



CONSUMER COUNCIL OF FIJI

**A Submission to the Ministry of Health on
Proposed Changes to Fees & Charges**

May 2012

1.0 Introduction

The Consumer Council of Fiji as the statutory representative of consumers in Fiji is required by the Consumer Council of Fiji Act Cap. 235 to *do all such acts and things that it may consider necessary or expedient to ensure that the interests of consumers of goods and services are promoted and protected* (Section 6 (1)). The Council is obliged to make representations to the Government or to any other organisations/persons on any issues affecting the interests of consumers. Health is an important issue for the Council and this is reflected in its Strategic Plan 2012-2014. The Council is also aware of the gradual move towards a user-pay environment in the public health system which is inevitable and its reflection on the international trend. The Council is equally sensitive to the unfavourable economic conditions faced by Fiji's consumers who have experienced a marked increase in electricity tariffs, food prices and general cost of living in the last decade.

2.0 Consumer Council of Fiji and Health Issues

The Council believes that every consumer should have accessible, affordable and reliable health services. In recent years, the Council has increasingly become concerned with the quality of health services particularly when citizens are paying for service in the public health services.

The Council supports the policy objectives and targets set by the World Health Organisation (WHO) during the 51st World Health Assembly – “Health for All in the 21st Century”. On health and medical matters, the Council, in its strategic plan has pledged to:

- promote patients' rights and redress;
- raise awareness on misleading advertisements and door to door sale of alternative medicines such as herbal medicines, therapeutic treatments etc;
- lobby for implementation of the National Drug Policy;
- advocate for increased consumer access to safe and affordable pharmaceutical products;
- monitor anti-competitive market practices in the pharmaceutical sector and auxiliary health services; and
- ensure necessary reforms take place in public and private medical and dental practices for efficient, accessible, affordable and safe delivery of health services.

The Council's submission on the propose hospital fees and charges is highly appropriate and imperative.

3.0 Council's Expectation of Hospital Fees and Charges

The Council is of the view that policies on fees and charges for health and medical services should consider patients' right to affordable health and the economic conditions facing

consumers. The high cost of living and the fact that salaries and wages have not been equally dynamic and responsive, demands a high level of sensitivity from the Ministry of Health (MoH) in terms of any schedule of fees and charges at public hospitals and health centres. Public hospitals and health centres are publicly funded for the provision of health and medical services to members of the public and are not in the business of recovering full cost. In fact the provision of medical and health facilities is a fundamental role of any government. The Council's expectation regarding a schedule of fees for public hospitals is that these fees must be at the bare minimum and not necessary recovering full costs. These fees and charges should not include VAT to ease the burden of the consumers.

The Council is of the view that a schedule of fees and charges for hospitals and health centres should take into account the following:

- Members of the public or patients accessing medical services are already in a vulnerable position. Apart from ill-health, some may have incurred travelling costs, while some may be experiencing lost or suspended paid employment due to health reasons.
- Fees and charges should be waived for vulnerable groups such as children, the elderly and physically challenged persons.
- VAT to be waived on all hospital fees and charges. By charging VAT, the government is actually taxing people for using public hospitals.
- Patients accessing the services of private practitioners because services at nearest public health centres are inadequate should not be liable for referral fees. In fact patients who seek the services of private practitioners are helping reduce demand on public health centres.
- MoH should maximise on non-residents or visitors especially from South Pacific countries who wish to access services at Fiji's public hospitals.
- Patients' rights to choice should be considered when establishing a schedule of fees and charges.

4.0 Comments on the Proposed Hospital Fees and Charges

4.1 Charges for Vulnerable Persons – Children, Senior Citizens and Physically Challenged Persons

- 4.11 Child – The Council notes that the schedule of fees and charges includes a column for children (“Child”) where a separate charge that is applicable is established for children. The schedule does not provide a clear definition of a “child” in terms of age, although under the ‘Outpatient Charges’ section there is reference to *Children under the age of 15 years no charges shall be made* **The Council recommends that the schedule clearly defines a “child” by age category. This will ensure clarity and avoid confusion.**

- 4.12 **Waiver for Children/-** The Council recommends that certain fees and charges for children and vulnerable groups should be waived. Even in areas where a minimum fee is required to cover cost of the service, the difference with adult fees and charges should be more than 50%. We have found some inconsistencies in the setting of fees for children. For example for Ultrasound (Line 216) the proposed fee for adult is \$35, for child it is \$20 representing a 43% discount. However in the same service section under CT Guided Procedures (Line 277), the adult charge is \$400, while the child charge is just 25% less at \$300. Furthermore, when looking through the X-Ray charges there are further inconsistencies in the discount. For example Lower leg, Upper Leg, Knee & Thigh (Line 207), the adult charge is \$50 while the child charge is \$30, a discount of 40%, while for Skull (Line 211) and Mandible (Line 216) the child discounts are 36% and 35% respectively.

This inconsistency in the discounted amount needs clarification, especially on why the discounted amounts vary, even within one category of service. The Council also recommends that children should not be required to pay the fees and charges as proposed even if they have accessed the services of private practitioners. Services that necessitate a minimum (cost) charge should be heavily discounted for children by more than 50% and at a consistent rate for all services concerned.

