

# Mackay

## ON MONEY

BY AUTHORISED FINANCIAL ADVISER CHRIS MACKAY



*They say the further South one goes in New Zealand, the nicer the people are. They are more friendly, less materialistic and have fewer pretensions. We all know Aucklanders mean well, but they just can't help themselves. Maybe it's the water up there.*

There's not too many people from the Hutt Valley or Wellington who actually have any burning desire to live in Auckland. They quite like visiting it because it is a beautiful city, but they wouldn't want to live there and neither would I. There's something that happens to nice people from down this way when they get lured up North to that not-so-super city. Of course once you get past Auckland, the people become fabulous again so there's something strange going on.

Apart from living and working in Auckland, those poor old Jafas also have been subjected to this crazy ACT inspired super city debacle. Instead of this wonderful theoretical phenomenon called economies of scale whereby things should be able to be cheaper, rates have gone up massively and like their Mayor, the place is just a big joke.

People down this way are saying they don't want to amalgamate to form some type of loopy empire presided over by Lord Mayor Fran Wilde. In fact a recent survey completed over August and September showed overwhelming support for the status quo.

**Just to remind you, the following are the percentages of people who wanted Council boundaries unchanged. Wellington 76 per cent. Both Lower Hutt and Upper Hutt 80 per cent. Porirua 71. Kapiti 61 per cent. And the Wairarapa a resounding 84 per cent.**

Some proponents of a crazy city initially rubbished the results. However *the Hutt News* grilled Victoria University statistician Dr Richard Arnold and he confirmed "the methodology appeared to be robust and in line with standard polling procedures." He

went on to say "From a statistical point of view this is entirely typical of the way these surveys are done".

There have been many other surveys done and the results are consistent. The majority of people from the Wellington region simply don't want a big shitty city.

By time this article comes out, the Local Government Commission will have either realised there is no appetite for this nonsense, or they will be flying in the face of democracy and trying to get us to do what we don't want to do. I sincerely hope it is the former.

Let's not follow Auckland into the monstrous metropolis mistake.

Talking about Auckland, in the course of my profession, I get to see the cost of various medical procedures.

Recently a fairly straight forward procedure performed in Auckland cost about 50 per cent more than a similar one performed at our local Boulcott Private Hospital. And this price disparity is not uncommon.

There are specialists in Auckland who are earning over \$1m a year. These million dollar fees aren't the cost of the hospital, the anaesthetist and the new body parts but is the fee these outrageous Jafas are charging for the time they are performing various operations.

It's quite simply not right and some of the medical insurers are trying to get a little bit of common sense back into the system.

These idiot doctors don't realise they will kill the goose that lays the golden egg if they are not careful. They are quite happy to charge these ridiculous fees because their patients have medical insurance. The ones who don't have medical insurance of course end up on the public waiting lists

and we all know how bad they are. The gouging created by these greedy Gregorys – if they continue on their rip-off ways – will ultimately mean insurance will become unaffordable and these quacks will be forced out of business.

Some of the issues are of course supply and demand. One solution is to train more specialists.

This would seem to be a relatively simple matter. Initially we would need to train more doctors coming out of Otago and Auckland and this shouldn't be too hard. There is always a surplus of extremely bright young

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people who apply for and miss out on Med School each year.

I once asked an Auckland Medical School professor sitting next to me on a flight to Los Angeles, whether they had the capacity to train more doctors and he answered that of course they could. It's straight forward and just requires a few dollars to be thrown at the problem. In fact it would be far cheaper for the Government to train more doctors in New Zealand than for us to fund the recruitment of overseas trained doctors.

Once they graduate then we have to retain these guys in New Zealand. The Government does spend large sums on training them and so we need to continue with the creative ways we have of making them stay in New Zealand.

Then comes the issue of what these young graduates should specialise in. And this is where I believe there has been a real self-interest by the various specialties. It is in the existing specialists' interests to reduce the number of new specialists coming through. It is a simple supply and demand equation. Less specialists coming through means the supply is small. Plenty of demand however with people getting crook. The result, the price of supply goes up. Which means higher salaries and income and ultimately an unaffordable medical system.

It's a brilliant system for the docs however and some specialists try their darneest to restrict the number of new bods coming through. More specialists available means less income for the existing pool. Their argument when you boil it down, is basically "I had to go through this and it was really tough and unreasonable, so why shouldn't these new chaps have the same problems?"

It's a bit like the traditional public school practice in England – extinct now I

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understand. If you got to be a senior student, then you would be very reluctant to give up the fagging system and beating up the new boys. I understand in some schools, the new students in the middle of winter would be forced to warm the toilet seats so the senior boys would have a more comfortable experience. A case of "I was bullied and it never did me any harm, and bugger me if I won't do it too!"

