

# THE SOURCE

News & Views From Eric James & Associates Ltd

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LIFE, INCOME PROTECTION,  
TRAUMA, MORTGAGE PROTECTION,  
& MEDICAL

## Spotlight on rising health care costs

The increasing cost of living is often in the spotlight – for housing and essentials such as milk, electricity and petrol. What has also been rising is the cost of health care in New Zealand. In fact, medical inflation has been between 9 – 11% each year for several years now, much higher than the general inflation rate.

### Why is the cost of health care services increasing so rapidly?

A number of factors influence this, most notably:

■ **General inflation (increased costs for existing treatments):**

In the same way as your household budget is affected by general inflation, so too are providers of health care products and services affected by increased costs for things like electricity, along with goods, services and labour.

■ **New technologies:**

New and improved treatments are being developed constantly, which means we are better equipped to treat illnesses and injuries than ever before. These technologies often cost vast amounts of money to develop, and while for many industries, they enable companies to become more cost-efficient, in health care these tend to be cost increasing. For instance, before the development of MRI scans, when people injured themselves, they had an x-ray and saw a doctor. Now you can have an x-ray, see your doctor, and get an MRI scan. This is a much better tool for diagnosing your injury, but the cost of the diagnosis is significantly higher.

■ **Growing and aging population:**

There are simply more people who need doctors and treatments than ever before. When the demand grows faster than the supply of these services competitive pressures push prices up. Combine a growing population with an aging population and the pressure on our health care services is magnified as older age groups have a greater requirement for health care services.

### How does this affect you?

The good news is that your treatment options are constantly improving, and we now have the ability to effectively treat a wider range of conditions than ever before. However, these advancements are often very expensive and we can see this through price increases and high medical inflation rates.

In New Zealand we are fortunate to have a relatively robust public health system that provides qualifying people with a number of health care services. These services are not free – they are paid for



by taxpayers. To pay for the increasing cost of health care services, the government has a number of options:

1. Increase their tax take to pay for the higher costs.
2. Reduce or change the funded treatment options to keep costs within budget.
3. Become more efficient – essentially get more health care for the same spend by using new, cheaper suppliers, buying in bulk, rationalising products and services, etc.
4. Reduce the need for health care services with preventative strategies such as the recent subsidies for warmer homes.

It is likely that the government will approach this problem using all of the above options to some extent. If you are a taxpayer, it is very likely you will need to contribute more to ensure the health care services provided by the public health system are not diminished.

If you want to access private health care, your treatment options will usually be very good but the cost of these will increase over time. If you are uninsured, and are unable to access a treatment you need through the public health system in an acceptable timeframe, this will take an increasingly big bite out of your savings.

The excellent news is that if you are insured, you will often be able to access the best treatment options quickly by claiming against your policy. From time to time your premiums will increase, but you give yourself the widest range of treatment options when you most need it. To ensure you have access to the best health care at the time you most need it, talk to your Eric James and Associates advisor today.

# Encouraging kids to exercise



A recent survey of 10,000 people by insurer AIA shows New Zealand ranks a 63 out of a possible 100 points on the Healthy Living Index. In comparison with 58 in 2011 and 61 in 2013, it's an improvement but there's room for more.

Parents believe the main reason their children are not getting enough exercise is because they're spending too much time on screens – on the internet (50 percent), watching TV (25 percent) and playing video games (21 percent). Homework doesn't rank highly as a reason at just 10 percent! Similarly, half of parents in New Zealand feel their children are sleep deprived for similar reasons.

## This month's winner



*Winners of our Auckland Barrel Draw for this month is Glenfield family, Aaron and Emma Clarkson with their baby, Jamie.*

Referrals welcome: A healthy business thrives on referrals and we'd like to work with more people like you. If you know of someone such as a family member, friend or colleague – who would benefit by our services, please encourage them to call us on 0800 374 252 or (03) 977 4400

Twenty-two percent of New Zealand parents would like their child to lose weight.

Healthy eating habits are still limited to the basics of drinking more water and eating more fruit and vegetables, but New Zealanders are not necessarily practising this advice, with 84 percent of Kiwis tending to eat while distracted and 79 percent having unhealthy snacks in between main meals.

### Here's some ways to get children exercising:

- Sign your child up to a sports team or club – many of these are offered through school.
- Go for a family walk to the park or around the neighbourhood.
- Try and get out and about on the weekends, exploring the beach, bush walks etc.
- Lead by example – children are more likely to join in if they see their parents exercising.
- Make it fun but also introduce elements of competition – encourage them to complete a number of steps, jumps, skips each day, and beat previous records.

## Real Fruit Balls

The Bliss Ball had humble beginnings back in grandmother's day. Here's a recipe that was popular in our family – a healthy lunchbox favourite.

- 1 lemon, peeled thinly, discard pith, chop rest of lemon, flesh only
- 50g dried banana, chopped
- 50g dates, chopped
- 50g dried pears or apples, chopped
- 50g raisins
- ½ cup rolled oats

Blend the lemon skin and pulp (food processor) until fine. Pour hot water over the dried fruits and leave 15 minutes. Drain and discard water.

Process the rest of the fruit by adding gradually to lemon pulp and skin.

Add the rolled oats and stir or process to a thick paste if you wish.

Chill if necessary to firm. Roll using wet hands then coat in coconut.

Keep in a sealed container in a cool place, refrigerator or freezer.

## Refer-a-friend

Have you had a good experience with Eric James and Associates? Would you recommend us to a friend? If you think a friend or family member would benefit by the same independent advice you did, we would love to hear from them. A practice like ours thrives on referrals so please refer a friend.

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