- 4.12 **Senior citizens, physically challenged persons, and persons not on state welfare assistance** – Fees for senior citizens and physically challenged persons are not indicated, although the schedule does provide for *50% for adults and children Fee as Discounts for Social Welfare Recipients*. Many vulnerable people such as physically challenged persons or senior citizens living alone may not necessarily be Social Welfare Recipients, but are living with minimum income or are dependent on others (children, relatives, other welfare groups etc). It is imperative that this category of people be given free service, as they are not on state welfare assistance. In fact they should be duly rewarded for not being a burden on the Government's welfare resources. The state should also waive the fees and charges to persons who are poor yet are not on state welfare assistance as it should realise its obligation towards this group of persons. The discounted fees and charges are believed to be unfair and harsh on these vulnerable consumers. The Council recommends that waiver should apply to the vulnerable persons who are not social welfare recipients. We also recommend that fees for senior citizens or elderly persons be waived.

4.2 VAT Waiver

The MoH should seriously consider removing VAT from all fees and charges at public hospitals. VAT is a direct tax on goods and services that should essentially be applied only to profit-making entities. The MoH should request the Ministry of Finance and FRCA to consider the waiver as 15% is quite a considerable amount and VIP fees and charges means

the Government is actually taxing its citizens for accessing public health and medical services. **The Council recommends the removal of VAT from all public hospital fees and charges.**

4.3 Patients accessing Private Practitioners

The Council is of the view that a system of incentives and rewards should be implemented instead of penalising members of the public who have used the services of private practitioners. Members of the public choose private practitioners because their nearest local health centres or hospitals do not provide adequate services. These health centres are not well equipped and the patients are not able to understand the extent of their sickness. In that case, to avoid risking their life by waiting at the Health Centre, compels patients to see a private medical practitioner. In that situation, why should consumers be penalised? The Council is aware of two cases where patients died at the Health Centre because it was not well equipped to diagnose a heart condition and assist the asthma patient. There are consumers who face the dilemma on whether to visit the Health Centre to avoid higher costs or see a private doctor to avoid serious complications or save their lives.. This does not mean the person can afford the private doctor, but as a matter of life and death, the patient has to pay the high costs to survive

The Ministry of Health needs to work on improving its system first before imposing unreasonable fees and charges. The Ministry of Health's schedule of fees and charges unfairly penalises these patients by charging them higher fees. Patients referred to hospitals from private practitioners are charged higher and extra fees compared to those accessing public hospitals and health centres. Some examples are: \$10 per consultation for referrals under *In-Patient Accommodation and Maintenance Charges/Resident* (Line 7); \$5 per item for *Medications supplied to private patients on discharge* (Line 88). This system is unfair as the MoH is charging higher fees to patients who have exercised their choice in going to private practitioners because health centres do not provide adequate services. Instead these patients should be rewarded for using a private practitioner and essentially lessening the demand on overcrowded health centres. Apart from incentive provided, the MoH could establish a private public partnership system that would be beneficial to all including patients who are willing to pay for certain services. (See Additional Comment in Part 6.0)

The Council recommends that MoH should not charge higher fees for patients who had accessed private medical services (diagnostic, etc) where such services have not been *available in the patients' local health centres*. In fact such patients should pay the same rate as other public hospital patients because they have sought private medical services due to the unavailability or inadequacy of facilities and services at their local health centres.

4.4 Regular periodical review of fees and charges

The Council recommends or supports any initiative to periodically review fees and charges which should be a regular exercise conducted by the MoH. A regular review would result in more realistic fees that should reflect expected increase and improvements in medical technologies and services. The review should also consider the changing health and medical needs of the public.

4.5 Private institutions should pay market rates

The Council notes that the proposed schedule of fees includes “Charges for Hospital Services to other institutions” (Line 317) that includes incinerator services at \$2.80/kg and laundry at \$3.00/kg. The Council considers these fees ridiculously low and not economically sensible. These fees should be at market rates; where the MoH needs to factor in the cost of providing such a service and a profit margin that would be a fair return on investment. It should be noted that the incinerator and laundry services are essential state-funded facilities and these could be converted to revenue-generating services for the MoH. The MoH can use earnings from these services to defray costs of some of the important medical services provided at public hospitals. Private institutions are somehow benefitting unfairly from the very low charges for incinerator and other services.

4.6 Medical Certificates and Reports

The Council urges the MoH to provide some clarification on some of the charges for *Medical Certificates and Reports* (Line 532+).

4.61 **Solicitors Report** - We note that *Solicitors* report (Line 536) has a charge of \$250 while *Initial Reports* and *Post Disability Assessment* both have a \$100 charge. The MoH needs to clarify how the fee for a solicitors report is 150% higher than other reports. Is this report acquired by the patient directly or is it via the solicitor? While clarification is needed, it is good that at least such a fee is transparent so that the solicitor does not overcharge the patient/client. The Council wishes to highlight to the MoH that such a report belongs to the patient/client and not the solicitor. It is the patient that ultimately pays for the report and thus he/she in such cases is the customer, not the solicitor. This is discriminatory in nature where consumers are discouraged to use solicitors to access justice.