Anyway, despite the antics of some of these Auckland doctors, I think we are pretty well served in the Hutt Valley and Wellington. Of course, there are still waiting lists but there is a solution to that. On the insurance side of our practice, not surprisingly we advise clients on Medical insurance and I'm going to give you a few "for instances" where this has been helpful. I'll change the names for obvious reasons.

A few years ago Myrtle one of our superannuitant clients had some bleeding from her bowel. She was admitted to hospital and the good folk there couldn't work out what was going on. Her son had a meeting with the hospital doctors before she was discharged and asked why they wouldn't do a colonoscopy. The answer being that it was a cost issue and they were not prepared to do any further tests.

The son then convinced his mother as she had Medical insurance she should have a colonoscopy privately. Myrtle had this procedure and they discovered she had early stage bowel cancer. She had a section of her bowel removed and she has been cancer free ever since. If she hadn't decided to have the private colonoscopy she would probably have died years ago.

Ebenezer was a pretty fit 40-something-year-old. We had talked about Medical

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insurance in the past but he had decided against it. He rang me one day to say he'd been to the hospital because he had something going on down below. It turned out the doctor suspected he might have bowel cancer. They booked him in for some tests a few weeks later. I kept in touch with Ebenezer and it seemed every time I spoke to him he had been to the hospital but they were asking for more tests or appointments always some time in the future. The whole process took a few months.

Eventually it turned out that yes he did have bowel cancer and they were going to operate on him which a few weeks later, they duly did. He had chemotherapy and radiotherapy and all was looking bright but it all turned to custard and poor old Ebenezer died before he was 50 a couple of years later. I still wonder if he had had private Medical insurance whether the docs would have been on to the problem and sorted it out much earlier and whether he would be alive today. I suspect so.

A few years ago I had my regular PSA (Prostate-Specific Antigen) test. Blokes, this is the blood test that measures the protein produced by the prostate gland and it can be an indicator for prostate cancer.

Anyway mine was a bit high so my GP suggested I visit a Urologist. They asked whether I wanted to go Public or Private and being a good insurance person (who has Medical insurance) I opted for the Private.

As it turns out, the GP's nurse stuffed things up and contacted the Public hospital system. This was in October and I subsequently got a letter from Wellington Hospital saying "please present yourself at Wellington Urology Clinic on 4 January". I didn't think this was a good use of my holiday time and I also realised there had been a muck-up. I organised a referral to a private specialist and was in within a few days.

He suggested I have a biopsy and said I could go through the Public system if I wanted. Again it was going to take a few months. I asked what the difference was. He said in the Public system, I would have a local anaesthetic and about nine samples of my prostate would be taken. In the Private system, I would have a general anaesthetic and about 15 samples would be taken. I asked why there would be less taken through the Public system and he told me it was because it became so uncomfortable most patients could only take about nine. That sealed the deal for me and four days later I was in at Southern Cross Hospital and a few hours later I was back at home enjoying a glass of wine.

As it turns out, everything was ticketyboo. However I still go and have a check-up every

six months. My Urologist and I are very close!

Another recent example was a young chap Arnold who ended up in Accident and Emergency one evening crippled over with stomach pains. They admitted him to hospital and medicated the pain but they couldn't find out what was wrong with him.

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After two nights still in considerable pain they kicked him out of the ward but advised that they would recall him for a colonoscopy. How long was that going to take he asked. Somewhere between six and 12 weeks.

This young bloke has Medical cover through his work and decided he couldn't put up with the ongoing excruciating pain so with his GP he organised a private colonoscopy and gastroscopy for three days later paid for by his Medical insurers. Arnold didn't have bowel cancer but they did diagnose a chronic illness and he is currently being treated for that. Apparently he got a call the other day six weeks after being discharged from hospital. They were finally ready to schedule a colonoscopy. Pathetic eh?

I've got heaps of other examples where people have basically jumped the queue by having Medical cover.

Abigail, another retiree, but without Medical cover, came in recently and had to cash in the last of an investment in order to pay for her second hip operation. She was on the waiting list but she knew if she actually waited for another six to 12 months (on top of the lengthy wait she had already had), she would be in a wheelchair permanently.

According to research published in the *New Zealand Medical Journal* in November, one in three people requiring elective surgery are being turned away from waiting lists in order to meet Government targets.

Lastly, the story of Tobias. He had some back issue going on. His Orthopaedic surgeon recommended a pretty major reconstruction of the old spine and peripheral bits and pieces. The cost was just under \$70,000, over half of it being screws and spacers and

other materials. The surgeon's share was still \$8,000 so not a bad payday for a few hours with the trusty Black and Decker. But the result has been terrific and Tobias is feeling 100 per cent better. A very good outcome and another excellent reason for having Medical insurance.

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