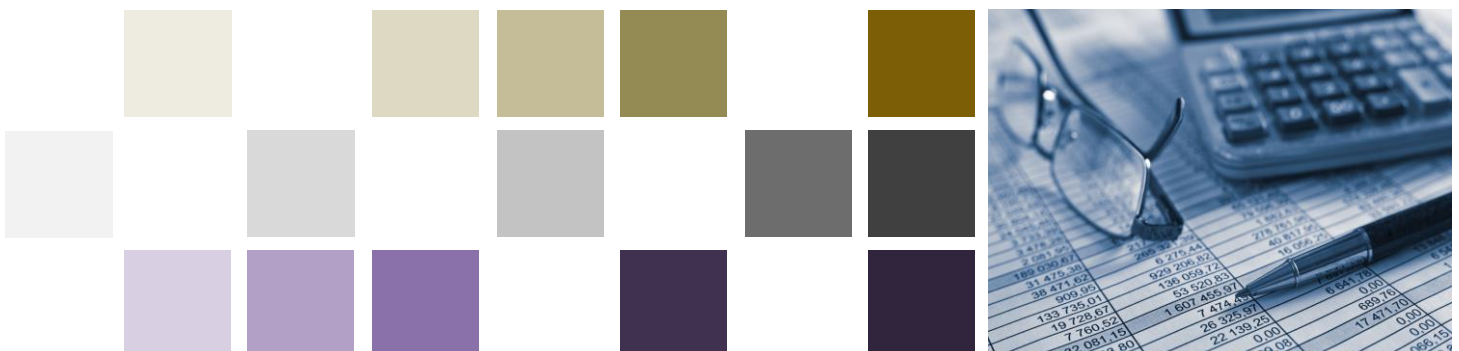


Survey to better understand general practice costs

Interim results based on responses from 13 to 31
December 2021

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9 February 2022

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1. About the survey

Sapere Research Group has been commissioned to provide advice to the interim entities (interim Health New Zealand and interim Māori Health Authority) on options for the future of primary care funding. While there is information that we can use on cost for many aspects of general practice, expenditure by different kinds of practice on rent and overheads is often invisible. To ensure we have an understanding of the range of these costs for general practices as we develop our advice we undertook a survey of general practices to gather this information.

A survey was sent to members of Practice Managers and Administrators Association of New Zealand (PMAANZ) on 12 December and 2 follow up emails were sent. The survey is still live and are still seeking further responses from general practice.

This report provides interim results based on a small number of responses received from 12 to 31 December 2021. We expect to update this report with new data in the near future.

1.1 Questions

The survey included questions about operating costs, FTE and asked for information on population and practice characteristics. The questions were:

1. In the last financial year, how much did your practice spend on rent?
2. In the last financial year, how much did your practice spend on IT*? *Includes data management, telephones, internet charges, software licensing, website, data security, IT support and maintenance
3. In the last financial year, approximately what percentage of co-payment revenue was written off as bad debts?
4. In the last financial year, what was your practice's total spend on overheads*? *we define overheads as expenses less total people costs
5. Enter your FTE for each of the following roles:
 - a. General practitioners
 - b. Nurse practitioners
 - c. Nurses
 - d. Administrators and Healthcare Assistants
 - e. Practice manager
 - f. Other
6. What is the approximate size of your practice (m²)?
7. What is the total size of the land the practice occupies (m²)? This includes space rented for parking.
8. Approximately how many people are enrolled in your practice?
9. Approximately what percentage of your enrolled population is defined as high needs? (high needs is defined as Māori, Pacific or Dep quintile 5)
10. Approximately what percentage of your enrolled population identifies as Māori?
11. Approximately what percentage of your enrolled population is classified as Care Plus, i.e. has three or more chronic conditions?

12. Is your practice VLCA?
13. What region is your practice located in?
14. Would you classify your practice as rural or urban?

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2. Results

We received 42 responses in total, 28 were fully completed. Table 1 shows the counts by practice characteristics.

