Pinnacle
Midlands Health Network

ANNUAL STATEMENT CALCULATOR TOOL

GUIDE

Prepared to assist Pinnacle Midlands Health Network General Practices utilise their Annual Statement Calculator Tool

Updated June 2020

Introduction

Practices have been able to utilise 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 1st July to 30th 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 have to set their fees below or at a threshold set by the Ministry.

To ensure that 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 utilise the Annual statement from the 1st of July. Your practice does not have to utilise all or any of the annual statement in the period 1st July to 30th June. Any unused Annual Statement will be carried over to the following year. 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 **Annual Statement Calculator Tool** 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** from the DHB to calculate your Annual Statement. In the years 2006/07 and 2007/08 the tool for calculating your Annual Statement were theoretical (averaged) capitation and consultation rates, referred to as the **Old Format**. The **New format** introduced in 2008/09 allows practices to calculate their Annual Statement using Enrolled Patients (ESUs) and actual utilisation rates. Using either the New or Old format is acceptable when increasing fees.

If you use the New format you will need to disclose your consultation rates to your PHO and DHB. We have pre populated the data for your ESUs and consultations.

The **Annual Statement Calculator Tool** has been developed by Pinnacle Midlands Health Network to enable practices to calculate and apply the Annual Statement. It incorporates both formats and is individualised for each practice and allows you to compare alternative fee structures. If fees are kept within the Annual Statement Guidelines then a Practice will not require referral by a DHB to a fee review committee.

There is no obligation for your practice to remain below the Annual Statement. However if your fee change is greater than your Annual Statement then it will be necessary for you to undergo a fee review with an independent committee. This will create an element of extra work for your practice in preparing your business case as well as you may have to disclose more financial information than you may feel comfortable with to this fee review committee. Pinnacle Midlands Health Network will offer advice to any practice that feels the necessity to raise their fees by more than the Annual Statement.

Annual Statement tool

Email of Tool

The annual statement tool for your practice will be sent to you in an email.
It is attached as an Excel document. For you to open the Excel document your computer must contain the Excel programme.

Saving the tool

1. **Right click** on the attachment

2. Select **Save As** and save the document to your **desktop** or for **Xcrania practices**, save to an appropriate folder**.**

If you have problems at any stage please contact your Practice Development Facilitator.

Opening the Annual Statement Tool

1. Go to your desk top or the folder and **double click** on the **Annual statement** tool to open it.

MHN Medical Centre
AS 2011-12.xls

**Your document will have the name of your practice.*

2. The following message **may** be displayed on Excel 2003- 2007. Click on the **open** button.

Security Warnings or Errors when using Excel spreadsheets with macros.

** **Based on what version of Excel your practice has please read the relevant instructions below.**

EXCEL VERSION 2003

When you open the Annual Statement Calculator tool a security warning will appear. There are **macros** running in the document, these are calculations that automatically update the information displayed when you enter new fee options.

Click on the **Enable Macros** button.

If any of the **error messages** below appear you must change your Excel security settings to allow the macros to run. Your practice's Excel security settings are set too high to allow the macros to run. Click **OK** to close the window and follow the steps below to change your security settings.

Steps to change Excel 2003 security settings:

1. Go to T**ools** and select **Options**

2. In the options window select the **Security** tab

3. Click on the **Macro Security** button

4. Select **medium** by clicking in the button beside the medium setting

Click on **OK** to close the security

Click on **OK** to close the options window

5. **Exit** out of Excel completely to close the programme and reset the new security settings.

Re-open Annual Statement Tool

Re-Open your Annual Statement tool from your desk top or folder, when security settings are changed. Remember to click enable Macros when this message re-appears**.**

Read Only

The message below will appear due to the tool being **read only**.

Click on **yes** to open the tool

The tool is set up as **read only - you are unable to save changes on the original document. This allows you to always have a copy of the blank tool saved on your desktop.*

*When you have finished using the tool you can **save the changes** under another name e.g. Pinnacle Midlands Health Network Medical Centre– alternatives*. Just click **save** and follow the prompts.

EXCEL VERSION 2007

When you open the Annual Statement Calculator tool a **security warning** may appear.

Steps to change Excel 2007 security settings:

1. Click on **Options**

2. Select **Enable** this Content under the Macro heading

3. Click on **OK**

EXCEL VERSION 2010

The following message **may** be displayed. Click on the **Enable Editing** button.

When you open the Annual Statement Calculator tool a security warning will appear. There are **macros** running in the document, these are calculations that automatically update the information displayed when you enter new fee options.

Click on **Enable Content** if this message appears.

