



Optometrists and Dispensing Opticians Board

Te Poari o ngā Kaimātai Whatu me ngā Kaiwhakarato Mōhiti

CONSULTATION – PROPOSAL TO AMEND APC FEE & IMPOSE DISCIPLINE LEVY FOR OPTOMETRISTS

Released: 19 October 2018

Submissions Due: 30 November 2018

Introduction

- 1 The Optometrists and Dispensing Opticians Board (the Board) is charged under the Health Practitioners Competence Assurance Act 2003 (the HPCA Act) with ensuring that optometrists and dispensing opticians are competent and fit to practise when they apply for registration and on an ongoing basis. Section 130 of the HPCA Act authorises the Board to prescribe fees in relation to its functions, which are:
 - (a) to prescribe the qualifications required for scopes of practice within the profession, and, for that purpose, to accredit and monitor educational institutions and degrees, courses of studies, or programmes:
 - (b) to authorise the registration of health practitioners under this Act, and to maintain registers:
 - (c) to consider applications for annual practising certificates:
 - (d) to review and promote the competence of health practitioners:
 - (e) to recognise, accredit, and set programmes to ensure the ongoing competence of health practitioners:
 - (f) to receive and act on information from health practitioners, employers, and the Health and Disability Commissioner about the competence of health practitioners:
 - (g) to notify employers, the Accident Compensation Corporation, the Director-General of Health, and the Health and Disability Commissioner that the practice of a health practitioner may pose a risk of harm to the public:
 - (h) to consider the cases of health practitioners who may be unable to perform the functions required for the practice of the profession:
 - (i) to set standards of clinical competence, cultural competence, and ethical conduct to be observed by health practitioners of the profession:

- (j) to liaise with other authorities appointed under this Act about matters of common interest:
- (k) to promote education and training in the profession:
- (l) to promote public awareness of the responsibilities of the authority:
- (m) to exercise and perform any other functions, powers, and duties that are conferred or imposed on it by or under this Act or any other enactment.

2 Money received from fees is the primary source of income to allow the Board to meet costs associated with its statutory obligations as outlined above. Costs comprise:

- Direct costs which can be allocated to a single fee item. This may include staff and Board committee time, costs of materials and costs of external services spent specifically on a relevant matter;
- Indirect costs which include all secretariat administration expenses and staff general administration time which cannot be charged to specific fee activities, such as insurance, accounting services, photocopying and stationery, Board time spent on general business, and consultations etc.

3 The Board is mindful of the impact fee changes may have on practitioners and makes every effort to balance fulfilling its statutory responsibilities against such impacts.

4 Each year the Board needs to consider whether the fees it has set remain appropriate and sufficient. The main purpose of the review this year was to consider:

- the outcome of the Board's analysis of the time spent regulating the two professions
- the impact of recent discipline activity on the Board's discipline reserve levels
- the status of the Board's general reserves and plans to reduce reserves over the next three years.

5 In order to consider this, the Board reviewed its current financial position, the level of its general and disciplinary financial reserves, expenditure on discipline cases in the last 12 months, and the results of three years' worth of analysis of regulatory activity for the two professions.

Reserve levels

6 As at 31 March 2018, the Board had retained earnings totalling \$511,868. This was confirmed by the Board's Auditor at the conclusion of the Board's annual audit. When broken down between general and discipline reserves, the reserves are as follows:

General reserves as at 31 March 2018	\$470,960
Discipline reserves as at 31 March 2018	<u>\$ 40,908</u>
	\$511,868

7 The Board's *Policy on Financial Reserves* currently indicates that the Board will maintain, as far as possible, a general reserve balance of 3 months operating budget or \$150,000, whichever is the lesser. In addition, it stipulates that the Board will maintain a separate reserve of at least \$82,500 available to cover disciplinary cases while waiting for the proceeds of a disciplinary levy to be recovered from registrants. This reserve level is intended to cover three Professional Conduct Committee (PCC) cases (2 for optometrists and one for dispensing opticians) at an average of \$7,500 per case, and two Health Practitioners Disciplinary Tribunal (Tribunal) cases (one for each profession) at an average of \$30,000 per case.

Discipline reserves

8 Taking into account discipline costs incurred for the current year to date, discipline reserves are currently sitting at \$20,826.26 (\$17,499.51 DO & \$3,326.75 Optom). Based on reserve policy levels noted above and levies paid by dispensing opticians to date, this leaves a shortfall in reserves for optometrists of \$41,673.25 and a shortfall in reserves for dispensing opticians of \$20,000.49.

9 A case referred to a PCC for optometrists in the last 12 months has significantly depleted discipline reserve levels such that the Board has therefore determined that it will be necessary to charge a disciplinary levy of optometrists for the 2019/20 practising/financial year to replenish these reserves. Divided by 743 practising optometrists, this will equate to approximately \$56 + GST per practitioner.

10 There have been no cases referred to PCCs for dispensing opticians in the current practising year and discipline reserves for this profession are on track to be replenished in the near future as a result of a levy imposed last year. The Board does not, therefore, deem it necessary to make any changes to the discipline levy of dispensing opticians for the 2019/20 practising/financial year.

