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## **GPs warn of fee increases and more closures if miserly 4 percent uplift confirmed**

GPs fees will have to rise after Te Whatu Ora failed to cover the increased costs of providing community healthcare, the General Practice Owners Association of Aotearoa New Zealand (GenPro) is warning.

And the likelihood of more towns and rural areas losing their family doctors altogether is also increasing, according to GenPro Deputy Chair Stephanie Taylor.

Dr Taylor's comments follow Te Whatu Ora releasing its proposed annual uplift of base funding to support practices to meet their costs, and the Annual Statement of Reasonable Fee Increases, which sets the maximum a GP can increase fees. Te Whatu Ora's proposal is based on funding allocated in last month's Budget.

“General practices are under pressure and many GPs are deciding enough is enough and retiring or closing their practices. Some communities have or will soon lose access to their local medical, injury, and mental health service, or it will lack the key component – an experienced GP.”

Dr Taylor said the best approach to sustainable care is proper investment in general practice and increasing the numbers of GPs, but nothing in the Budget or Te Whatu Ora's statement addressed this. GPs are now forced to face the choice of increasing fees or reducing services to remain viable. Neither is a choice that GPs want to make, and neither benefits patients.

GenPro warns that access to general practice will be lost if underfunding and undervaluing of GPs and their teams are not dealt with immediately. More than 50 percent of family doctors are due to retire by 2030 and there isn't an available workforce to replace them. Of the 300 places available for training future GPs, only 238 were filled in 2023.

“Multiple reports show that the current GP funding model is simply not fit for purpose. For example, about one in three GP practices is losing money. Fixing the situation will require investment to retain the shrinking workforce, attract doctors to general practice, and recognise the quality and continuity of care they deliver.”

GenPro says that a greater percentage of the \$30.6 billion health budget must be directed to frontline services in primary care.

“It is disappointing that Te Whatu Ora does not recognise the urgent need to prioritise investment in general practice,” she said.

“People with a long-term relationship with their GP live longer and cost the health system less. The model used to fund general practice needs updating and the government's own reviews into funding have recommended increases of 10 to 20 percent on average to reach

sustainability, let alone address some of the unmet needs and inequities accessing healthcare”.

General Practice representatives will likely reject the proposed four percent uplift, which is insufficient to retain services and meet needs of patients.

“Successive years of increased labour costs, demand, expectations, regulation and compliance have significantly increased the running costs of general practice without a commensurate increase in funding. General practice owners have been footing the bill for these higher costs, but are becoming increasingly unable to do so,” Dr Taylor said.

Dr Taylor said that the proposed uplift is shifting the cost burden on to patients.

“Higher consultation fees result in GPs becoming unaffordable, which means ill people do not seek care, or they present at crowded emergency departments in public hospitals, or – as we sadly see – some are caught in the embarrassing situation of visiting a GP and then not paying for their treatment.”

Te Whatu Ora must increase the uplift, as the amount proposed will create further inequity by shifting costs to patients, many of whom cannot afford to pay more for essential family doctor services.

“This adds to the unsustainable nature of trying to manage a GP clinic. The system is at a tipping point and the government must step in,” said Dr Taylor.

Dr Taylor also said Te Whatu Ora’s proposed adjustment had come too late for meaningful consultation, as it is supposed to apply from July 1.

“The information was released at the eleventh hour which means we have not been given adequate time to discuss this offer with our GenPro Members and the wider GP community”.

GenPro and other contracted provider agents have opted to use the required 20 working day consultation period to engage with members, and seek feedback for consideration by Te Whatu Ora.

**For more information:**

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About GenPro: The General Practice Owners Association of Aotearoa New Zealand (GenPro) is an independent membership organisation which acts on behalf of and represents general practice owners to ensure their population health services are appropriately supported and that their businesses are sustainable.