Annual Statement Template Guide

Updated July 2025

Introduction

Practices have been able to use the Annual Statement of Reasonable Fee Increases (ASFRI) since it was first released in 2006. The annual statement for each year covers the period 1 July to 30 June.

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 Health NZ/Te Whatu Ora.

The application of the annual statement increase is calculated on the ratio split between government subsidy income (capitation) and patient income (fee/co-payment) for each practice (based on the data share agreement with HealthNZ/Te Whatu Ora). If practices opt-out of this agreement, their increase percentage reverts to the set ASFRI.

At this stage, while the details are still being worked through, <u>no additional data</u> is being shared with HealthNZ/Te Whatu Ora. Your practice has the choice to opt in or opt out, and you can change your decision closer to the time when more information becomes available. We will reconfirm your position later this year.

Your practice does not have to use <u>all</u> or <u>any</u> of the annual statement in the period 1 July to 30 June. Any unused annual statement percentage from previous years is carried over for you. The unused amount from previous years has been added to the co-payment templates (as explained in the 'how to' guide below). Fees may also be increased more than once over the twelve-month period and a full fees review will not be necessary if they are still within the annual statement guidelines for that year.

Purpose

The purpose of this guide is to provide a step-by-step process enabling you to use the co-payment adjustment template to compare different fee alternatives for your practice.

Background

There are two formats available to calculate your annual statement available to **<u>non-CSC holders</u>**.

- **Option A** - uses **<u>national average</u>** co-pay consult utilisation rates.
- **Option B** - uses your **<u>actual</u>** co-pay consult utilisation rates for each age category.

Our recommendation is to use option B with your actual consult utilisation rates so you can see the changes to proposed revenue based on your actual data. However, the decision is yours so you can choose whichever one works best for you.

There is no obligation for your practice to remain below the annual statement. However, if your fee change is greater than available, it may 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.

Using the Annual statement Templates

The Co-payment Adjustment Templates Option A & Option B (Excel format) will be sent to you. Using enrolment data and CPI extracts, Pinnacle has populated both templates with the number of enrolled patients for each age group **who do <u>NOT</u> have a CSC card.**

1. **Open either of the co-payment adjustment templates – Option A or B.**

2. **The first tab in the spreadsheet is named 'revenue split'.**

3. **Check that the practice name at the top of the spreadsheet is correct.**

Co-payment adjustment template - Option A

Practice Name or Identifier

Co-payment/capitation revenue split calculation

Practice to enter values shown in red only:	Contingent practice: **yes**	**actice Name / Identifier**
Please note that Option A is used to approximate co-payment capitation revenue.		**Current patient numbers**
It is **strongly recommended** that the **Option B template is used**		**Current fee (co-payment) by age group**

4. **Additionally, for 2025-26, Contingent capitation was announced. Practices are opted-in automatically.** If opting out, please let us know.

5. **Check the current fees -** Ensure they are correct in the **'30th June 2025 fee'**. This column looks the same in both Option A and B templates).

30th June 2025 fee (co-payment) (Including GST at 15.0%)
$0.00
$0.00
$0.00
$0.00
$0.00
$0.00
$0.00

6. **Go to the third tab in the spreadsheet named 'Co-payment Template'.**
   This sheet is where you input your fee increases.

   In the **'Co-payment change ($) (inc. GST)**' column I, use the arrow buttons to 'toggle' the changes. Make sure to use the first column **($).** The second column **(%)** will not give you a round number.

As you change the ($) column, the new fees will display in the **'Proposed co-payment fee (incl. GST)'** column.

Co-payment change ($) (incl GST)	Co-payment change (%) (incl GST)	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-paymer		
$0.00	0.00%	$0.00	$0.00	n/a
		Under 13 age group won't count towards total co-payme		
$0.00	0.00%	$0.00	$0.00	n/a
$0.00	0.00%	$0.00	$0.00	n/a
$0.00	0.00%	$0.00	$0.00	n/a
$0.00	0.00%	$0.00	$0.00	n/a
$0.00	0.00%	$0.00	$0.00	n/a
$0.00	0.00%	$0.00	$0.00	n/a

The total **"% change in the annual co-payment revenue"** will also update.

		Current	Proposed
Total co-payment revenue (excluding GST)		$	$
% change in annual co-payment revenue		0.00%	
Co-payment annual statement	2025/26	1.80%	

7. The **"Co-payment annual statement 2025/26"** percentage (shown in **red)**, reflects what is available to you for the 2025–26 year**.** *(Note: this figure may differ from the announced increase due to your capitation ratio split (plus it will include any unused carry-over from previous years).*

% change in annual co-payment revenue		0.00%
Co-payment annual statement	2025/26	1.80%

IMPORTANT - as mentioned previously, practices who remain **opted-in to "Contingent"** capitation**,** your adult fees can go up to a $67.00 max **regardless** of % increase available, without triggering a fees review. However, your 14-17yrs fee increase must remain within your available %.

8. Should you decide to opt-out of "contingent" capitation, then a fixed rate of 6.43% co-payment annual statement (plus any unused carry-over %).

% change in annual co-payment revenue		0.00%
Co-payment annual statement	2025/26	6.43%

9. Once you have decided on your fee changes, please complete the **"Interim (non-VLCA) Practice Fee change Notification Form 2025-26"** and send to - practice.support@pinnacle.health.nz

Pinnacle is required to submit all fee changes to Health NZ/Te Whatu Ora. If adult fees are above the cap of $67.00 (incl. GST), or the changes exceed the available increase, Health NZ will take a closer look. Practices may be asked to provide some further information around the context of the increase before Health NZ decide to refer it to the Fees Review Committee (FRC).