

Consultation response on the APC Fee increase for the Psychotherapists Board of Aotearoa New Zealand beginning the 2009/2010 Year

Thank you to all who responded to the Board's APC fee increase consultation. Your responses were reviewed and discussed by Board members prior to final decisions being made.

The purpose of this paper is to:

1. Provide a response to the recent consultation on APC fee increases.
2. Inform and give notice, to practitioners and stakeholders that the Annual Practising Certificate (APC) Fee¹ will increase for the 2009/2010 practising year.
3. Inform and give notice, to practitioners and stakeholders that the Annual Practising Certificate renewal process will be open from **Monday 3rd August 2009**.

APC Fee Increase

Psychotherapy is considered a small profession with the Board having fewer than 500 registered practitioners; however the Board is still required to engage in the same regulatory functions any RA must carry out under the HPCAA.

The Board, The Board's Accountant and the Board's Auditors (appointed by the Auditor General's office) agree that the proposed fee increase was necessary to allow the Board to continue to operate.

This means that:

- The APC fee will increase from \$618.75 to \$956.25 being an increase of \$300+GST.
- The reduced APC will increase from \$450.00 to \$562.50 being an increase of \$100+GST. If a practitioner earns \$25,000 or less gross income per annum (including both personal and business income) then he or she may be eligible for the reduced APC fee. For more information on eligibility for the reduced APC fee please review the Board's policy. <https://secure.pbanz.org.nz/index.php?Policy>.

APC Quarterly Payments

The Board has increased the income level stated in the APC fee Quarterly Payment Policy from \$20,000 to \$35,000pa. This means that practitioners earning \$35,000 or less gross income per annum (including both personal and business income) may be eligible to apply to pay their APC in quarterly payments. For more information on eligibility for the APC fee Quarterly Payments Policy please review the Board's policy.

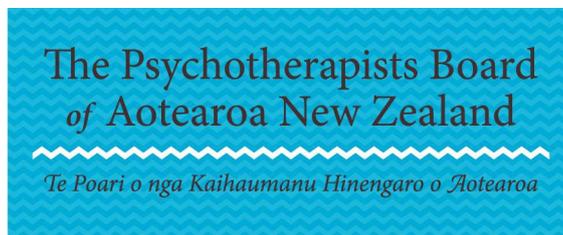
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What does this mean for your clients?

It has been suggested that an increase in the APC fee would have to be passed on to clients. Here are two scenarios that demonstrate the cost of the increase to clients and practitioners.

- An APC fee increase of \$300 (plus GST): A practice of 15 sessions per week over a 35 week year – cost \$.057 per session.
- An APC fee increase of \$100 (plus GST): A practice of 8 sessions per week, in a 25 week year – cost \$0.50 cents per session.

¹ This APC fee includes the Disciplinary levy as per Section 131 of the HPCAA



Suggestions and comments given to the Board from the profession and stakeholders
Note these are not in any particular order.

Some of the responses below have already been addressed separately in Board newsletters. However it is useful to address them again in response to the suggestions and comments below. The enclosed answers are intended to provide more in depth information as to why the Board reluctantly made a decision to increase fees.

1. Why doesn't the Board join with either the Psychologists Board or the Counsellors to save money?

When the Minister of Health approved Psychotherapy as a regulated profession, the Minister made the decision that this board would operate as a stand-alone board. At that time there was a decision between the boards to remain as separate entities and any change to this would require significant discussion and consultation between the boards and interested parties.

The Minister has not yet approved or accepted counselling as a regulated profession and therefore at this point, there is nothing to "join". However, the Board has indicated to that profession that they are willing to discuss potential alliances. The final decision depends on discussion between the two professions and ultimately, the Minister of Health.

2. Some smaller Boards charge less for their Annual Practising Certificate. If they can manage it why can't the Board?

The difference is, that the Boards referred to have already passed through the initial setup phase and have functioned since at least 2003. Their costs relate mainly to maintenance and governance not development. The Psychotherapists Board is clearly still in the stages of set up and development. Once this is completed then this Board too, depending on things such as, complaints expenses should be in a position to possibly lower or maintain the APC fee level.

3. I would prefer the increase to be in instalments over more than one year.

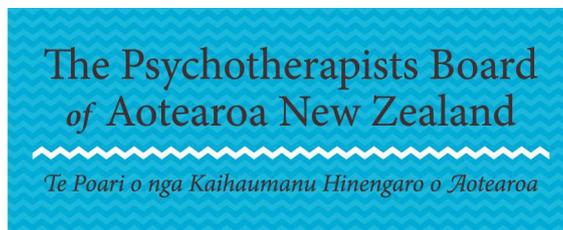
The Board would too. However the Board has agreed to ensure that income exceeds expenditure in any given year especially during the early years. The Board tested many different budget scenarios to see what would work and reluctantly settled on the increase detailed above.