If the below message appears please click on **continue.**

If any further **error messages** appear about security you must change your Excel security settings to allow the macros to run. Your practice's Excel security settings are set too high to allow the macros to run. Click **OK** to close the window and follow the steps to change your security settings.

Information Displayed

Once you have successfully opened the tool please review the information displayed.

Your **practice name**

MHN Medical Centre

Age group	ESUs	Consults	Current Fees	Fee Suggestion
0 to 5 years	258	349	$0.00	
6 to 12 years	217	261	$0.00	
13 to 17 years	87	105	$17.00	
18 to 24 years	119	254	$22.00	
25 to 44 years	372	626	$40.00	
45-64 years	402	870	$42.00	
65 years +	262	1,073	$39.00	
Total	1,717	3,538		

This chart displays the **collected data** that Pinnacle Midlands Health Network has for your practice for the period.

** **Patient number (ESUs)** are from the quarterly capitation calculations, and the **Consults** figures are the summation of the monthly consultation data extracts sent to Pinnacle.*

Your **current fees** that we have on record are also displayed.

MHN Medical Centre

Age group	ESUs	Consults	Current Fees	Fee Suggestion
0 to 5 years	258	349	$0.00	
6 to 12 years	217	261	$0.00	
13 to 17 years	87	105	$17.00	
18 to 24 years	119	254	$22.00	
25 to 44 years	372	626	$40.00	
45-64 years	402	870	$42.00	
65 years +	262	1,073	$39.00	
Total	1,717	3,538		

The yellow **Fee Suggestion column is the **only column** that requires **you to input data.** **

The **Outcomes chart** displays the two formats that have been released by the DHB for calculating your annual statement and fee change.

The **New Format** reflects the actual capitation funding, enrolled service users (enrolled patients) and consultations for your practice from the preceding 12 months.

Outcomes

New format		
Unused Annual Statement Available		0.09%
Whole Annual Statements Available		2.65%
Annual Statement Available to use		2.75%
Fee Change		-100.00%
Income Change (inc GST change)	$	(113,452)
Annual Statements Still Available to Us		102.75%
Old format		
Unused Annual Statement Available		0.09%
Whole Annual Statements Available		2.34%
Annual Statement Available to use		2.44%
Fee Change		-100.00%
Income Change (inc GST change)	$	(113,452)
Annual Statements Still Available to Us		102.44%

The **Old Format** (used in 2006/07 and 2007/08) applies average consultation rates (those used in the capitation funding formula) for utilisation of users in each age band to calculate the annual statement.
**A higher percentage of Annual Statement does not always equate to higher income.*

Your practice may use either format to calculate fee change

Each format can give a slightly different result depending on the fee change chosen structure therefore we have included both formats.

New format		
Unused Annual Statement Available		0.09%
Whole Annual Statements Available		2.65%
Annual Statement Available to use		2.75%
Fee Change		-100.00%
Income Change (inc GST change)	$	(113,452)
Annual Statements Still Available to Us		102.75%
Old format		
Unused Annual Statement Available		0.09%
Whole Annual Statements Available		2.34%
Annual Statement Available to use		2.44%
Fee Change		-100.00%
Income Change (inc GST change)	$	(113,452)
Annual Statements Still Available to Us		102.44%

Unused Annual statement available
That proportion of the Annual Statements from prior years not utilised.

Whole Annual Statements Available Any whole annual statements that have not been utilised from previous years plus the current year Annual Statement.

Annual statement Available to use total of the unused annual statement available and whole annual statement available.

Fee Change the percentage change for each set of fee alternatives.

Income change displays the increase/decrease in income for the fee alternative selected.

The **Annual statements still Available to Use** displays the total percentage of annual statements not used in the fee alternative selected.

***If any information is <u>incorrect</u> please contact your Practice Development Facilitator.**

Consultations per Year Chart

This chart shows the consultation data collected by Pinnacle Midlands Health Network for your practice for a 12 month period in each age band.

***This information is important when looking at increasing your fees to generate increased income. Most practices have their highest number of consultations in the top three age band so for instance $1 increases in these bands will generate a greater income increase than other bands.**

The Annual Income Change Chart
This chart will display alternative fee structures once the **update fee alternative table button** is clicked on.

The first alternative table will display the alternatives for each format once the update fee alternative button is clicked.