Table 1 Response counts total, by rurality, VLCA and region

	Respondents	Partially complete	Fully complete
Total	40	12	28
Rurality			
Rural	4	1	3
Urban	28	3	25
Not specified	8	8	0
VLCA			
Yes	6	1	5
No	26	3	23
Not specified	8	8	0
Region			
Auckland	8	1	7
Canterbury	4	2	2
Hawke's Bay	2	0	2
Nelson	2	0	2
Northland	1	0	1
Taranaki	1	0	1
Waikato	4	0	4
Wellington	7	1	6
Not specified	11	8	3

2.1 Practice costs

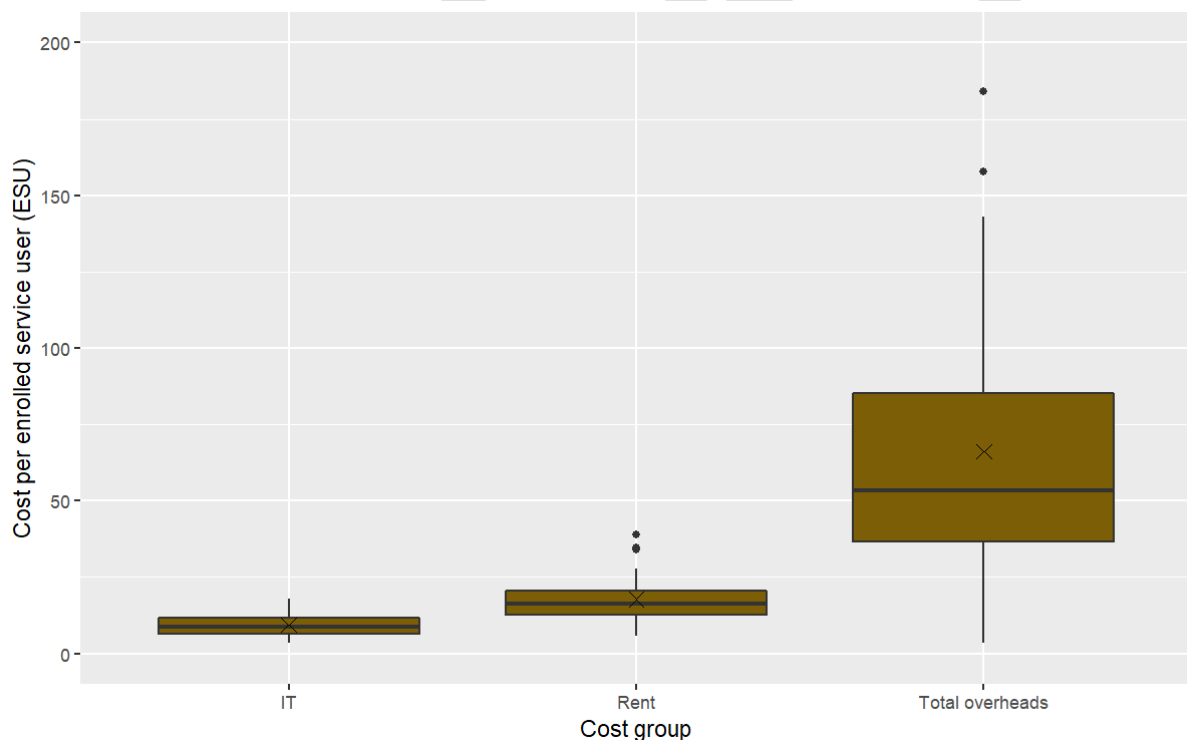
The mean and median cost per enrolled service user is shown in Table 2.

Table 2 Rent, IT and Total overhead costs per enrolled service user (ESU)

	Rent per ESU	IT per ESU	Total overheads per ESU (includes Rent and IT)
n	28	28	28
Mean	\$17.81	\$9.42	\$75.10
Median	\$16.33	\$8.70	\$54.70

Box plots show the spread of practice costs for IT, rent and total overheads. Due to low numbers for rurality and regional breakdowns there were no statistically significant differences when looking at these variables.

Figure 1 Boxplot of rent, IT and total overhead costs per ESU



Costs increase relative to the size of the population (ESUs)

Rent, IT and Total overhead costs increase proportionately to the number of enrolled service users. There does not appear to be any economies of scale for larger practice populations.