4.62 **Medical Reports** – It is noted that currently the rape victims have to pay for medical reports which is unfair to these victims as they are believed to be victimised twice. The high medical fees normally come in the way of accessing justice. The Council submits that the medical reports for the rape victims should be free. Moreover, the Council has come across situations where for personal injury cases, the consumers are

charged a different amount and if their solicitors request for these reports, the fees are much higher than what a normal consumer is required to pay. The Council further submits that the fees for these medical reports should be made fair and reasonable because reports are needed to obtain justice. The Council is also concerned with the standard of medical reports produced by the medical practitioners at CWM for a fee of \$60. These reports hardly contain important information that these reports is required to have and that too for an exorbitant fee. The Council recommends that medical reports for victims of crime should be waived even if sought by the solicitor. The MoH and hospitals are important players when it comes to victims of crime seeking justice for their injuries and grievances. In such cases, victims need lawyers for justice as they are not in a position to present their own cases.

The Council recommends that MoH uplift medical report standards at public hospitals so that this commensurate with the level of fees charged for such reports.

4.62 Workmen’s Compensation, LD Form C/1 – The Council seeks clarification on how the \$100 figure is arrived. What are the costs involved? The Council is concerned that persons accessing these services have already suffered from some form of physical injury and other side effects (physiological, psychological and economical).

4.7 Senators (Line 22) – Some clarification is needed on the category of “Senators” added beside “Civil Servants”. Who are the “Senators” and on what basis do they qualify for highly concessionary rates for inpatient accommodation and maintenance charges? Furthermore this appears to be discriminatory. In fact Civil Servants are in a financial position to pay as compared to children and physically challenged.

4.8 Fees and Charges to be displayed – In the interest of transparency and to prevent abuse, the Consumer Council recommends that fees and charges at hospitals and health centres be prominently displayed in respective departments and where appropriate. The schedule of fees once approved should be published and widely distributed for public consumption. This would allow transparency of the fees and charges and also prevent overcharging.

5.0 Maximise Returns on Non-Resident/Visitor Patients

The MoH should charge higher fees for non-residents especially for dental, x-ray, ultrasound and other specialised services. While the schedule of fees and charges do provide *Non-Resident* fees (Lines 14 & 38) for in-patient and outpatient basic services, the non-resident charges for these other specialised services are not categorised. The Council recommends that the MoH should have non-resident fees for all other charges. The MoH should be in a position to generate some revenue from non-resident fees which can offset the cost of services to locals or Fiji citizens as currently done by Kidney Foundation.

6.0 Additional Comment: Private-Public Partnership in Health and Medical Services

The government's on-going action to make public health care a "user pay" system for robust and efficient delivery of service is noteworthy. The move to aligning services such as x-ray, ultra sound, blood tests and laboratory examinations within a current price structure is a realistic one and is necessary to enable the government to provide these services and also ensure equipment maintenance and turnover.

Since some progress has been achieved recently to improve health services by addressing issues such as shortage of doctors, up-to-date equipment and apparatus, making health stations sustainable and so forth, one area, that can further make inroads in strengthening consumers' access to affordable and reasonable health care is by rationalizing the service delivery on the basis '*who is in the position to afford and who is not*'. Some people cannot afford the private hospitals but still can fork out a small amount of money to avoid long-waiting period in three large public hospitals (Suva, Lautoka & Labasa).

The user-pay system can be effective when the service delivery is timely and efficient. It is often the time factor that frustrates the consumer as the caliber and expertise of health care is not so much a problem per se. The Ministry of Health should engage with private medical practitioners by introducing a scheme where they could spend certain hours in the public hospital at a nominal fee so that these patients do not sit in a line for hours (sometimes up-to 6hours). The selling point should be that if private doctors see patients at a fee between \$10-\$20, a consumer will be willing to pay \$5 to see a doctor at a public hospital to avoid long waiting time. Also there is benefit in securing a clientele base that perhaps at times private practice does not offer. This will not only alleviate consumer frustration of long hours and becoming increasingly anxious about a loved one but also address loss of productivity for the working class, whose time is spent in the hospital unnecessarily. This system can also take the pressure off the public hospitals.

While the Government is not required to implement a subsidy scheme, it can however, encourage private-public-partnership by giving incentives to those private doctors who are willing to assist as part of the social obligation. Sharing workload will ease up the pressure at the public hospital and truly offer choice to the consumers in terms of their affordability as some consumers want to pay – as long as their waiting period is cut down and service is reasonable and prompt.

It is significant to note that seeking assistance from a private practitioner is not what consumers want but circumstances make them do it. The high fees and charges proposed by MoH are not justified since currently there are no well equipped health centres and hospitals which consumers can access with confidence as the first step to access their health needs

MoH should focus on introducing health insurance for the general public which can ease the burden they are currently facing. The Council submits that the fees and charges for the children, senior citizens and physically challenged should be waived completely. This should be the case even if they have gone to private practitioners initially.

===== ENDS =====