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MEDIA RELEASE – FOR IMMEDIATE USE

Lab test scheme ‘failed exercise in cost-shifting’: HFANZ

Today’s release of the long-awaited evaluation of patient charges for laboratory testing in Wellington shows the experiment to be a failed exercise in cost-shifting, according to the Health Funds Association.

HFANZ executive director Roger Styles said the evaluation of the scheme, in which Wellington district health boards withdrew their funding of laboratory tests referred by specialists operating in their private capacity, had taken the same narrow ideological perspective as the original consultation.

“It was about shifting health costs onto patients, and now we are being told it is a success because it has shifted health costs onto patients. That’s hardly rocket science,” Mr Styles said.

“What is really surprising is that the total DHB revenue from this is only half of the \$3 million originally claimed in consultation.

“This clearly points to a fair degree of avoidance for some patients, while others are clobbered. We know that some patients have been hit with lab test bills of \$1600 or more, including vulnerable cardiac patients,” he said.

Mr Styles said the lower-than-expected revenue was all the more damning of the scheme because it made the administrative overhead higher in comparison.

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“This has increased total health costs for New Zealanders with little direct saving for the DHBs concerned. It is an exercise in ideology rather than sound health policy,” he said.

Mr Styles said the report confirmed adverse patient health outcomes were being reported by health professionals. It also confirmed the average patient charge was \$62 – six times the \$10 claimed in consultation.

He said the situation would get worse for patients if the scheme was rolled out nationally.

The Otago, Southland, West Coast, Canterbury and South Canterbury DHBs are currently considering a similar proposal. They estimate a collective saving of \$3 million a year to their budgets, but HFANZ said in its submission on the plan that for every dollar saved by the boards, \$2 to \$3 would be imposed directly on patients.

“At present, the charges have been largely isolated to Wellington, so have not impacted greatly on insurance premiums. However, this is likely to change if the charges are rolled out nationally, as claims costs ultimately get reflected in the cost of premiums,” Mr Styles said.

“Even the slightest reduction in insurance coverage as a result will adversely impact on the public sector. Presently, 60 percent of elective surgery is privately funded, with the majority being insurance funded.

“The public sector cannot even cope with present demand for elective surgery. These sorts of policies exacerbate problems for the public sector rather than help to resolve them. They are ideologically based and reckless,” Mr Styles said.

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