Figure 2 Scatter plot of rent (ex GST) and ESU

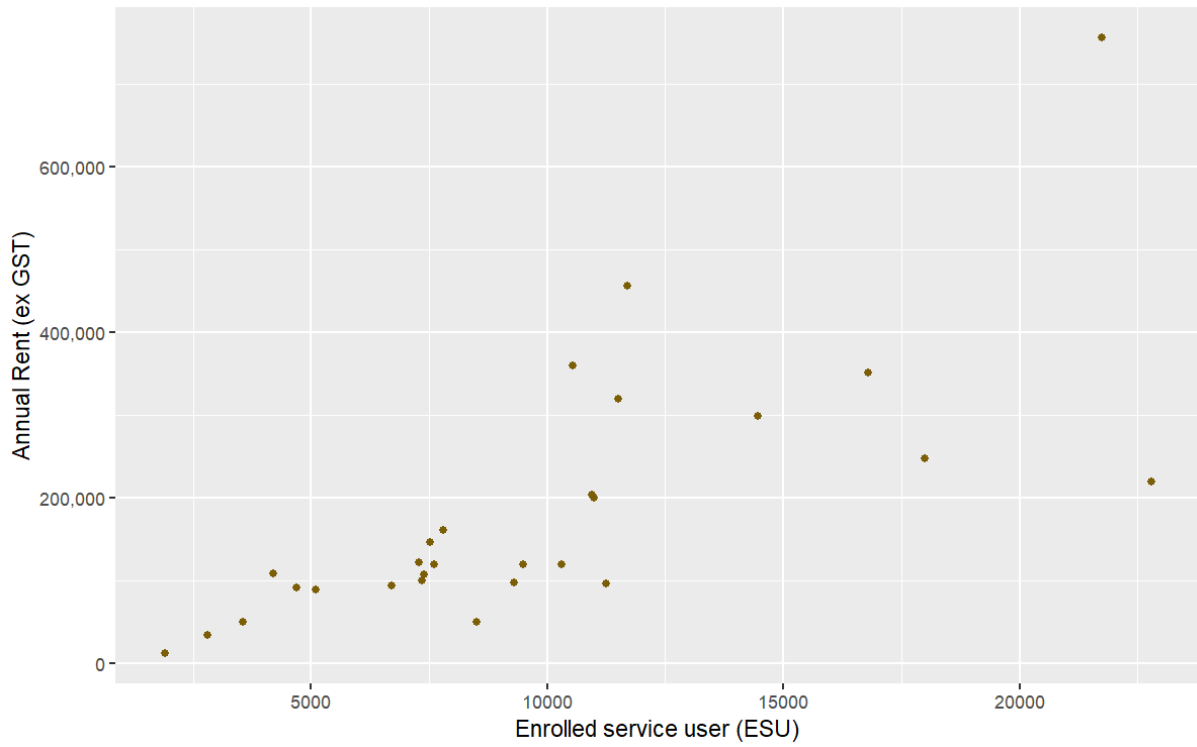


Figure 3 Scatter plot