	Alternative 1	Alternative 2	Alternative 3	Alternative 4	Alternative 5	Alternative 6	Alternative 7	Alternative 8	Alternative 9
New format									
Fee Change	0.23%	3.04%	-						
Income	$ 261	$ 3,451	-						
Old format									
Fee Change	0.21%	3.02%	-						
Income	$ 261	$ 3,451	-						

New Format - Fee Acceptable	OK	Fee Review							
Old Format - Fee Acceptable	OK	Fee Review							

	Alternative 1	Alternative 2	Alternative 3	Alternative 4	Alternative 5	Alternative 6	Alternative 7	Alternative 8	Alternative 9
0 to 5 years	$0.00	$0.00	-						
6 to 12 years	$0.00	$0.00	-						
13 to 17 years	$18.00	$19.00	-						
18 to 24 years	$22.00	$24.00	-						
25 to 44 years	$40.00	$42.00	-						
45-64 years	$42.00	$45.00	-						
65 years +	$39.00	$41.00							

The new format – Fee Acceptable / old format – Fee Acceptable rows show if the fee structure selected will fit within the annual statement available. It will show green if it is OK or Red if a review will be needed.

The **last alternative chart** will display the fee structure for each age band that you have selected once the update fee alternative button is clicked.

	Alternative 1	Alternative 2	Alternative 3	Alternative 4	Alternative 5	Alternative 6	Alternative 7	Alternative 8	Alternative 9
0 to 5 years	$0.00	$0.00	-						
6 to 12 years	$0.00	$0.00	-						
13 to 17 years	$18.00	$19.00	-						
18 to 24 years	$22.00	$24.00	-						
25 to 44 years	$40.00	$42.00	-						
45-64 years	$42.00	$45.00	-						
65 years +	$39.00	$41.00							

Using your Annual Statement Calculator tool

The annual statement tool for your practice will show the annual statement amount this year, plus any prior years amount that you have remaining to use. The tool has been modified to allow for free under 13 years. The 6 to 17 years has now been split into two bands i.e. 6 to 12 years and 13 to 17 years. As you have opted on to the Zero fees for Under 13 years, your fee suggestion for under 13 years will be $0.00 as you will have received additional funding for this age group from 1 July 2015.

1. Enter **fee suggestions** into the yellow column.
   - Fill in all age bands including those with zero or unchanged fees
   - **Consider feasible local adult fees in your area**

Age group	ESUs	Consults	Current Fees	Fee Suggestion
0 to 5 years	258	349	$0.00	$0.00
6 to 12 years	217	261	$0.00	$0.00
13 to 17 years	87	105	$17.00	$19.00
18 to 24 years	119	254	$22.00	$22.50
25 to 44 years	372	626	$40.00	$40.00
45-64 years	402	870	$42.00	$42.00
65 years +	262	1,073	$39.00	$41.00
Total	1,717	3,538		

***Alternatives can include cents but note that the final fee structure you select will be the fees that are to be displayed on your Fees board in the practice and will be submitted to the DHB.**

Outcomes

New format		
Unused Annual Statement Available	0.09%	
Whole Annual Statements Available	2.65%	
Annual Statement Available to use	2.75%	
Fee Change	2.46%	
Income Change (inc GST change)	$ 2,795	
Annual Statements Still Available to Use	0.28%	OK
Old format		
Unused Annual Statement Available	0.09%	
Whole Annual Statements Available	2.34%	
Annual Statement Available to use	2.44%	
Fee Change	2.45%	
Income Change (inc GST change)	$ 2,795	
Annual Statements Still Available to Use	-0.02%	Fee Review

The outcomes table will be automatically updated once fees alternatives in each age band are entered.

Beside the percentage of **Annual Statement Still Available to Use** a **green** OK will display if you are within the annual statement. If your fee alternatives are above the annual statement a **red** Fee Review will appear.

Click on the **update fee alternatives table button** this will save the alternatives in the Annual income change chart and the other two alternative charts.

Update Fee Alternative Table

- ***Income Change*** *= (New fees – Old fees) X Consults in age band*
- ***Income Change assumes 100% of fees are paid i.e. no bad debts or discounting.***

2. To review other alternatives:
   a) Change the **fee suggestion** yellow fields
   b) To save this alternative click on the **update fee alternatives table button**
   c) Continue to do this for up to eight alternative fee structures (if necessary)
      - Only one format needs to be OK to allow you to use those fee alternatives
      - Remember to concentrate on the fee change in your age bands with the highest consults if a greater income change is to be achieved.
   d) When finished selecting up to eight alternative fee changes **save** and **close** the tool with alternatives.

