actual results available.

Cell N5 - Enter the number of months in current financial year for which the actual results are available.

Previous Financial Year – Financials based on the actual results, verified by a Chartered Accountant and reconciled with the annual tax return

1. *Column F – “Actual GP visits per year”*, the actual number of GP visits including follow up visits which may or may not be charged, by the patients enrolled through the practice against each of the age groups, for the previous financial year - will be completed by PHO
2. *Column G – “Number of patients in this category”*, the actual number of patients enrolled through the practice against each of the age groups, based on April to June quarter – will be completed by PHO
3. *Column I – “As at 30th June fee (co-payment)”*, the co-payment fee (published rates only) for patients against each of the age groups (*cell I13 to I24*) – will be completed by PHO
 - *Cell I28* – Enter the co-payment fees collected from enrolled and funded patients for general medical consultations
 - *Cell I29* – Enter the fees collected from patients for services other than general medical consultations

- Cell I30 – Enter the amount received under capitation including claw backs
- Cell I32 – Enter any other funding received from PHO e.g. ACC, GMS, maternity, immunisation
- Cell I34 – Enter income from other sources e.g. insurance and other medicals.
- Cell H40 to H42 – Enter the number of FTEs
- Cell I40 to I62 – Enter the specified costs

Non primary care activities – the net impact of non-primary care activities is excluded in the fees review calculations, to measure the financial performance of the practice solely based on core primary care activities.

- Cell I73 – Enter income from non-primary care activities e.g. travel vaccinations.
- Cell I76 – This is the only formulated cell (% of non-primary income to total practice income x total expenditure = non-primary practice expenditure) which can be over written if the actual expenses for non-primary care activities is available
- Cell H83 & H85 – Enter the total number of clinic hours and admin hours, for the 12-month period, done by owner/s or partner/s, if these are not included in the annual accounts numbers previously entered.

Capital Investments: the information provided is used as optics only

- Cell I102 & I104 – Enter the capital investment in computers and other fixed assets for the period.

Current Financial Year – Financials based on the actual YTD (year to date) results and forecast for the remaining months

4. Column K – “Actual GP visits per year”, the sum of actual and estimated number of GP visits including follow up visits which may or may not be charged, during the current financial year against each of the age groups – will be completed by PHO
5. Column L – “Number of patients in this category”, the total number of patients enrolled through the practice against each of the age groups, based on the last actual quarter that you have information on – will be completed by PHO
6. Column N – Update the following cells based on the actual results and forecast
 - Cell N28 – Enter the co-payment fees collected from enrolled and funded patients for general medical consultations
 - Cell N29 – Enter the fees collected from patients for services other than general medical consultations

- *Cell N32* – Enter any other funding received from PHO e.g. ACC, GMS, maternity, immunisation
- *Cell N34* – Enter income from other sources e.g. insurance and other medicals
- *Cell M40 to M42* – Enter the number of FTEs
- *Cell N40 to N62* – Enter the specified costs
- *Cell N73* – Enter income from non-primary care activities
- *Cell N76* – This is the only formulated cell ($\% \text{ of non-primary income to total practice income} \times \text{total expenditure} = \text{non-primary practice expenditure}$) which can be overwritten if the actual expenses for non-primary care activities is available
- *Cell M83 & M85* – Enter the total number of clinic hours and admin hours, for the 12-month period, done by owner/s or partner/s, if these are not included in the annual accounts numbers previously entered.
- *Cell N102 & N104* – Enter the capital investment in computers and other fixed assets for the period.

Next Financial Year – Financials based on the future forecast twelve-month period

7. *Column P* – “Actual GP visits per year”, the estimated number of GP visits including follow up visits which may or may not be charged, during the forecast twelve-month period against each of the age groups – will be completed by PHO
8. *Column Q* – “Number of patients in this category”, the estimated number of patients enrolled through the practice against each of the age groups, based on the last actual quarter that you have information on – will be completed by PHO
9. *Column S* – Update the following cells based on your forecast expectation of income and costs
 - *Cell S28* – Enter the estimate of co-payment fees to be collected from enrolled and funded patients for general medical consultations
 - *Cell S29* – Enter the estimate of fees to be collected from patients for services other than general medical consultations
 - *Cell S32* – Enter any other funding to be received from PHO e.g. ACC, GMS, maternity, immunisation
 - *Cell S34* – Enter estimated income from other sources e.g. insurance and other medicals
 - *Cell R40 to R42* – Enter the estimated number of FTEs

- *Cell S40 to S62* – Enter the specified costs
- *Cell S73* – Enter estimated income from non-primary care activities
- *Cell S76* – This is the only formulated cell ($\% \text{ of non-primary income to total practice income} \times \text{total expenditure} = \text{non-primary practice expenditure}$) which can be over written if the estimate for expenses related to non-primary care activities is available
- *Cell R83 & R85* – Enter the total number of clinic hours and admin hours, for the 12-month period, done by owner/s or partner/s, if these are not included in the annual accounts numbers previously entered.
- *Cell S102 & S104* – Enter the capital investment in computers and other fixed assets for the period.

Recovery of lost profits

- *Cell I108* – This gives the calculated required % increase in patient fees
- *Cell I110* – This gives the calculated patient fees to recover any lost profits
- *Cell I112* – Enter the proposed % increase in annual co-payment revenue from the fee declaration template.
- *Cell I115* – Enter the accumulated fee % increase from prior years that has not been taken up by your practice (this relates to the annual allowable amount not reflected in the co-payment prior to the most recent proposed change; your PHO will be able to provide you this number).

Fee’s review committee % increase fee guidance

The ‘proposed % increase – impact to be assessed number’, needs to be less than the calculated fee increase per the financial information template in order to proceed.

The fees review committee is unlikely to sign off on a greater increase than warranted based on your forecast financial information. The commentary as completed in the Fees Review: Evidence and matters for consideration template will need to be completed to provide further explanation of income and cost changes.

B. Fees Review: Guidance for completing “2024 Fees Review Evidence and Matters July 2024”

The template document titled Fees Review: Evidence and matters for consideration is a supporting document that you are required to complete.

This document will support the financials you have provided in the Excel spreadsheet.

The questions in the document have been adapted from clause 4.3 of the PHO Service Agreement Fees Review Process Reference Document (2006) the clause is copied below for your reference.

Fees Review Committees will consider any of the following matters (as relevant) when considering whether a proposed fees increase is reasonable:

- a. evidence that the sustainability or viability of the practice is at risk;
- b. evidence of unusual cost increases;
- c. evidence of changes in utilisation rates;
- d. evidence of change in mix of services and fees;
- e. evidence of plans to invest in the business in a way that will advance the ends of the Primary Health Care Strategy;
- f. evidence about how the provider's health workers' income relates to income of other health workers in the region;
- g. practice fees in a range of comparable practices in the locality;
- h. measures of general inflation;
- i. measures of the cost of health-related labour as identified in the labour cost index;
- j. the level of the adjustment of Government funding to maintain its value;
- k. any other national factors that, given efficient practice behaviour, could lead to increases or reductions in costs over the next year (including for example legislative or tax changes, increased or reduced compliance costs etc.);
- l. the expected impact of these factors on the level of standard General practitioner consultation fees;
- m. the statements of levels of reasonable standard General Practitioner consultation fees increases determined by the independent body under clause 3.9 of Part A of Schedule F4 and notified under clause 3.8 of Part A of Schedule F4 (which will have taken into account the matters specified in paragraphs (h) to (l) above); and
- n. other relevant matters.

The Fees Review Committee shall consider whether the evidence supports the level of fee increase.