

additional practitioners have commenced or recommenced practice, and this is reflected in the increased expenditure during the past year of £130,122. The problem remains of stabilizing expenditure in a fee-for-service system, as also of ensuring quality and quantity of service in all parts of New Zealand, but it is hoped that measures now under consideration to ensure co-operation with the medical profession will lead to the desired result.

*Special Areas.*—Expenditure in this class of benefit is for the provision of medical practitioners in various isolated parts of New Zealand not able to obtain them under ordinary conditions. All of the special areas are functioning very satisfactorily, except that in some difficulty has been experienced in securing continuity of medical service, but it is anticipated that permanent appointments can soon be made for all these areas. It is pleasing to record that, despite the salaried nature of these appointments, the services provided have been satisfactory.

*Subdivision III: Hospital Benefits.*—In this subdivision, particularly that of in-patient treatment in public hospitals, the increase of expenditure since the inception of the benefit has been marked. The increase has been due not only to an actual increase in the number of patients, but also to the 50 per cent. increase in maintenance fees which became operative in 1943.

*Subdivision IV: Pharmaceutical Benefits.*—The total expenditure in this subdivision for the past year was £1,133,366, which is almost as great as that for medical practitioner services over the same period. The drugs dispensed by chemists were responsible for the greater part of this sum, the increase during the past year having been £148,852. Most of the increases have been due to costly prescribing by doctors. This is exemplified by the number of prescriptions costing £1 or more, which were very rare in the days before social security, but now amount to 1 per cent. of all prescriptions or 7 per cent. of the total cost of all prescriptions. Remedies for this situation now under consideration will, it is hoped, secure stabilization or even reduction in the cost of drugs.

*Subdivision V: Supplementary Benefits.*—The total indicates the benefits now in operation, as also those which will come into operation during the ensuing year. It is hoped that satisfactory arrangements can soon be made so that specialist services can be made available to all.

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