

Aide-Mémoire

Cost to Health System of International Visitors Not Eligible for Funded Health Care

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To:	Hon Simeon Brown, Minister of Health		
From:	Bevan McKenzie, Chief Financial Officer, Health New Zealand		
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Contact for further discussion (if required)			
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Attachments	
Appendix 1:	Eligibility for healthcare services in New Zealand

Purpose

1. This Aide-Mémoire provides a response to your questions regarding the cost to the health system of international visitors not eligible for funded health care as it relates to Health New Zealand | Te Whatu Ora (Health NZ) services.

Background

Access to publicly funded healthcare is set by the Government

2. Access to publicly funded healthcare is through eligibility settings set by the Government, determined by residency, visa type and relevant public health concerns (e.g., risk or impact to the health system, relevant public health status of origin country). This is specifically outlined in the Eligibility Direction 2011 (Health and Disability Services Eligibility Direction) issued by the Minister of Health.
3. A summary of some of the main categories is provided in **Appendix 1**.

Eligibility checks are undertaken in conjunction with Immigration NZ

4. Patients are assessed for eligibility by Health NZ, a process that involves a clarification check on residency and visa status with Immigration NZ (INZ) where appropriate. This process is set out in an agreement between the two agencies.
5. Once eligibility status is confirmed, the Health NZ patient management system is updated to reflect the patient's status. All costs incurred for an ineligible patient are then invoiced to the patient. New Zealand-based sponsors are also liable for the patient's debt. Invoices are sent directly to the ineligible patients. They can then submit their claim with their insurance company, if they have one.
6. Costs are based on clinical procedures undertaken as recorded in the Health NZ patient management system. Cost minimums per procedure have been introduced to ensure national consistency and are reviewed annually.

Current state of cost recovery

Broader considerations for those seeking healthcare without eligibility

16. Aside from the financial aspects, the other impacts arising from the treatment of ineligible patients include additional pressures on system capacity. Capacity constraints of the health system can lead to delays for those eligible for health care. As an example, non-eligible patients are likely to seek care in emergency departments for both urgent and non-urgent issues, as they are unlikely to have access to general practitioners.
17. There are also inevitably increased workloads and an administration burden of managing patients ineligible for public health care, including additional paperwork, insurance verification, and billing processes that are not required for eligible healthcare users.

18. While treating non-eligible patients can place additional pressure on staff and system capacity, these must be balanced against the public health benefits of treatment to New Zealand. Public health benefits include the early detection and prevent the spread of communicable diseases, or the delivery of care that reduces the burden on public health by managing preventable complications early.

Cost impacts

Health NZ has limited data on eligibility, but is tracking the cost on the health system of those who are ineligible

19. Health NZ does not hold information on the number of people travelling to New Zealand who are ineligible for publicly funded healthcare. Other government departments may hold this information, given that not all interact with Health NZ, and we therefore cannot have full visibility of who and how many people are in New Zealand at any given time.
20. Health NZ monitors the cost of our services provided to patients who are ineligible for funded healthcare and charges on a full cost recovery basis. Revenue from this category for the last three financial years is set out in **Table 1** below,

Table 1: Revenue from patients who are ineligible for funded healthcare

Financial Year	Total (millions)
2024/25*	\$70.594
2023/24	\$60.622
2022/23	\$45.551

* Draft value subject to external audit at the time of writing

What other information Health NZ collects on ineligible patients

22. Some information is collected from ineligible patients at the point of contact (or as soon after as possible) to enable efficient invoicing and payment. Aside from personal and contact details, this will include the eligibility confirmation described above, insurance

and sponsor details. In addition, Health NZ will collect necessary clinical information as part of the patient's treatment.

23. Beyond eligibility status, Health NZ does not systematically collect exact details on migrant visa status or legality, such as overstayers, or any other information as this is not relevant to patient treatment or billing. Despite this, further information of a patient's individual circumstances is likely to arise through the collections process when unpaid amounts are pursued.