of IT costs (ex GST) and ESU

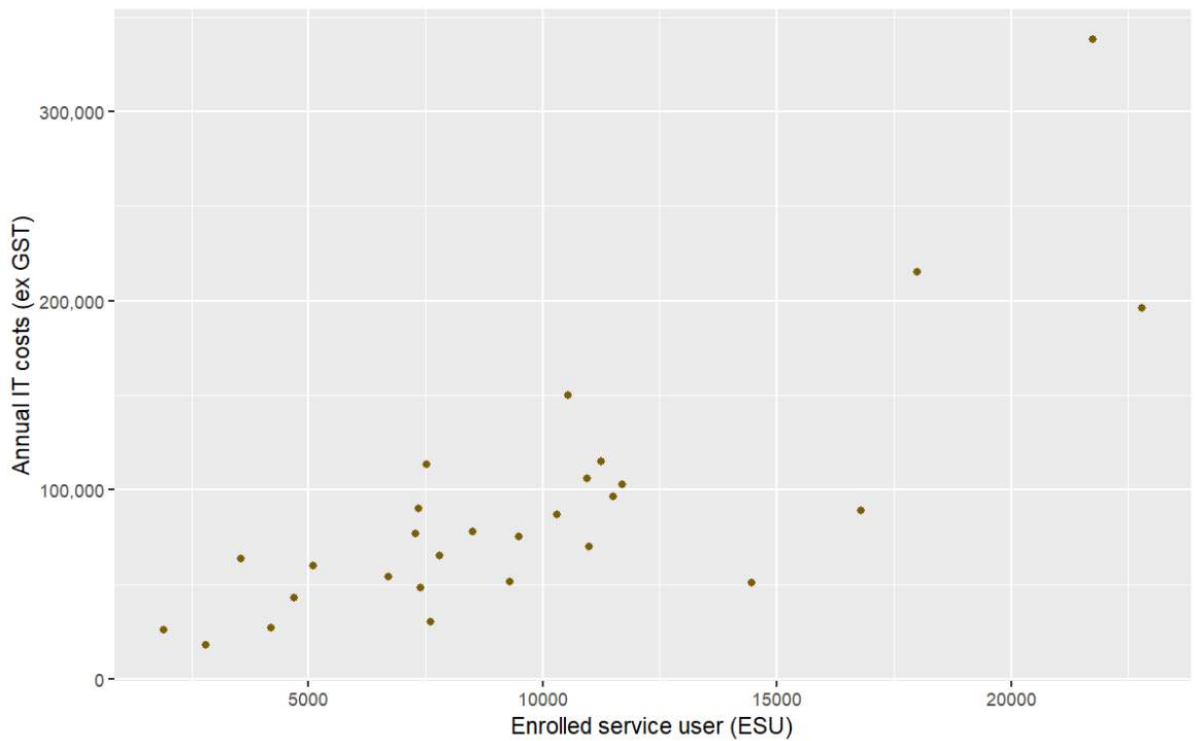
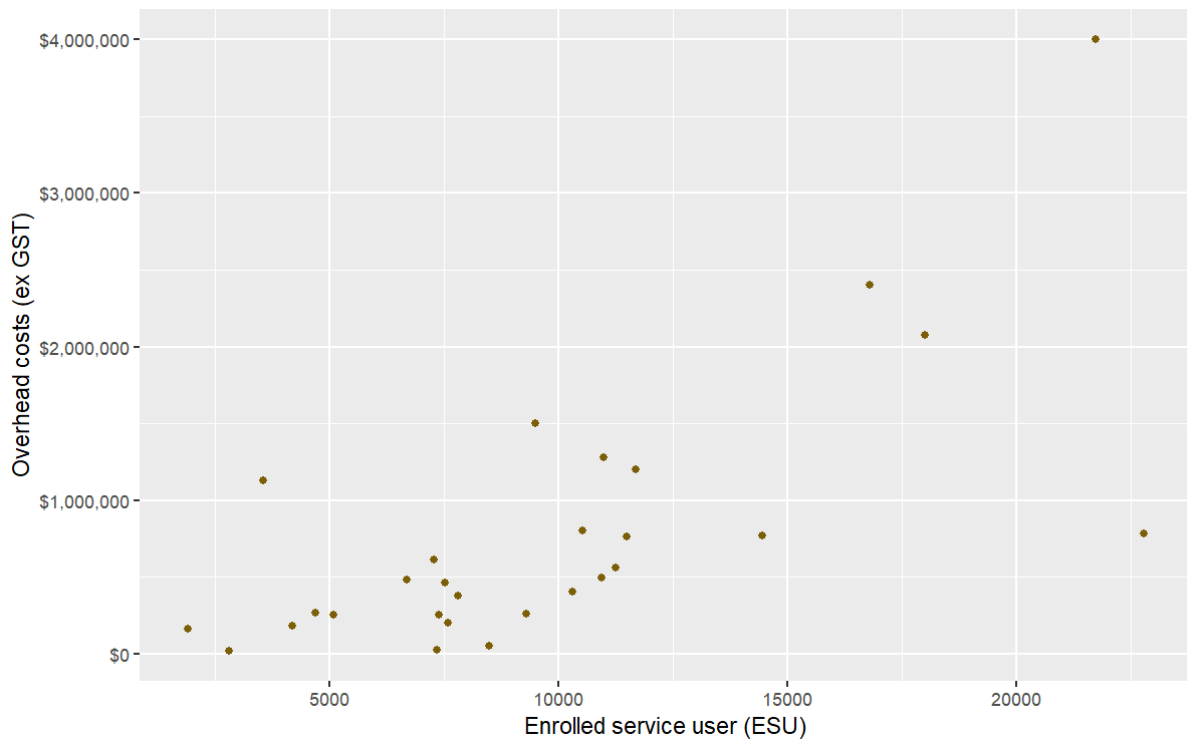