In order to mitigate the impact on lower income earners (as concern from all practitioners about those earning low incomes came though very clearly in submissions received), the Board has increased the income levels for the Quarterly Payment Policy from \$20,000 to \$35,000. This means that practitioners earning \$35,000 or less gross income per annum (including both personal and business income) may be eligible to apply for to pay their APC in quarterly payments. This will increase the number of practitioners who are eligible. Please review the policy for eligibility.

4. I am concerned for those working part time, just beginning their practice or on a low income.

The Board is too and has taken these comments into account with the Reduced APC fee and also the Quarterly Payment Policy.

The reduced APC fee payment has increased but not as much as first proposed. The increase is \$100.00 plus GST instead of \$200.00. Once again the Quarterly Payment Policy will assist some practitioners.



5. The Board should approach the Associations for grants

The Board has already approached the Associations to consider what support they can offer the Board. These organisations need to make decisions based on their own financial situation and some have indicated that they would appreciate repayment. In addition as these loans incur interest the sooner the Board can pay the loans back the better it will be.

6. The Board should encourage more psychotherapists to register

The Board is constantly promoting registration. This includes emails, newsletters, Association websites, training institutes, word of mouth and meetings.

If practitioners are aware of people who are not registered but who identify as a psychotherapist, or are holding themselves out to be a psychotherapist, then, as a member of the profession please encourage them to register. It may be helpful if professional organisations set policy relating to their members registration status.

7. The Board could take longer to pay off Board debt

The Board has fiscal responsibilities under the HPCAA and has recently undergone a financial audit. During this audit it was made clear that given the Board's negative equity position and reliance on loan funding, a fee increase would be necessary to secure a "going concern" assumption. The Board has also been advised that it should not be carrying the level of debt it has been and that it should build a "cushion" to cover future disciplinary expenses. The bottom line is that debt needs to be repaid and the Board has to remain fluid.

8. The Board should approach another loan provider for finance

The Board has approached and re-approached banks and other lending providers trying to secure either an overdraft or a loan with no success. The Board no longer has access to an overdraft facility that was in place to manage cashflow throughout last year. Lending institutions require security to consider any loan. Even if this was possible the Board would still need to increase the APC fee at some point to be able to repay its loans.

9. Psychotherapists won't receive the same level of complaint as psychologists.

Nobody knows this for sure. The history of low numbers of complaints to associations is not a relevant predictor of numbers of complaints post-registration of a profession and is therefore something of an unknown.

The Board was informed that complaints tend to rise when a profession is registered. The HPCAA now enables any member of the New Zealand public to make a complaint against any registered psychotherapist. Whether this complaint leads to a Competence Review, a Professional Conduct Committee or the Health Practitioners Disciplinary Tribunal, there are prescribed steps to be followed and subsequent costs will be incurred by the Board.

10. Psychotherapists earn less than psychologists

Unfortunately the number of practitioners within a regulated profession or the earnings of that profession are not taken into account with regulation. Regardless of the size the profession is bound by the same Act and required to carry out the same functions. The HPCAA is a form of professional self regulation and thus it is expected that as part of this the profession will fund the regulatory process.

The Psychotherapists Board of Aotearoa New Zealand

Te Poari o nga Kaihaumanu Hinengaro o Aotearoa

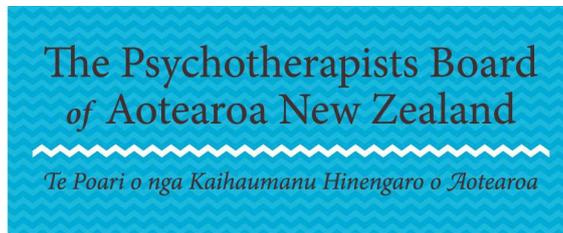
11. Increases should be based on the number of hours a psychotherapist works.

The cost of a passport to travel overseas is not based on the amount of overseas flights the holder undertakes. Registration is no different. It enables a professional the right and privilege to practice in the profession that one is qualified to practice. Registration does not dictate how many hours a practitioner should practice in that profession. It is entirely the choice of the practitioner.

The cost of any complaint or disciplinary process, and associated expenses of a regulatory authority, to maintain registration is the same, whether a practitioner works 5hrs per week or 25hrs per week. Some feedback has indicated that practitioners who work fewer hours may be more likely to undergo competence reviews.

In addition the Board has to keep in mind cross-subsidisation as per the auditor general's good practice guide.