Actions to improve the status quo

Health NZ is implementing a range of actions to assist with the recovery of payments from ineligible patients and reduce bad debt write offs

24. The following work is underway:

- a. Progressing the development of unified national policies, procedures, and guidelines for the management of non-eligible patients, replacing the fragmented approaches inherited from legacy DHBs. This is planned to be implemented by the end of 2025.

- b. A consistent national pricing structure has been implemented.

c.

d.

e.

- f. In collaboration with our Legal and Privacy teams, Health NZ has engaged with MBIE and INZ to explore appropriate information-sharing mechanisms within the constraints of the Privacy Act 2020 and Health Information Privacy Code 2020. An updated sharing agreement is planned to be completed by the end of 2025.

- g. Establishing key metrics and performance reporting to support both clinical and administrative frontline teams aims to improve local accountability. This includes the development of regular reporting mechanisms to provide visibility over invoicing timeliness, recovery performance, and write-off trends. In addition, improving the reporting of demographic and clinical metrics on the non-resident population, separate from the general population, is to be established.

Next steps

25. Health NZ can provide you with further detail on any of the specific actions as required, including ad hoc updates in your Weekly Report.

Proactively Released

Appendix 1 – Eligibility for healthcare services in New Zealand

1. All people in New Zealand are eligible for health care provided under the ACC scheme for injuries or accidents. For acute care, this is funded by ACC payments to the Crown under the Public Health Acute Care Services (PHAS) annual agreement. Other health services for ACC claimants, including from Health NZ, are funded under contract or as a fee for service by ACC.
2. Eligibility for publicly funded healthcare in New Zealand is granted to:
 - a. New Zealand citizens;
 - b. Permanent resident or resident visa holders;
 - c. Australian citizens or permanent residents who:
 - i. Are staying in NZ for two years or more; or
 - ii. Hold a work visa valid for two years or more (commencing from the person's first day in New Zealand);
 - iii. Are covered under the child category below.
 - d. Refugee or protected person status, or in the process of applying for refugee status;
 - e. On an MFAT-funded scholarship as a student;
 - f. Children under 18 whose parent or legal guardian meets eligibility criteria;
 - g. People from countries with a reciprocal health agreement for immediately necessary treatment, but not routine or elective services. New Zealand has reciprocal health agreements with Australia (which covers residents of Australia not covered under the category above) and the United Kingdom (which covers UK citizens residing in the UK but temporarily in NZ).
3. Eligibility is not available to those who:
 - a. Are on a visitor visa, such as tourists or people visiting family in NZ;
 - b. Have a work visa shorter than two years - unless in a special category;
 - c. Are an international student;
 - d. Are a temporary visa holder without specific provisions for health coverage.
4. There are some additional provisions for generally ineligible people related to the need for health care that supports overall public health outcomes. This includes immunisations for all children under 18 years and treatment for infectious diseases.
5. Fully funded (predominately free) services for eligible people include:
 - a. Emergency care;
 - b. Public hospital care (inpatient & outpatient);
 - c. Maternity services;

- d. Most vaccinations (childhood immunisations, flu vaccine for eligible groups);
 - e. GP visits and prescriptions for children under 14.
6. Partially funded (subsidised) services for eligible people include:
- a. GP visits for adults;
 - b. Prescriptions;
 - c. Dental care for children under 18;
 - d. Some community health and support services
7. New Zealand also has reciprocal health agreements with Australia and the UK. Under each, certain services may be publicly funded for people covered by the agreements. No funding is sought or provided from the respective governments through the reciprocal agreements. The costs are met by each government for treatment within their respective countries.
- a. For Australian and New Zealand, requirements of the reciprocal agreement are outlined in the Health Benefits (Reciprocity with Australia) Act 1999;
 - b. For the UK and New Zealand requirements of the reciprocal agreement are outlined in the Health Benefits (Reciprocity with the United Kingdom) Act 1982.