

Funder: Eligibility
Proactive Release: 19 July 2019

09 July 2019



E-mail: [REDACTED]

Dear [REDACTED]

Official Information Act (1982) Request

I write in response to your Official Information Act request, received by us on 11 June 2019. You requested the following information:

- 1. The total annual costs of treatment for people not eligible for publicly funded health services in New Zealand.**
 - Can I please have costs for each of the past five financial years, and
 - Can you also tell me how much of those yearly costs have been written off as bad debt.
- 2. For the past financial year only, I'd also like to know the cost of the most expensive treatment for a single patient not eligible for publicly funded health services in NZ - and what type of treatment it was.**

For context, Counties Manukau Health is a large DHB, serving a community of more than 569,400 people, and seeing in excess of 118,000 presentations in our Emergency Department per year.

Our approach is to provide the required acute care immediately, and have our Eligibility Team complete a determination of entitlements. All patients requiring treatment for an acute injury or illness will be treated, regardless of their eligibility for funded services. We have processes to confirm access to elective services prior to treatment occurring.

Our response to your questions details the costs incurred to provide health services for any "ineligible patients" - being those who are not entitled to receive publicly funded healthcare under the *Ministry of Health - Eligibility Direction 2011*. Eligibility determination is complex and case-specific, and it can take some time to collect and assess the facts against the MoH National Eligibility Directive criteria.

More information on the Ministry of Health 2011 Eligibility Direction is available at:

- <https://www.health.govt.nz/new-zealand-health-system/eligibility-publicly-funded-health-services/guide-eligibility-publicly-funded-health-services>

Question 1

For Counties Manukau Health (CM Health), the total amount *invoiced* to patients ineligible for NZ publicly funded health services over the past five financial years (**table 1**).

<i>Total amounts invoiced</i>	2014-15	2015-16	2016-17	2017-18	YTD 2018/19
<i>(excl. GST)</i>	7,921,731	8,332,907	8,419,735	10,118,411	8,921,128

Table 1 (YTD = July to May 2019)

Providing treatment to 'ineligible' people is part of planning and delivering health services in New Zealand. DHBs are responsible for recovering debt from ineligible patient for services provided. Significant resource goes into determining the eligibility status of patients, and then seeking payment from those not eligible for the treatment provided.

Follow –up occurs with all patients who are invoiced. If there is no contact made, or no repayment plan is in place, at 90 days the debt is transferred to a debt collection agency for further recovery. This may see more of a debt recovered eventually.

We note the following process occurs, prior to a debt being 'written-off' and referred to debt collection:

- Reminder letters and phone calls are made to attempt to arrange re-payment.
- Where there is no response, at 90 days the account is referred to a debt collection agency (local or international depending on the patient's whereabouts).
- The account is default listed with a credit bureau.

For CM Health, the total amount of debt 'written-off' from that incurred by patients ineligible for NZ publicly funded health services over the past five financial years, and referred for debt collection (**table 2**).

<i>Total \$ amount of write-off, - referred to debt collection</i>	2014-15	2015-16	2016-17	2017-18	YTD 2018/19
<i>(excl. GST)</i>	4,849,208	5,521,441	4,348,907	5,852,604	4,715,936

Table 2 (YTD = July to May 2019)

The dollar amounts provided here are the invoiced amounts excluding GST. They do not include the costs of providing treatments that are not billable under the criteria, (e.g. for Infectious diseases, Maternity care for non-eligible person who has an eligible partner, the Australian or UK reciprocal health agreements etc., or for people entitled to ACC while travelling in New Zealand).

Question 2

The highest cost non-resident/ ineligible patient receiving treatment during FY 2018/19 was \$150,948 excluding GST. This patient is regularly admitted due to end-stage renal and heart failure.

Please note that information on this topic is regularly provided to the CMDHB Board Hospital Advisory Committee, and is publicly available in the meeting agenda/papers published on the CM Health website.

Given that CM Health acute services see a large number of people compared to many DHBs; and the proportion of those that are ineligible for service, as per the Eligibility Direction criteria is higher than in other regions, CM Health has larger amounts of debt to recover than other DHBs. The Ministry of Health recognises the greater impact on CM Health than other DHBs of non-eligible debt, and make a partial funding contribution to CM Health to help offset the bad-debt liability.

The Government strongly recommends that people who do not meet the NZ Eligibility criteria for funded health care take out comprehensive medical insurance.

I trust this information satisfactorily answers your query. If you are not satisfied with this response you are entitled to seek a review of the response by the Ombudsman under section 28(3) of the Official Information Act.

Please note that this response or an edited version of this may be published on the Counties Manukau DHB website.

Yours sincerely,



Fepulea'i Margie Apa
Chief Executive Officer
Counties Manukau Health