

# Annual statement calculator tool guide

Updated July 2022

## Introduction

Practices have been able to use the annual statement of GP reasonable fee increases (Annual Statement) since it was first released in 2006. The annual statement for each year covers the period 1 July to 30 June. A copy of the latest annual statement report can be accessed on the Pinnacle website.

The annual statement applies only to the fees set by interim and low-cost access practices. Very low-cost access funded (VLCA) practices receive extra funding for their enrolled patient base and in return must set their fees below or at a threshold set by Te Whatu Ora - Health New Zealand.

To ensure the application of the annual statement reflects an individual practice's situation it is calculated on the split between government subsidy income (capitation) and patient income (fee/co-payment) for that practice.

Your practice can use the annual statement from the 1 of July. Your practice does not have to use all or any of the annual statement in the period 1 July to 30 June. Any unused annual statement will be carried over to the following year. The unused amount from previous years has been added to the TAS co-payment adjustment template's as shown in the how to guide below. Fees may be increased more than once over the twelve-month period and a review will not be necessary if they remain within the annual statement available in that year.

## Purpose

The purpose of this guide is to provide a step-by-step process enabling you to use the TAS co-payment adjustment template to compare different fee alternatives for your practice and compare the outcomes with reference to your annual statement and the income increase generated from these fee changes.

## Background

There are two formats available to calculate your annual statement:

- **Option A** (referred to as the old format) uses national average consult data.
- **Option B** (referred to as the new format) uses actual consult data through enrolled patients (ESUs) and actual utilisation rates.

Using either the new or old format is acceptable when increasing fees. Our recommendation is to use option B (new format) with your consult data and actual utilisation rates rather than national averages. If you use the new format you will need to disclose your ESUs and consultation rates, which have been pre-populated in the TAS co-payment adjustment template.

There is no obligation for your practice to remain below the annual statement. However, if your fee change is greater than your annual statement it will be necessary for you to undergo a fee review with an independent committee. In preparing your business case for the fee review committee you could have to disclose more financial information than you may feel comfortable with. This is not to

discourage you from this process, we understand the cost pressures for general practice. Please speak to your practice development facilitator if you need to increase fees to keep operating in line with the goals you have for your practice.

## Non-CSC fee change how to guide

The TAS co-payment adjustment template (Excel format) for your practice will be sent to you in an email. Here is how to use the tool.

### 1. Open the TAS co-payment adjustment template

Open either of the spreadsheets, here is a reminder of the two formats available:

- **Option A** (referred to as the old format) uses national average consult data.
- **Option B** (referred to as the new format) uses actual consult data through enrolled patients (ESUs) and actual utilisation rates.

### 2. Go to the first tab in the spreadsheet named 'revenue split'

Check that the practice name at the top of the spreadsheet is correct (this will look the same on either of the templates).

Co-payment adjustment template - Option A	
Practice name	
Co-payment/capitation revenue split calculation	
<b>For values shown in red only:</b>	Practice name
Option A is used to approximate co-payment capitation revenue.	Current fee
Indicated that the <b>Option B template is used</b>	Current fee

The information on this tab displays the collected data that Pinnacle have pre-populated.

### 3. Check the current fees in the same tab named 'revenue split'

Ensure that the current fees data is correct in the '30<sup>th</sup> June 2022 fee'. This column looks the same in both formats (option A and option B).

Option A – Column H	Option B – column F
30th June 2022 fee (co-payment) (Including GST at 15.0%)	30th June 2022 fee (co-payment) (incl GST @ 15.0%)
0	0
0	0
21.0	\$21.00
46.5	46.5
47.5	47.5
47.5	47.5
45.0	45.0

#### 4. Go to the third tab in the spreadsheet named 'Co-payment template'

This spreadsheet is where you can input your fee increase data.

The details at the bottom right of the spreadsheet will indicate what % your practice can increase for 2022/23. The % available is the 'Co-payment annual statement 2022/23' figure in red.

	Current	Proposed
Total co-payment revenue (excl GST)	\$286,186.52	\$286,186.52
% change in annual co-payment revenue	0.00%	
Co-payment annual statement 2022/23	2.39%	

Use the arrow buttons to increase the fee in the 'Co-payment change (\$) (incl. GST)' column.

Make sure to use the \$ amount column rather than the % increase column as the % will not give you a round number.

Co-payment change (\$) (incl GST)
\$0.00
\$0.00
\$0.00
\$0.00
\$0.00
\$0.00
\$0.00
\$0.00

Increasing the amount will update the data in the 'proposed co-payment fee' columns shown below.

Proposed co-payment fee (incl GST @ 15.0%)	Proposed co-payment fee (excl GST)	Age group co-payment change (excl GST)
Under 6 age group won't count towards total co-payment		
\$0.00	\$0.00	n/a
Under 13 age group won't count towards total co-payment		
\$0.00	\$0.00	n/a
\$21.00	\$18.26	0.00%
\$47.50	\$41.30	2.15%
\$48.50	\$42.17	2.11%
\$48.50	\$42.17	2.11%
\$46.30	\$40.26	2.89%

The ‘% change in the annual co-payment revenue’ will update as the fees are changed.  
Ensure this % shown in black is lower or matches the % available in red.

		Current
Total co-payment revenue (excluding GST)		\$186,839.57
% change in annual co-payment revenue		2.34%
Co-payment annual statement	2022/23	2.39%

#### 5. Save the TAS co-payment adjustment spreadsheet

Once you have determined your fees increase for 2022/23, please save the completed spreadsheet and **send this along with the date the new fees will be changed from** to Yazmin Dorey, Network Engagement Co-ordinator via email [Yazmin.Dorey@pinnacle.health.nz](mailto:Yazmin.Dorey@pinnacle.health.nz)

These new fees will then be submitted for approval on your behalf. You will be informed of any issues before the changes are passed to Pinnacle. You will be notified once the fees increase has been approved.

## CSC fee change

Please use the [CSC practice fees change form](#) on the Pinnacle website to notify us of any changes to your CSC fees and the date that you intend to change these fees. If you have any questions, please contact your practice development facilitator.