In layman's terms, regardless of the APC fee paid i.e. full or reduced the Board must carry out the same level of work to ensure that it meets its obligations under the HPCAA to protect public safety. If a complaint is laid the Board will incur the same cost despite the practitioner fee paid.



APC renewal will commence from Monday 3rd August 2009

The APC Renewal process has 5 steps. These steps have been outlined below. Please contact the Board's Registrar if you have any questions.

Step 1 - Log in

Log into your personal profile on the Board's website using your email and password. If you have forgotten this information contact the Registrar on registrar@pbanz.org.nz or 04 918 4727.

If you completed your registration manually, please contact the Registrar to have the form sent to you.

Step 2 - Update your personal information including: (mandatory)

Change of Address

You must promptly advise the Registrar of the Psychotherapists Board of Aotearoa New Zealand notice of any change of postal address, residential address, and work address (HPCAA Section 140(2)). To do this log onto the Board's website www.pbanz.org.nz/index.php?LogIn and update your personal profile.

Change of Name

If you change your name, you must advise in writing to the Registrar of the Psychotherapists Board of Aotearoa New Zealand notice of your new name within one month of the change (HPCAA Section 141(2)). You must send to the Registrar a certified copy as evidence of your name change i.e. marriage certificate or deed poll.

Step 3 Make your APC payment

If you do not choose to make your payment online you will be given the opportunity to make your APC payment during the completion of the APC Renewal Form.

Please ensure you provide the appropriate paperwork (paperwork can be located on the policy section of the Board's website) if applying for either the;

1. Reduced APC Fee
2. Quarterly Payment Policy

Step 4 - Print off and fill out the APC Renewal Form.

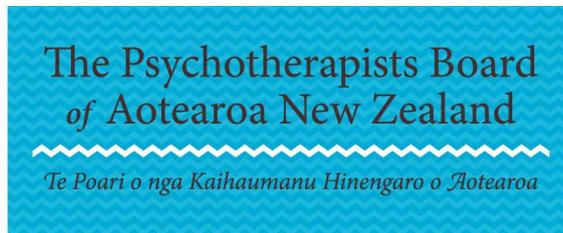
Step 5 - Send your completed form, and payment to:

Registrar

Psychotherapists Board of Aotearoa New Zealand
PO BOX 10-787
The Terrace
Wellington

Assistance

Contact Jacq Manley on registrar@pbanz.org.nz or 04 918 4727 if you have any questions.



Information regarding APC fees and increases

What is the APC Fee used for?

The APC fee is used each year to cover a number of things, such as:

All matters relating to the operation of the protecting public safety through regulation of the profession, as set out in Section 118 of the HPCAA this includes:

- Registering the profession and applications for Annual Practising Certificates
- Accreditation of qualifications
- An emphasis on ensuing competence of the profession through recertification and reviewing competence to improve performance through an educational focus
- Managing matters of professional conduct through Professional Conduct Committees (PCC) and where necessary dealing with cases before the Health Practitioners Disciplinary Tribunal (HPDT) these costs are funded in part by the APC fee called a "disciplinary levy"²
- Development of standards such as clinical and cultural competencies and ethical conduct

To do this the Board has to:

- Develop and implement policy
- Communicate to the profession and others via hui, meetings, conferences, Ministry of Health meetings
- Produce Annual Reports/Audits

So this work can be achieved the fee also has to cover:

- The Board operating expenses
- Secretariat costs (including personnel, IT, Website development, rent, financial accounting, consumables)

Rationale for the proposed increase

Practitioner fees are the only source of income generated by the Board. The Board must set fees at a level sufficient to recover operating costs. Current fee levels are not covering operational costs.

The HPCAA is very clear; the functions of a Regulatory Authority must be funded by the profession as part of the obligations relating to the professions involvement in regulation and in setting standards for the profession.

Will this be the last increase?

This is not something the Board can guarantee.

Any future increase will largely depend on the number of Competence Reviews¹, and Professional Conduct cases undertaken by the Board and whether cases are referred to the Health Practitioners Disciplinary Tribunal. Professional Conduct Committees (PCC) and Health Practitioner Disciplinary Tribunal (HPDT) cases are costly. The Board has no control over the costs associated with a case taken to the HPDT.

To give an example the Psychologists Board (an allied profession) spent \$500,000 per year during the 2006/2007 and 2008/2009 year on PCC and HPDT cases alone. This figure does not take into account Competence Reviews. This is not to say the same thing will happen with psychotherapy - this is just an example of how costly complaints can become.

The Board does not rule out decreasing practitioner's fees when and where possible in the future.

¹ A Competence Review is an educative opportunity where the practitioner is assessed and where necessary assisted through a training programme to ensure they are practising to the required standard of competence.