Figure 4 Scatter plot of Total overheads (ex GST) and ESU



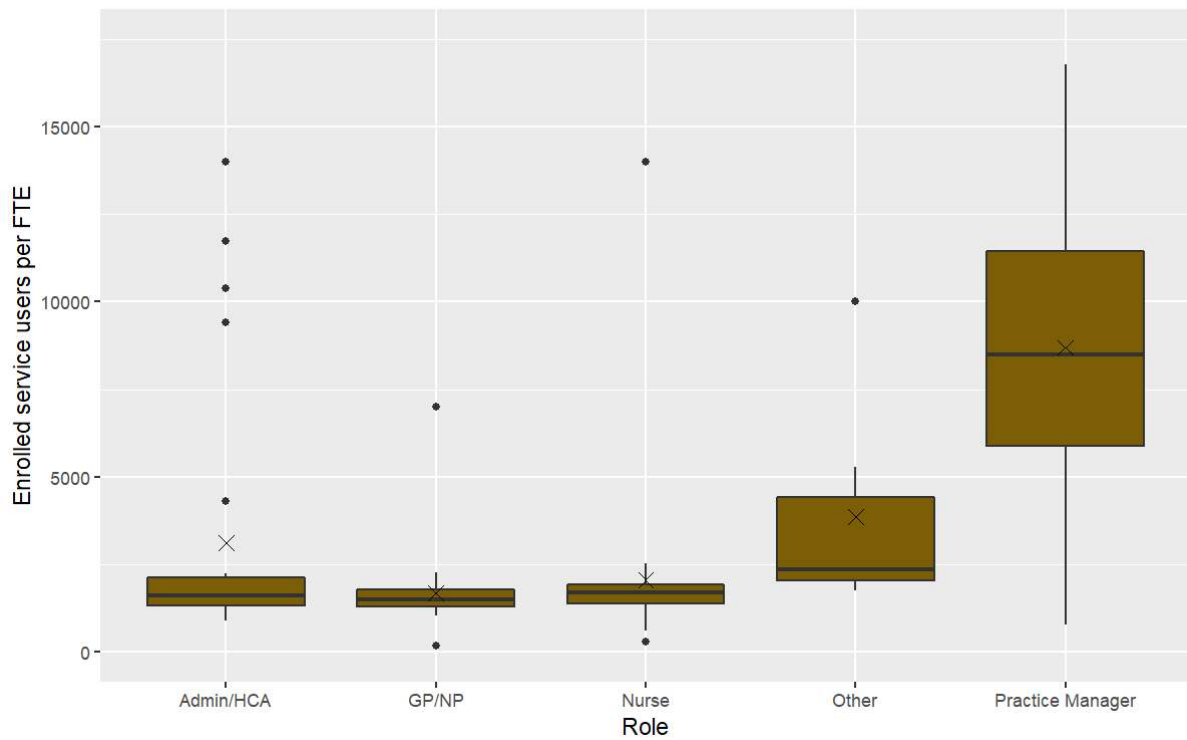
2.2 Staff (FTE)

Respondents provided FTE by role. An FTE is equivalent to 40 hours per week. Due to the small number of responses including nurse practitioner (NP) FTE we have grouped them with general practitioners (GPs) when looking at the FTE results.

Table 3 ESU per FTE by role

	GP / NP	Nurse	Admin / HCA	Practice Manager	Other
n	28	28	27	28	28
Mean	1,664	2,037	3,111	10,156	2,296
Median	1,491	1,683	1,609	9,400	0

Figure 5 Boxplot of ESU per FTE by role



FTE for VLCA and non-VLCA practices

Table 4 ESU per FTE by role for VLCA and non-VLCA

	GP / NP	Nurse	Admin / HCA	Practice Manager	Other
VLCA					
n	5	5	5	5	5
Mean	1,432	1,573	1,493	8,177	708
non-VLCA					
n	23	23	22	23	23
Mean	1,714	2,138	3,479	10,586	2,641

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'Sapere' comes from Latin (to be wise) and the phrase 'sapere aude' (dare to be wise). The phrase is associated with German philosopher Immanuel Kant, who promoted the use of reason as a tool of thought; an approach that underpins all Sapere's practice groups.

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