Age group	ESUs	Consults	Current Fees	Fee Suggestion
0 to 5 years	258	349	$0.00	$0.00
6 to 12 years	217	261	$0.00	$0.00
13 to 17 years	87	105	$17.00	$17.00
18 to 24 years	119	254	$22.00	$22.50
25 to 44 years	372	626	$40.00	$41.00
45-64 years	402	870	$42.00	$43.00
65 years +	262	1,073	$39.00	$40.00
Total	1,717	3,538		

Outcomes

New format

Unused Annual Statement Available		0.09%	
Whole Annual Statements Available		2.65%	
Annual Statement Available to use		2.75%	
Fee Change		2.43%	
Income Change (inc GST change)	$	2,696	
Annual Statements Still Available to Use		0.31%	OK

Old format

Unused Annual Statement Available		0.09%	
Whole Annual Statements Available		2.34%	
Annual Statement Available to use		2.43%	
Fee Change		2.43%	
Income Change (inc GST change)	$	3,694	
Annual Statements Still Available to Use		0.00%	Fee Review

Update Fee Alternative Table

	Alternative 1	Alternative 2	Alternative 3	Alternative 4	Alternative 5	Alternative 6	Alternative 7	Alternative 8	Alternative 9
New format									
Fee Change	2.24%	6.07%	-						
Income	$ 2,483	$ 6,726	-						
Old format									
Fee Change	2.22%	6.05%	-						
Income	$ 3,372	$ 9,176	-						

New Format - Fee Acceptable	OK	Fee Review							
Old Format - Fee Acceptable	OK	Fee Review							

	Alternative 1	Alternative 2	Alternative 3	Alternative 4	Alternative 5	Alternative 6	Alternative 7	Alternative 8	Alternative 9
0 to 5 years	$0.00	$0.00	-						
6 to 12 years	$0.00	$0.00	-						
13 to 17 years	$18.00	$19.00	-						
18 to 24 years	$22.00	$24.00	-						
25 to 44 years	$40.00	$42.00	-						
45-64 years	$42.00	$45.00	-						
65 years +	$39.00	$41.00							

Submitting the Fee Changes to Pinnacle Midlands Health Network

Once you have determined your fee structure for the period utilising the annual statement complete the **Pinnacle Midlands Health Network fee change form**.

Outcomes Chart in the Annual Statement Tool

Pinnacle Incorporated

PATIENT FEE CHANGE NOTIFICATION FORM

The PHO agreement requires us to notify the DHB of any fee changes by age bands to (i.e. for standard medical consult co-payments), and to update the fees information held on our website.

Please use this form to notify us of any changes to your fees and the date that you intend to change your fees (*Ideally this is 2 weeks prior to your proposed fee change if possible*).

Practice Name: .....

CURRENT PATIENT FEES

Age group	Fees with CSC	Fees Non-CSC
Fees 0 - 13	$0.00	$0.00
Fees 14 - 17	$	$
Fees 18 - 24	$	$
Fees 25 - 44	$	$
Fees 45 - 64	$	$
Fees 65+	$	$

NEW PATIENT FEEs

Date new fees will be charged from: .....

(The Information below is displayed in your **Annual Statement Calculator Tool** for your chosen fees)

Please complete all shaded boxes below to indicate fee changes

New Format (Actual) / **Old Format** (Average) **(select one only)**		**New / Old**
Annual Statement Available to use		**%**
Fee Change		**%**
Age group	**Patient Fees with CSC**	**Patient Fees Non-CSC**
Fees 0 – 13	$0.00	$0.00
Fees 14 – 17 *($13.00 max)*	$	$
Fees 18 – 24 *($19.50 max)*	$	$
Fees 25 – 44 *($19.50 max)*	$	$
Fees 45 – 64 *($19.50 max)*	$	$
Fees 65+ *($19.50 max)*	$	$

Signed ..... **Name:** .....
(on behalf of the practice)

Please scan and send this form to your Practice Liaison/Support.

Outcomes

New format			
Unused Annual Statement Available		0.09%	
Whole Annual Statements Available		2.65%	
Annual Statement Available to use		2.75%	
Fee Change		2.46%	
Income Change (inc GST change)	$	2,795	
Annual Statements Still Available to Use		0.28%	OK
Old format			
Unused Annual Statement Available		0.09%	
Whole Annual Statements Available		2.34%	
Annual Statement Available to use		2.44%	
Fee Change		2.45%	
Income Change (inc GST change)	$	2,795	
Annual Statements Still Available to Use		-0.02%	Fee Review

Scan the **Practice Fee Change Notification form** and email to your practice development facilicator.

These new fees will then be submitted to the DHB on your behalf. You will be informed of any issues before the changes are passed to the PHO. The PHO will submit the fee changes to the DHB on your behalf and adjust the **practice fees on their website** accordingly.

*NB: The change of fees form needs to be completed and sent in to Pinnacle Midlands Health Network **every time** your practice changes fees.*