Time analysis and practising practitioner numbers

- 11 As most practitioners and stakeholders will be aware, Board staff conducted an analysis of where their time is spent between the two professions in an attempt to ensure that neither profession is cross-subsidising the other. Up until this point, non-profession-specific costs have been apportioned on a per-practising-practitioner percentage basis. In previous years this translated to roughly a 77% optometrists and 23% dispensing opticians split, but in 2017 it worked out to 80% optometrists, 20% dispensing opticians due to a decrease in practising dispensing opticians. At the moment, the split is 79% optometrists and 21% dispensing opticians as there has been a slight increase in practising dispensing opticians.
- 12 The time analysis was also extended to include Committee member and Chair claimed time, and when combined with the results from the staff analysis, this resulted in a 79% optometrist and 21% dispensing optician split, commensurate with the current practising practitioner ratio of the two professions. These results indicate that at this time, apportioning fees on a per-practising-practitioner basis appears reasonable, and assuming that practising numbers do not fluctuate wildly from one year to another, the two professions will not be cross-subsidising each other. Therefore, the Board intends to continue the practice of apportioning operating costs on a per-practising-practitioner basis. The Board will, however, further consider this method of apportioning fees in the future should practising practitioner numbers vary beyond a few percent of the current ratio.

General reserves

- 13 The general reserve level is much greater at present than the \$150,000 stipulated in the Board's *Policy on Financial Reserves* due to an increase in income in recent years and a Board decision not to modify APC fees while conducting its time analysis work. Now that the time analysis work is complete, the Board intends to reduce reserves over a three year period by operating a deficit budget and applying this reduction to practitioner APC fees.

Proposal for 2019/20

- 14 Based on discussions above, it is proposed that APC fees be reduced slightly. The following fee structure is proposed for the 2019/20 practising year:

	APC Fee Excl. GST:	APC Fee Incl. GST:	APC Fee incl. GST & levy
Optometrist Full Year	\$651.00	\$749.00	\$813.50
Optometrist Part Year ¹	\$434.00	\$499.00	\$542.00

Summary

- 15 The Board has provided details above of the proposed APC fee and disciplinary levy for optometrists for the 2019/20 practising year. The Board invites practitioners and stakeholders to provide submissions on this proposal. Attached as **Appendix 1** is a complete schedule of all fees proposed for the year commencing 1 April 2019, including GST.
- 16 A copy of the Board's Annual Report and financial statements for the year ending 31 March 2018 is available on the Board's website located at www.odob.health.nz under 'Publications and resources'.

How to have your say

- 17 Your views on the proposal are welcome. If you wish to make submissions, please provide them in writing **by 30 November 2018**. The Board does not guarantee that submissions received at the Board's offices after this date will be considered.

Submissions can be sent to:

The Registrar
 Optometrists and Dispensing Opticians Board
 PO Box 9644
 Wellington 6141

Email: Lindsey.Pine@odob.health.nz

¹ Part year fee – a reduced 'part-year' APC fee is charged between 30 September and 31 March for the two professions. This fee is set at 2/3 of the full year fee.

Appendix 1

Fee Schedule

<i>Fees payable</i>	
Dispensing optician - Application for an annual or interim practising certificate, including a disciplinary levy of \$37.00	\$747.00
All optometrists scopes - Application for an annual or interim practising certificate, including a disciplinary levy of \$64.50	\$813.50
Dispensing optician - Application for an annual or interim practising certificate, where the application is received by the Board after 30 September in the APC year to which the application relates, including a disciplinary levy of \$25.00 (includes new graduates)	\$499.00
All optometrist scopes - Application for an annual or interim practising certificate, where the application is received by the Board after 30 September in the APC year to which the application relates, including a disciplinary levy of \$43.00 (includes new graduates)	\$542.00
Application for an annual or interim practising certificate - for practitioners on the Registers of Optometrists or Dispensing Opticians holding a practising certificate in the year 1 April to 31 March who apply for a certificate for the following year after the expiration of their current practising certificate (after 31 March) and who are still practising after 31 March (<i>in addition to APC fee</i>).	\$240.00
Application for registration from an applicant who holds a prescribed qualification, including TTMR applications and qualifications that have been accepted by the Board under section 15(2) of the Health Practitioners Competence Assurance Act	\$379.00
Application for registration – where the practitioner is a New Zealand or Australian trained graduate registering in their first year of practice since graduating.	\$265.00
Assessment of a qualification under section 15(2) of the Health Practitioners Competence Assurance Act	\$960.00
Maintenance of registration and communication for non-practising practitioners	\$100.00
Maintenance of registration and communication, and recording of continuing professional development credits, for non-practising practitioners	\$306.00
Application for change in scope of practice, where the application is received by the Board within one year of the date the relevant qualification was conferred.	\$153.00

Application for change in scope of practice, where the application is received by the Board more than one year after the date the relevant qualification was conferred.	\$368.00
Supervision session required by the Board	\$115.00
Certificate of Registration	\$30.00
Letter confirming authority to practise	\$30.00
Restoration of name to Register	\$100.00
Certificate of Good Standing	\$30.00
Copy of Register	\$30.00
Application for assessment by the CPD accreditation committee of an individual CPD dossier	\$204.00
Hourly fee for application for assessment of accreditation of online CPD activity	\$75.00
Hourly fee for application for assessment of accreditation of CPD where the activity is not open to all registrants	\$75.00